



The EMPRETEC Model: Case Study of EMPRETEC Ghana

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Presentation Outline

- EMPRETEC – Origin, Concept and Model
- EMPRETEC Ghana – Background
- Organization
- Clients, Products and Services
- Operation and Delivery
- Results and Impact
- Lessons



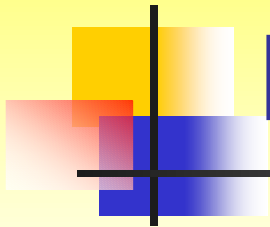
EMPRETEC – Origin and Concept

- EMPRETEC is an international entrepreneurship and capacity building programme
- EMPRETEC - Spanish acronym for **emp**rendedores (entrepreneurs) and **tec**nologia (technology)
- Pioneered in Argentina in 1988
- Started in Ghana in 1990 as a private-public partnership: Barclays Bank, UNDP, Government
- Currently in 28 countries in Africa, Latin America, Middle East and Eastern Europe
- Coordinated internationally by UNCTAD, Geneva, but virtually autonomous national centres

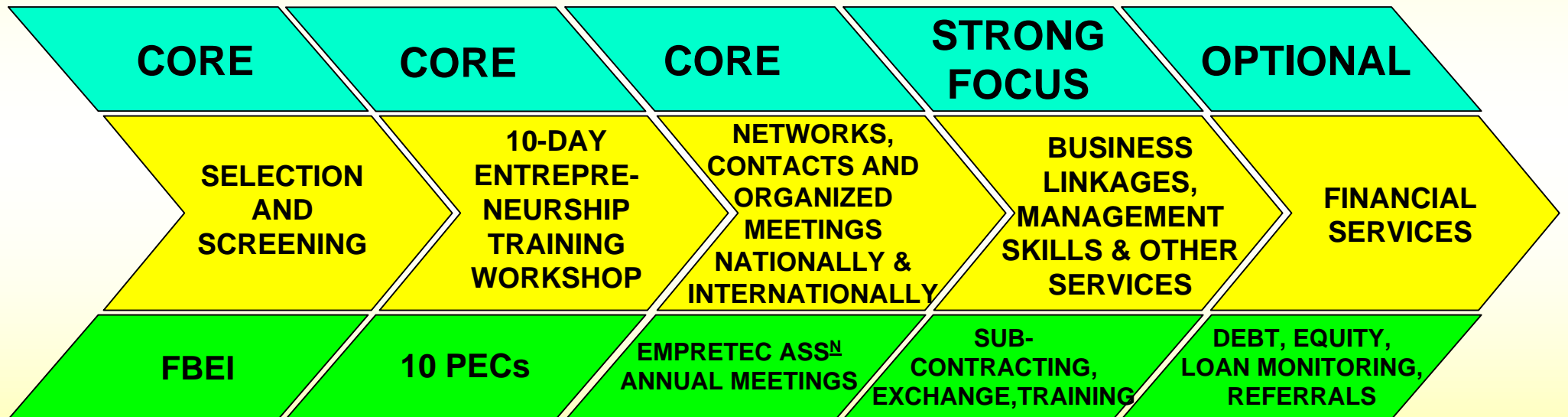


EMPRETEC – Origin and Concept

- Concept based on research which identified key personal entrepreneurial competencies (PECs) represented by specific behaviour in successful entrepreneurs, across culture – see handout
- Focuses on carefully screening and selecting individuals on the basis of proven PECs
- 10-day Entrepreneurship Training Workshop focusing on PECs and behaviour
- Strong networks and business linkages



EMPRETEC Model





EMPRETEC Ghana - Background

- Started as a project in 1990 as a PPP: Barclays Bank, UNDP and Government
- Transformed into a company limited by guarantee in 1994
- Largest EMPRETEC Centre in the world, after SEBRAE in Brazil
- Provides BDS and later finance in integrated package
- Self-financing; achieved 100% financial and operational sustainability in 2000



EMPRETEC Ghana - Background

Stages of Development

- Start-up and Survival: 1990-94. BDS Project. 3 professional staff in 1 office at Barclays
- Growth: 1994-97. Transformed into independent foundation. Credit and other products added. 60 staff, 7 offices
- Consolidation: 1998-2003. Achieved 100% sustainability. 70 staff, reducing to 50 and 4 offices. Bought own HQ premises.
- Maturity: 2004-Date.



Organization

- Mission is to build high quality, growth-oriented, and internationally competitive entrepreneurs through training, business advice and access to technology and finance
- 70 including 40 professional staff, all with degrees, diplomas or professional qualifications; about 6 MBAs
- Integrated; still, 'Chinese' walls between BDS (70% staff) and finance (30%)



Organization

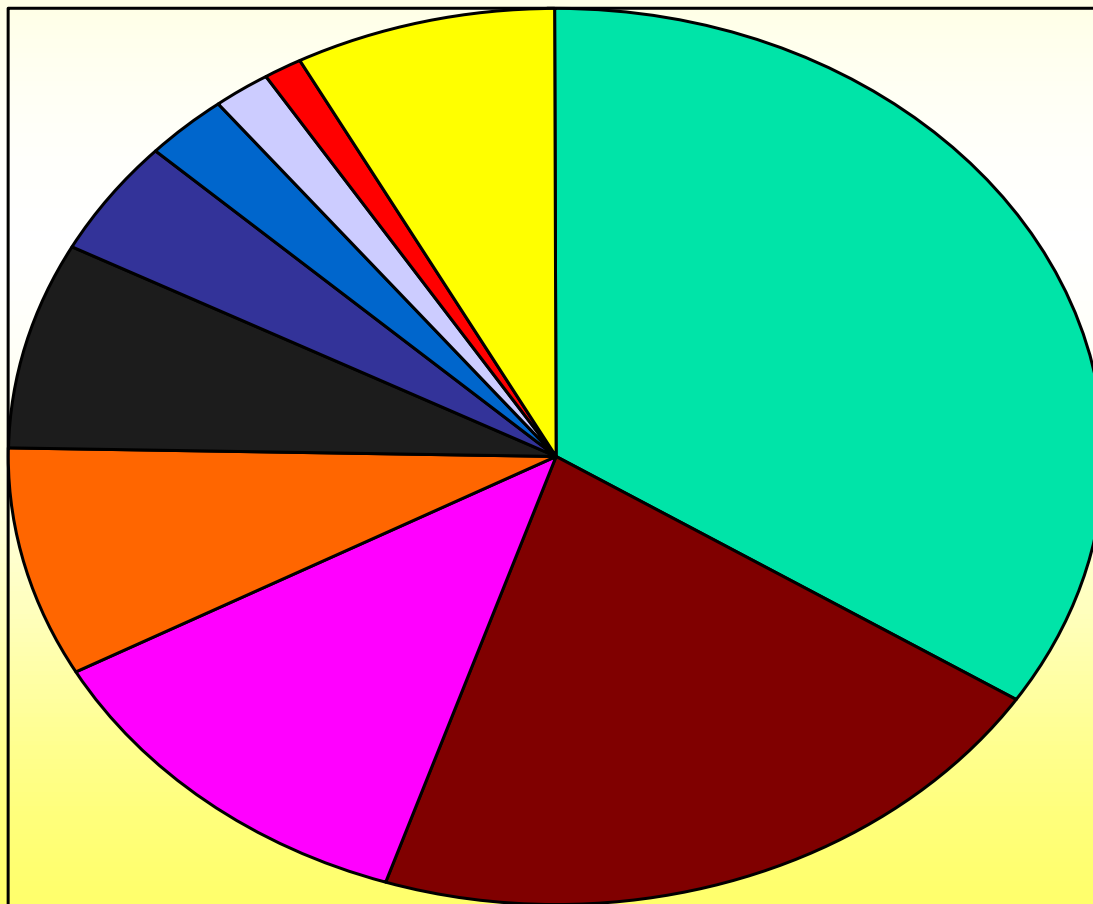
- Fairly flat integrated structure. Hosted client association, retired executive service, mutual credit guarantee scheme
- Entrepreneurial but professional, corporate culture
- Business-oriented
- Shared vision
- Well developed systems (financial management, operations, IT) and logistics (fleet of 20 vehicles)



Clients

- Focus on high-growth potential entrepreneurs and formal SMEs
- Mostly existing but also start-ups
- 1,300 registered clients; about 200 annual active
- Well educated
- Asset range US\$ 50K - \$500K mainly, but several over US\$ 1m
- Employ 5 to 100, but average 20-30
- Predominantly male for BDS (77%), but female for credit (65%)

Distribution of clients by major sectors



- Manufacturing**
- Services**
- Agric, Hunting & Forestry**
- Hotels & Restaurants**
- Construction**
- Wholesale & Retail Trade**
- Computer & Related Activities**
- Education**
- Mining & Quarrying**
- Other**



Products and Services

Training	Consultancy and Advisory Services	Financial Services
<ul style="list-style-type: none">•10-day ETW•Short•Bankers•Customized•Growth	<ul style="list-style-type: none">•Diagnostic Health Checks•Volunteer Advisors•Client Acctg & Bookkeeping•Business Plans•Project Mgmt•Other	<ul style="list-style-type: none">•Loans – EDIF and Small•Mutual Credit Guarantee Scheme•Credit Facilitation•Loan Monitoring



Operation and Delivery

- Cost recovery the norm; often surpluses
- Tool kit including procedure manuals
- 4 offices in 3 regions
- A fleet of 15 vehicles
- Staff mostly deliver services, but also consultants and volunteer advisors
- Collaboration and alliances
- EMPRETEC Business Association
- High delegation with formal systems and controls



Operations and Delivery

Scope

- 900 consulting assignments undertaken including 500 business plans and installations in 8 countries
- Dozens of business linkage arrangements including 25 with Danish companies
- 120 BESO volunteers placed
- Current loan book over US\$ 25 million
- 90% recovery rate (2003 figures)
- About US\$ 10 million credit facilitated for clients from the financial sector



Operations and Delivery

- Mutualist credit scheme (MEGA) and Ghana Executive Service (GESO) spawned and floated as separate company
- MEGA had over 40 groups and 400 members (in 4 regional capitals) at its peak. 95% recovery rate (2002 figures). Now a separate entity
- Under the small loans scheme, the initial seed fund turned over 4 times in 5 years. Over 1,000 beneficiary SMEs, 65% women, 2000 jobs created and 90% recovery.



Results and Impact

Clients

- On average, sales turnover in assisted SMEs grew by 51%, profits 49% and employment 25%
- About half-a-dozen clients now members of Ghana Club 100
- 2 clients received awards from Worldaware International
- Significant international impact



Results and Impact

Staff

- Fantastic training ground, following much investment
- First CEO became Ambassador to Washington, Minister for Trade & Industry and now a leading contender for ruling party Presidential candidate
- Others are now CEOs, Executive Directors, Senior Advisors, executives or staff of donor agencies
- Downside is high turnover, with staff retention a major challenge
- Overall, significant impact on the country and beyond



Lessons

- Invest in staff
- Strong leadership and vision
- Professional, business culture
- Sustainability: cost recovery, clients, product mix, orgn structure and culture
- Put in systems to improve, monitor and evaluate performance
- Use outside help and technical assistance
- Innovate and grow

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