

Newsletter

August 2007

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SPOTLIGHT ON EMPRETECO

UNCTAD's Empretec programme provides a one-stopshop for information and business training. By stimulating public-private sector partnerships and developing an institution with a forward-looking advisory board, Empretec centres play a major role in connecting entrepreneurs with institutions. Wherever implemented, the training workshops create lifelong bonds that are essential for future business growth, forming a critical mass of successful, committed entrepreneurs who then become the driving force of the project.

2007 Economic and Social Council

High-level segment

Ministerial breakfast round table

Poverty reduction: how entrepreneurship can make it happen

3 July 2007

More than 50 high-level representatives from United Nations Economic and Social Council member States, civil society, private organizations, the United Nations and various other international organizations attended the breakfast round table. The United States Representative to the United Nations Economic and

Social Council, Ambassador Richard T. Miller, opened the event by discussing the importance of entrepreneurship and its role in job creation and poverty reduction. Citing successful programmes such as Empretec, he challenged event participants to strengthen their commitment to promoting entrepreneurship development in their countries.

Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD, emphasized in his remarks how the development of entrepreneurship and the upgrading of productive capacities are essential to ushering developing countries into the global trading system. Coordinated efforts at the international, national and local levels to support entrepreneurship development will be important in this regard.



The event's keynote speaker, Mr. Jonathan Ortmans from the <u>Ewing Marion Kauffman Foundation on Entrepreneurship</u>, shared with the group research describing an entrepreneurial society that includes new actors in a new economy with new characteristics such as an open-source culture. He also informed participants about the network of angel investors and training activities for future venture capitalists and future company leaders.



Other speakers included Mr. Scott Cain, the Director of Communications at Enterprise Insight, who shared his organization's experiences on instilling the entrepreneurial spirit in the youth of the United Kingdom. The initiatives he highlighted included "Entrepreneurship Week" and "Make"

Your Mark", culture change campaigns designed to spur entrepreneurship. Mr. Charles Ocici shared his experience in running entrepreneurship programmes in Uganda. He said that while putting into place sound macroeconomic policies and providing market access were crucial, Africa needed to nurture and develop entrepreneurs able to take advantage of opportunities created by globalization. He said that the Empretec programme in Africa had been successful in training entrepreneurs and in some cases had provided a platform for widening the tax contribution to countries in that region.

Entrepreneurship Week

Entrepreneurship Week is a combination and expansion of two successful initiatives - the debut of EntrepreneurshipWeek USA in 2007 and the inspiration behind it, Enterprise Week in the United Kingdom, which was kicked off in 2004 by now-Prime Minister Gordon Brown. In the last calendar year, those two initiatives combined engaged 2,720 partner organizations planning 6,891 activities that directly engaged 929,449 individuals and tens of millions through the news media.

Participants left the event enthusiastic about the possibility of partnerships and collaborations between the various members. The idea of creating an "Entrepreneurship Week" within the worldwide Empretec network in cooperation with the Kaufmann Foundation is already being discussed.

Installation of Business Linkages Programme in Argentina



Fulvia Farinelli of UNCTAD attended a high-level event on business linkages as keynote speaker, organized by the Empretec Foundation within the BNA (Banco de la Nacion), in the presence of several bank directors. The event received the attention and positive appraisal of all participants (especially former Empretec participants). It

was decided that a pilot programme would target the agribusiness, automobile, aerospace, and possibly the pharmaceutical sectors.

Africa on the move

Uganda

The business linkages programme is well under way and practical lessons from the field have been gauged. The team carried out interviews with one of the transnational corporations - MTN, a South African mobile service provider - and one small and medium-sized enterprise (SME), Creative Engineers. Both expressed



positive feedback about the results achieved and made useful suggestions for follow-up. Enterprise Uganda successfully employed the Empretec training methodology and adapted to the SME linkage training, accompanied by specific diagnostic and upgrading tools for SMEs.

United Republic of Tanzania

UNCTAD undertook a fact-finding mission to the United Republic of Tanzania, with the objective of establishing the Empretec programme there. Stakeholders encouraged UNCTAD to develop medium- and long-term targets for Empretec's work in the regions. At the request of the Minister of Trade, special attention has been devoted to the development of the textile and garment sector. UNCTAD prepared a note identifying spinning as a target.

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Empretec Africa Forum: The steering committee, composed of Uganda, Ethiopia and Zimbabwe, met in Kampala to review the current business plan draft and identified the need to devote more time and resources to complete the document, including an annual work plan. Issues discussed also included the registration of the forum and the locations of the headquarters and secretariat.

Viet Nam: Business Linkages

Currently, the main sponsor of the project is Unilever Viet Nam, a leading company in the food, home and personal care sector. In this one-year period, Unilever Viet Nam plans to increase domestic supplier sourcing by 29 per cent, the latest change in Unilever's 12-year history in Viet Nam. With this increase, Unilever Viet Nam will now source 86 per cent



of its total production from domestic suppliers, a shift facilitated by the business linkages programme. A cornerstone of the programme is its definitive Total Product Maintenance (TPM) training, a course designed to improve SME sustainability and productivity, generating cost savings and improving export capacity.

UNCTAD is seeking to expand the project to new sectors in the country. The team (Fiorina Mugione, UNCTAD; Jacques Ferrière, consultant) held a steering committee meeting with representatives of the Investment Promotion Centre of the North (IPCN) and the Royal Melbourne Institute of Technology (RMIT) to discuss the proposed establishment of a business linkage centre.



Spotlight on Empretec businesses

Kampala: Interview submitted by Mr. Daniel Joloba (Business Development Officer), Enterprise Uganda regarding Mr. Charles Mulamata (Empreteco and SME partner in the business linkages programme), Managing Director, Uganda Electronics & Comp. Ind. Ltd. (UECI).



Mr. Mulamata attended the Entrepreneurship Development Workshop in December 2006. The workshop was tailored on the business linkages programme running in Uganda. The company is the supplier of doors and windows to National Housing, a large national company in the house-building business. National Housing was already UECI's customer before the company participated in the business linkages programme; it was National Housing that proposed UECI (formerly Creative Engineering Ltd.) as a partner in the programme. The company also expanded its business in the solar power field.

Interview

"I was originally reluctant to attend the workshop, worrying that a 10-day workshop would have kept me too long away from my business. I was also wondering what they could do to keep us engaged for those 10 full days. What made me change my mind was that a linkage between my small company and National Housing could have benefited my business. I could have become a supplier of choice to National Housing.

"After the second day, my view on the workshop completely changed. I realized what I should do for my business to grow up.

"When the course finished I changed a lot of things. As supplier of doors and windows to National Housing, I had to comply with established quality standards."

Mr. Mulamata applied for a piece of land within the industrial park, which the Government is building in Kampala. He plans to move his manufacturing activities there, taking advantage of industrial facilities such as reliable power, water, drainages, etc.

"I saw results already before finishing the workshop", he said. "I reorganized my office and recruited four more staff (now the company has 16 people, with 3 in marketing). I started a radio programme and I set a budget for advertising. Beforehand, I used to put ads in newspapers only.

"The radio programme focuses on customer education about solar power, the energy source and its benefits. Then people started to call with enquiries on solar; we were receiving 8 to 10 calls per day after the programme started. We have different time slots to run the programme on the top 10 radio stations, but the most important is the one which runs at 2 p.m. after the news, as people are likely to keep on listening after it.

"The radio programme is run by our sales people and has been developed specifically to educate customers to solar, no matter whether they will choose our company or others. Special emphasis is also placed on after-sales support, because the system must work after it has been sold."

Benefits from the business linkages programme

The following were cited as the most significant outcomes of the programme:

- Quality standards The products must comply with standards of quality set by the partner TNC or large company. For the small company, it is also a sort of assurance that business relations will continue.
- Better planning In connection with house-building plans of National Housing, the small company can accordingly plan its work in advance. For example, knowing the number of houses that are being built helps UECI estimate the number of doors and windows that are likely to be supplied.
- Technology Although steel is still used for garages, gates and fences, aluminium is likely to replace it for doors and windows in houses and apartments. Therefore, UECI started looking for Australian aluminium, which has specific standards of quality requested by the partner large company.

Relations with Enterprise Uganda

"We've made them our friends", Mr. Mulamata said.

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