



International
Labour
Organization

Entrepreneurship and SME Management Training

Supporting entrepreneurs to create jobs and secure livelihoods

Micro and Small Enterprises (MSEs) are the biggest employment creators in both industrialized and emerging economies. In cases where formal labor markets do not offer enough jobs, out of necessity, people often turn to entrepreneurial activities for economic survival. Opportunity entrepreneurs are a major source of job creation and growth while necessity entrepreneurs secure people's livelihoods. However, MSEs have high failure rates and face challenges in providing quality jobs. Support needs to be provided to entrepreneurs operating both out of opportunity as well as out of necessity.

One of the key elements in improving the survival rate and the performance of these enterprises is improving the management competencies of their owners/managers. This calls for creating access to affordable management training and other business development services for these enterprises.

Making small business management training available at a massive scale has been a mainstay of ILO support for MSE development over the past 30 years. Through a wide range of tools for business management training and business services development, the ILO has helped build national SME support structures in more than 100 countries.

The ILO approach to training for entrepreneurs

Case Study : SIYB roll-out in China

In the past 10 years the Start and Improve Your Business (SIYB) programme in China has trained 5 million entrepreneurs and created over 2,3 million new jobs.

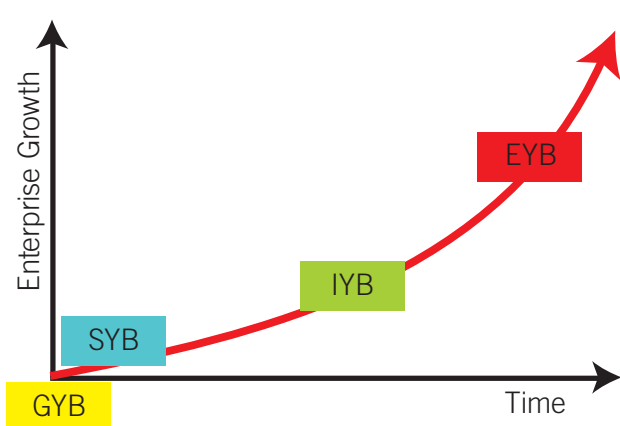
The ILO assists governments, employers' and workers' organizations, and other institutions in scaling up management training and establishing support systems to address the needs of SMEs. Over the years, it has developed substantial expertise, a global network, tools and experience. The ILO's Start and Improve Your Business (SIYB) programme for start-ups, micro and small entrepreneurs has been used in 100 countries. Mainly due to its widespread adoption in China, over 6 million people globally have been trained in SIYB and generated an estimated 3 million new jobs, making it one of the biggest programmes of its kind.

Owing to its wide availability SIYB is likely to be the small business management training programme that has undergone the most independent impact assessments. A variety of randomized controlled trials have shown that management training helps increase management capabilities and that in combination with access to loans and/or skills training can become a powerful tool for job creation. An experiment offering loans and grants with and without SIYB training shows that this intervention contributes to firm growth. The different packages were offered to a sample of 1550 small entrepreneurs in Uganda including a treatment and control group all selected through a randomized controlled trial. The combination of loans and training seems to have a strong impact with an increase of profits by 50% as compared to the control group.

As part of its SIYB programme, the ILO has developed a number of support tools aimed at sustaining management training and other business service provision for SMEs over the long run. These include tools for market assessment, the development and certification of trainers and Master Trainers, and systems for quality assurance and sustainability of business management training. Over the years the SIYB programme has evolved, taking on board issues like green entrepreneurship and a stronger focus on working conditions improvement.

The ILO's training arm, the International Training Centre based in Turin, Italy, offers a broad range of face-to-face courses as well as distance learning related to business development services (BDS).

The ILO in action: Start and Improve Your Business



Start and Improve Your Business (SIYB) is a family of management training products:

- *Generate Your Business Idea (GYB)* a 3 day training course, fieldwork and a counselling session to assist the potential entrepreneur to develop a business idea including a financing plan.

- *Start Your Business (SYB)* a 5 day training course and counselling session that helps potential entrepreneurs to formulate a detailed business plan, register the business, explore financing options and take the other steps necessary to get the business started.

- *Improve Your Business (IYB)* a modular training package that offers tailor made training from 1 to 7 days, improving management skills of existing entrepreneurs so as to increase the success of their businesses. The modules include marketing, costing, buying and stock control, record keeping, business and financial planning and people and productivity.

- *Expand Your Business (EYB)*. A 5 module training package for growth oriented entrepreneurs, that combines management training with targeted individual consultancy sessions.

All of the SIYB training packages use the SIYB Business Game, a playful simulation of a real-life business that also serves as a motivational tool.

The overall objectives of SIYB are to contribute to economic development and to the creation of new and better jobs. The immediate objectives are:

- To enable potential and existing small entrepreneurs, both women and men, to start viable businesses, strengthen the viability and profitability of existing enterprises and create quality employment in the process ;
- To enable local providers of business development services (BDS) to facilitate business start-ups and deliver improved training and support for potential and existing entrepreneurs;
- To enable labour market institutions, private actors and social partners to develop strategies to roll out the SIYB programme nationally, using the services of certified providers and Master Trainers.



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SIYB further aims to make business ideas and business operations more formal, responsible and sustainable, by promoting better working conditions and lower environmental costs.

SIYB uses a multiplier strategy that relies on ILO-certified Master Trainers as the main drivers of the programme. They inform, select and train business service providers and trainers. The ILO has licensed more than 200 SIYB Master Trainers globally. They have in turn trained over 17,000 trainers working with more than 2,500 partner organizations, which have delivered the SIYB to over 6 million trainees in the past 15 years. This broad outreach reflects the high level of demand for basic management training in developing countries, as well as the development by

the ILO of high quality training products at low cost.

A global coordination team at ILO headquarters in Geneva ensures sustainability and innovation. The team provides services for knowledge sharing, quality assurance, regular updates, monitoring and certification.

Case Study

Rolling out the SIYB programme in China

While China’s transition from a centrally planned to a market economy has led to rapid economic growth, related changes such as the restructuring of state-owned enterprises have left many workers seeking new jobs. In 2003, to help create employment for these workers and promote a stronger enterprise culture, China’s Ministry of Labour and Social Security (MOLSS) asked the ILO to introduce the SIYB programme nationwide. Responding to the challenge, the ILO set up a demonstration project (funded by the UK and Japan) to roll out SIYB in four provinces while the Ministry replicated the approach elsewhere. This enabled the programme to reach 100 cities by the end of the first year. In mid-2007 the programme was handed over to the government and by late 2013 SIYB China is estimated to have reached more than 5 million enterprises and start-ups.

The ILO collaborated with Sichuan TV to create a soap opera called *My Future is not a Dream* that would both entertain and inform the target population about the availability of training packages.

An impact evaluation of the *Start Your Business* package showed very high start-up rates, aided by the provision of complementary measures put in place by the Chinese government such as leasing schemes and access to premises. It is estimated that more than 2 million jobs

have been created as a result of the establishment of new businesses that benefited from SIYB training and other measures of support.



The ILO and Sustainable Enterprises

The ILO Sustainable Enterprise Programme helps create more and better jobs through enterprise development. It connects business growth and competitiveness with the needs of people to make a decent living in a healthy environment - today and in the future. Anchored in the ILO's mission to create decent work for all women and men, this programme is centred on three pillars:

- An enabling environment for enterprises - Creating the right framework that enables businesses to start, grow and create decent jobs;
- Entrepreneurship and business development - Helping entrepreneurs, in particular youth, women and marginalized groups, to start and build successful enterprises;
- Sustainable and responsible workplaces - Demonstrating the link between productivity gains and improved working conditions, good industrial relations and good environmental practices.

The programme combines evidence-based policy development with capacity building and enterprise support services, delivered at the international and country levels, through advisory services and a large portfolio of technical cooperation. It works with governments, employers' and workers' organizations, in partnership with other UN agencies, financial and academic institutions, donors and others.

Further reading

SIYB homepage - www.ilo.org/siyb

ILO Business Development Services homepage - www.ilo.org/bds

Key resource site for BDS, originally started by the ILO, now managed by the Donor Committee for Enterprise Development (DCED) - www.bdsknowledge.org/

ITC/ILO's distance and face-to-face courses on business service markets - www.itcilo.org/marketdev

Website with a large number of resources on linking finance and business development services - www.itcilo.org/synergies

Start and Improve Your Business - Global Tracer Study 2011 - www.ilo.org/empent/areas/start-and-improve-your-business/WCMS_178124/lang-en/index.htm

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