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Reaching the Hard to Reach: Supporting Asia's SMEs through low-cost, highly sustainable training

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Why focus on SMEs?
Why not just focus on big firms
which employ lots of people?!



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245-296 Million SMEs in South and East Asia

P. Stein, T Goland, R Schiff, “Two Trillion and Counting”
IFC and McKinsey & Company,, Oct 2010



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SMEs account for about 99 per cent of all firms, 70 per cent of total employment and 50 per cent of GDP output

From: <http://www.unescap.org/sites/default/files/7%20-%201.%20SMEs%20IN%20ASIA%20AND%20THE%20PACIFIC.pdf>



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SMEs 96% of all enterprises, 50%
to 85% of domestic
employment.

Contribution of SMEs to GDP is
between 30% and 53%,
contribution to exports is
between 19% and 31%.

<http://www.asean.org/communities/asean-economic-community/category/small-and-medium-enterprises>

Some preliminary findings on SME workers

- Up to 70 % have incomes below the poverty line.
- Large majority have no written contract.
- Up to 60 % suffered work-related injuries or health problems in past two years.
- Large majority has no access to formal social protection but cope through informal assistance
- Few workers are with unions or associations, no formal collective bargaining.
- Lower pay, less training, fewer promotions for women.
- Job security largely depends on business success.

How to sustainably support most vulnerable?



How to go where others can't?



How to make it fit for the communities?



How to do it at scale, so you have impact?



Multiple approaches to business skills training



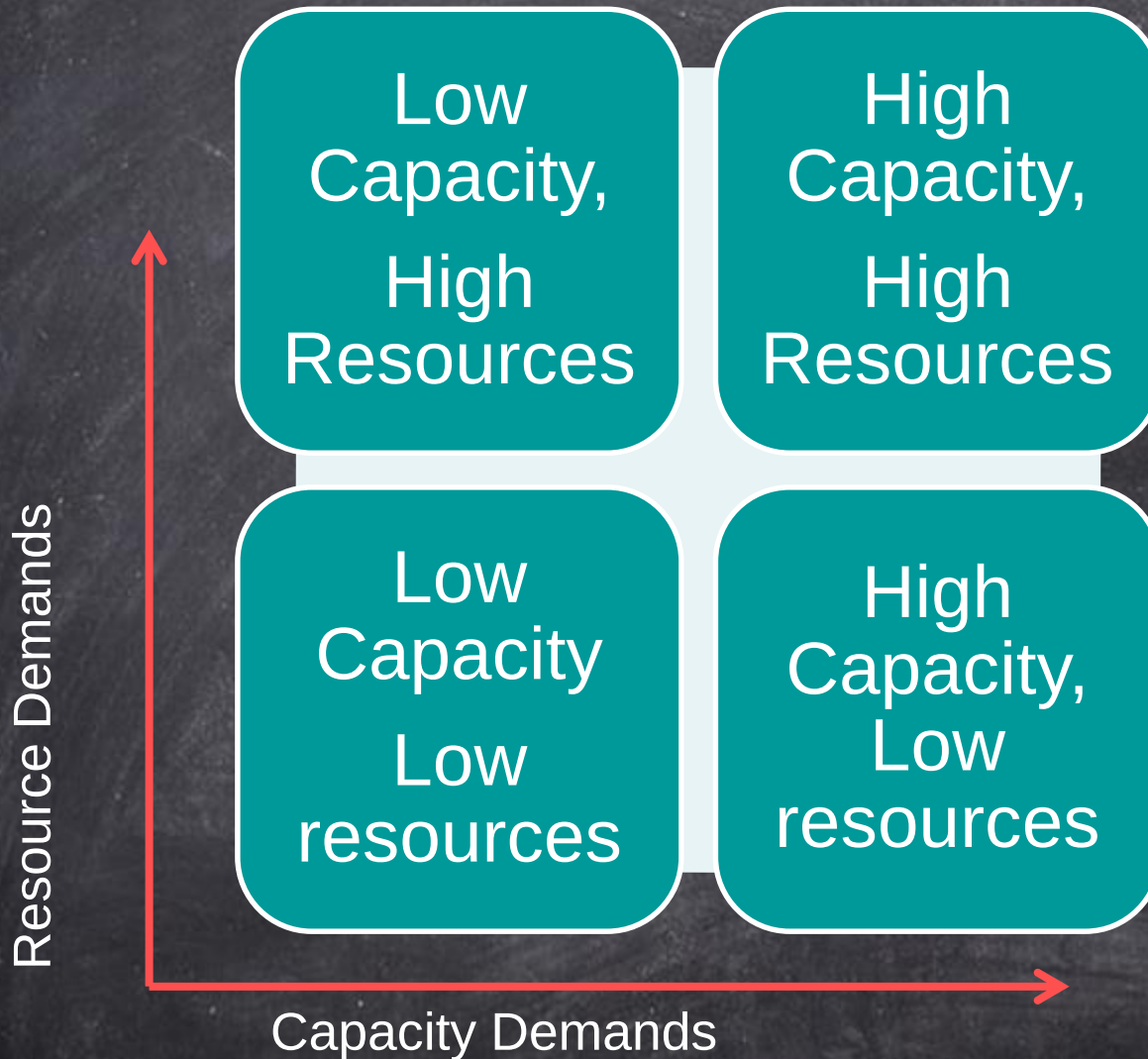
Which Intervention Point?

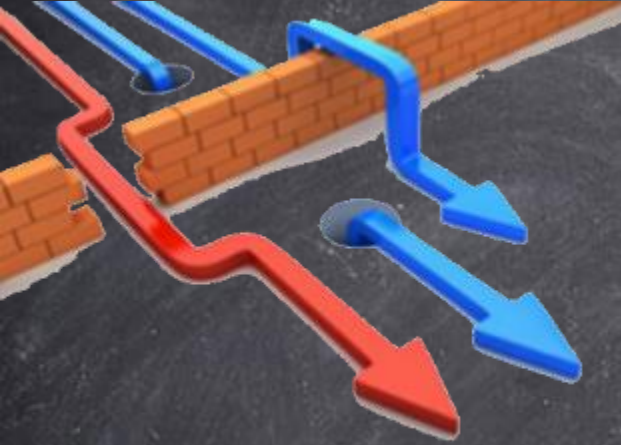
- Government / Policy Level
- Institutional Level
 - Social Partner
 - Trade Unions and / or Employers Orgs
- Enterprise Level
 - Big National Enterprises
 - MNEs
 - SMEs
 - Micro and Informal
- Individuals

ILO's TOOLS of ENTERPRISE DEVELOPMENT

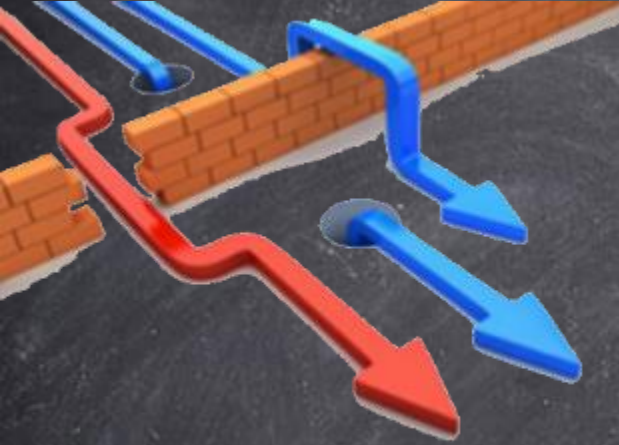
- LED
- WISE, WIND
- SIYB FAMILY
- SCORE
- WEDGE
- SSER
- Microfinance and Social Finance
- VCA and VCD....

Limited Resources, Limited Capacity





**One example of how to
dramatically cut support costs,
make it run in any environment,
with very limited \$\$ and no
trainers?**



Need a Radical Change



Community-Based Training

- Work in small groups, but lots of 'em;
- Step-by-step, activity-based training;
- Community members facilitate;
- No technical trainers / experts.

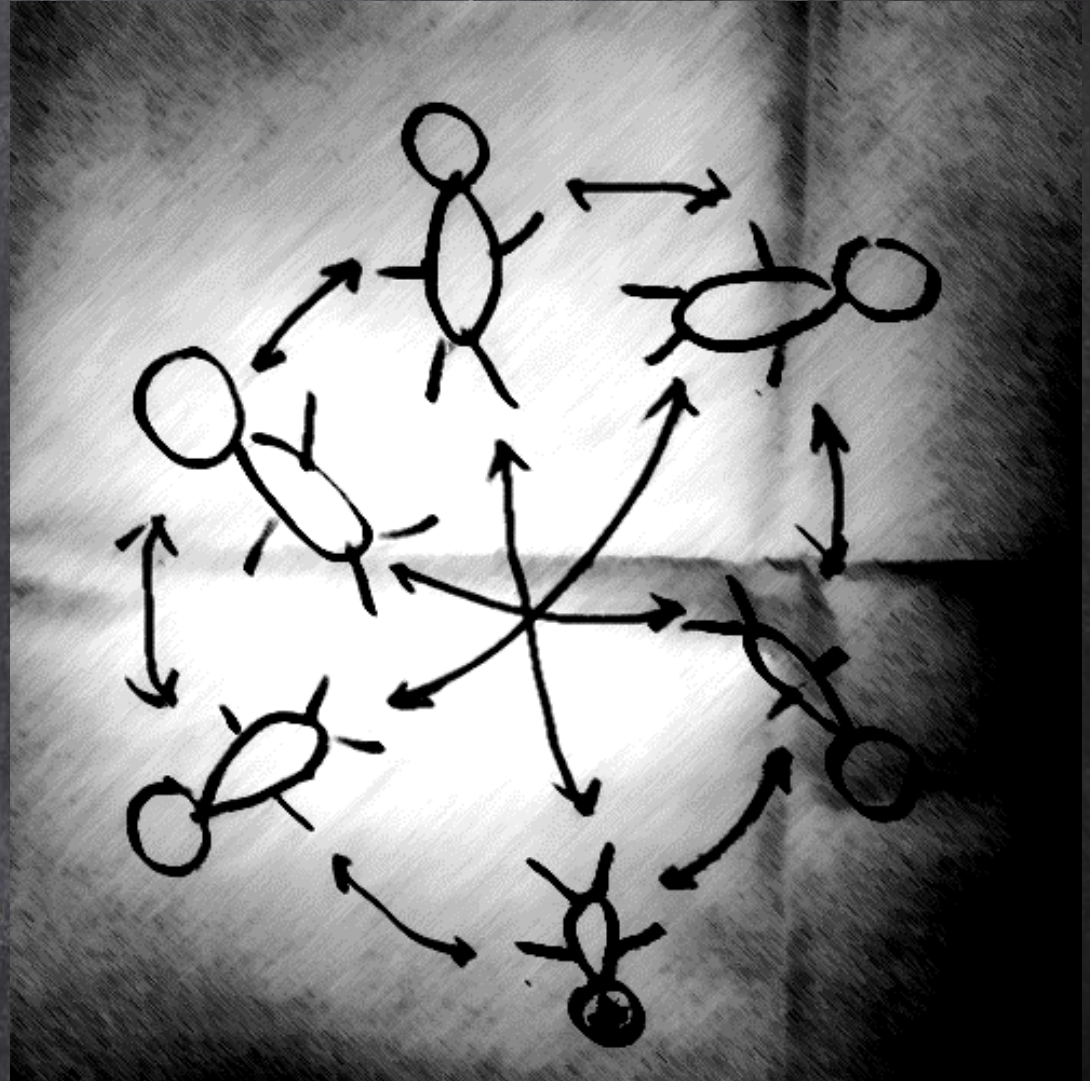
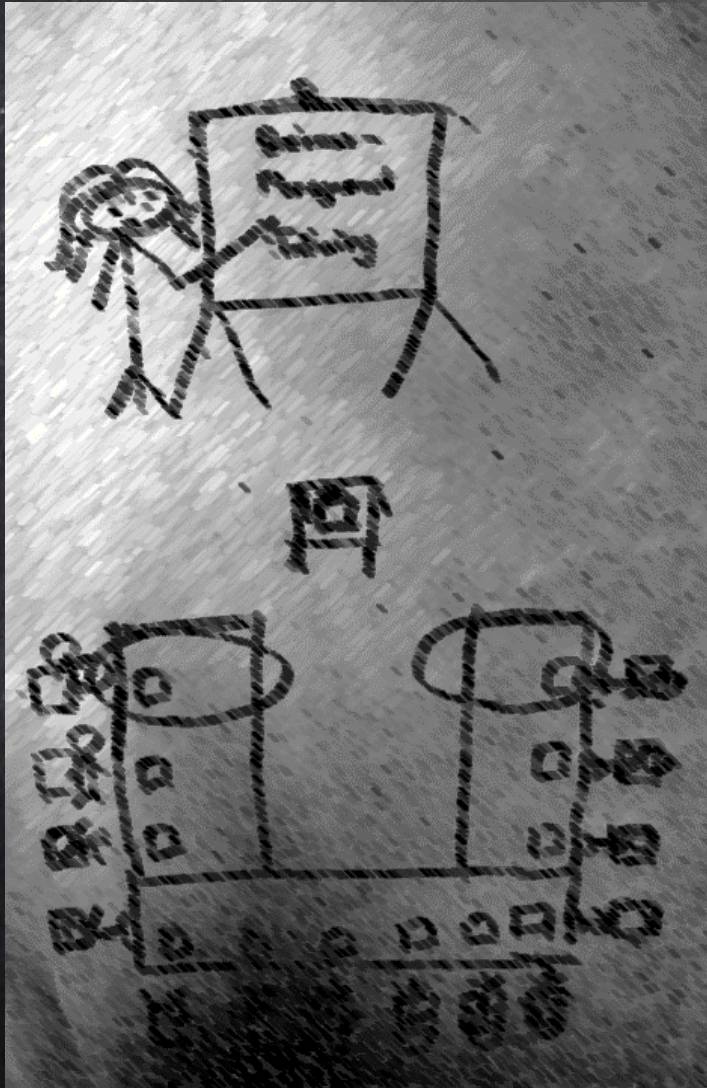


There is no instructor
or trainer.

Group members help each other to complete the training by following step by step instructions and managing timing.



From Top Down – to - Participatory







รวมกัน
ออก

ตัว

ตัว



RESULTS

Straight Ahead



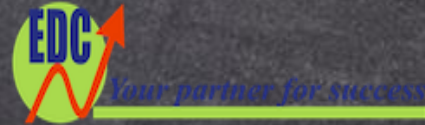
60+ partner institutions

No or little funding

30,000 Known participants

Majority earn less than \$1 / day

95% never had access to training



Bangsamoro Development Agency



giz



Some of Our Partners

- Agro, education, youth and labour ministries
- Domestic NGOs
- International NGOs (Plan, Oxfam, CARE...)
- Prisons (in Solomon Islands)
- Trade unions (linking SP with empowerment)
- UN agencies – UNHCR and UNDP
- Private sector – BDS providers

Cambodia

Oxfam, Plan Intl, Min of Education,
Youth and Sport, trade union
(C.CAWDU) for women garment
workers

Indonesia

Run by Min Agriculture, targeting to reach 7 million small farmers by 2018, also by MMSME&COOP

Thailand

Implemented with refugees, in camps
to complement vocational education
by Solidarite, ADRA

With urban refugees by UNHCR

Philippines

Haiyan disaster response, used by DOLE, Oxfam, Plan, CARE, Save, Red Cross

C-BED “extremely effective in reaching 1603 small businesses” directly - and indirectly, through NGOs and govt partners, over 10x that number (ie 16,180) at the time of the evaluation. Many more have since been trained, and local partners and INGOs continue to use the tool.

“Enterprise development (ie C-BED) also dramatically over-achieved its goal of ‘enhancing entrepreneurial knowledge’, reaching 4x the original target, due to the approaches low cost.”

Impact Assessment

7,000+ pre and post training surveys
427 Tracer studies (3 – 6 months)



- 61% report relationships with other group members had contributed to business start-up or improvement
- Less than 1% of youth under the age of 18 had successfully launched a business between C-BED and the tracer survey
- 82% report improved access to financial assistance after C-BED and 47% of these individuals attributed a high degree of causality in this outcome to C-BED

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www.cb-tools.org

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COMMUNITY-BASED ENTERPRISE DEVELOPMENT

A low cost, easy to implement training program
for helping entrepreneurs and business owners to plan
and improve their enterprises.



Tools Available

All online, in Word, CC copyright....

- Aspiring Entrepreneurs
- Small Business Operators
- Domestic and migrant workers empowerment
- Financial literacy – Families
- Financial literacy basics for business
- Accessing finance
- Business plan development
- Small farm management

www.sme-tools.org

An ASEAN ILO Collaboration on SME Development
Training Tools for Tourism Businesses

Guesthouses

Homestays

Restaurants

Small Transport

Small Farmers

Handicraft Makers

Market Vendors

Destination Management

Thank you! Questions, comments....