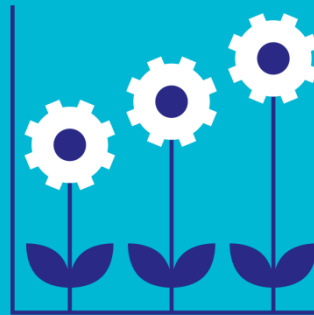


# EBRD support for modernisation and growth among small and medium-sized businesses

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Using know-how and external advice to help SMEs develop and grow

*Charlotte Ruhe* 19 June 2014



**European Bank**  
for Reconstruction and Development

# The *know-how* to help small businesses grow

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- The **EBRD** supports SMEs by providing **finance** (directly and through intermediary institutions)
- Finance alone cannot meet the challenges facing businesses, they **need know-how**
- Donor-funded programmes implemented through the EBRD, that **help SMEs access business advice and industry expertise** on a cost-sharing basis
- Active since **1993**, currently working in **25 countries**
- More than **18,000 projects** with 14,000+ businesses
- **€230 million in donor funding** from 20+ countries, the EU and EBRD Multi-Donor Funds
- Results are improved **performance**, enhancing **competitiveness** and **growth**

Advice for Small Businesses

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Russia

Russia

Belarus

Ukraine

Moldova

Romania

Serbia

Kosovo

Georgia

Armenia

Turkey

Azerbaijan

Kazakhstan

Mongolia

Kyrgyz Republic

Tajikistan

Turkmenistan

Tunisia

Morocco

Jordan

Egypt

## Within a year of a project... (2011-2013)

### Turnover growth

77% of clients increase their turnover, average +23%

### Job creation

57% of clients increase number of employees, average +14%

### Productivity

71% of clients increase productivity (turnover per employee), average +8%

### Access to finance

17% of clients secure external financing, totalling over €650 million in 2011-13

# Opening up opportunities

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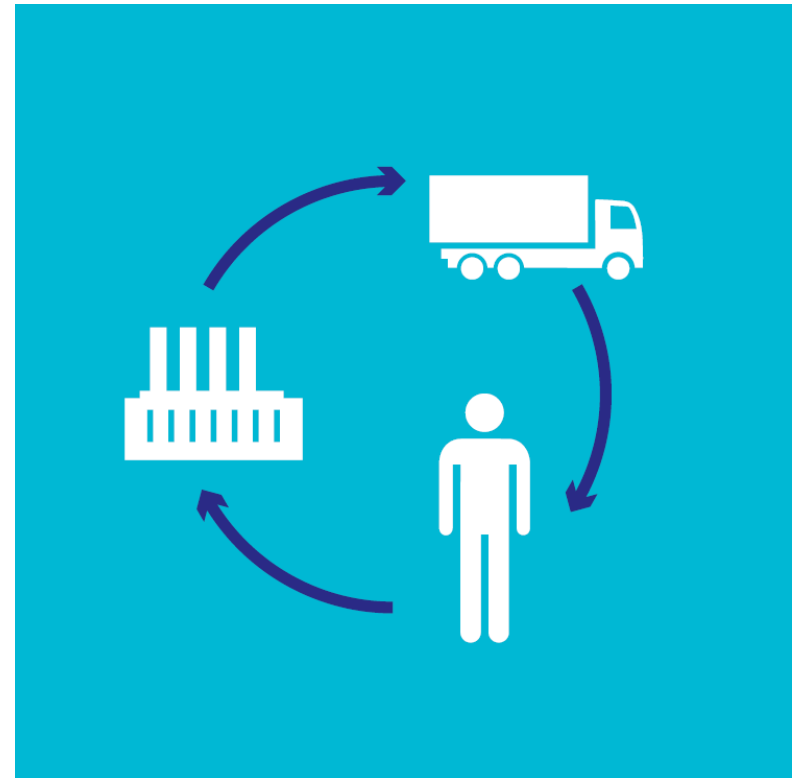
- Business advice covers a wide range of topics, from **marketing** to **strategy**, **quality management and standards**, **operations**, **ICT**, **accounting** and **financial reporting**
- Access to **know-how** vital for **improving** enterprise **performance** and **competitiveness**:
  - ✓ Improving **investment** readiness
  - ✓ Assisting with compliance with **standards** required for **export**
  - ✓ Strengthening **human capital** and **management expertise**
  - ✓ Enhancing **innovation** and introducing **new technology**
  - ✓ Introducing **international best practices** in **accounting** and **financing management**

# Business advice

<b>Strategy</b>	From business and strategic planning to feasibility studies and partner search.	<b>Engineering Solutions</b>	From production design to optimisation and deployment.
<b>Marketing</b>	From market research to branding and e-commerce.	<b>Quality Management</b>	From the ISO series to food safety to health and safety at work.
<b>Organisation</b>	From organisational development to human resources management.	<b>Energy/Resource Efficiency</b>	From energy audits to energy management and renewable energy.
<b>Operations</b>	From business process re-engineering to supply chain management.	<b>Environmental Management</b>	From environmental impact assessment to management and control.
<b>ICT</b>	From management information systems to computerised manufacturing systems and enterprise resource planning.	<b>Accounting and Financial Reporting</b>	From financial management to reporting and IFRS conversion.

# Industry expertise

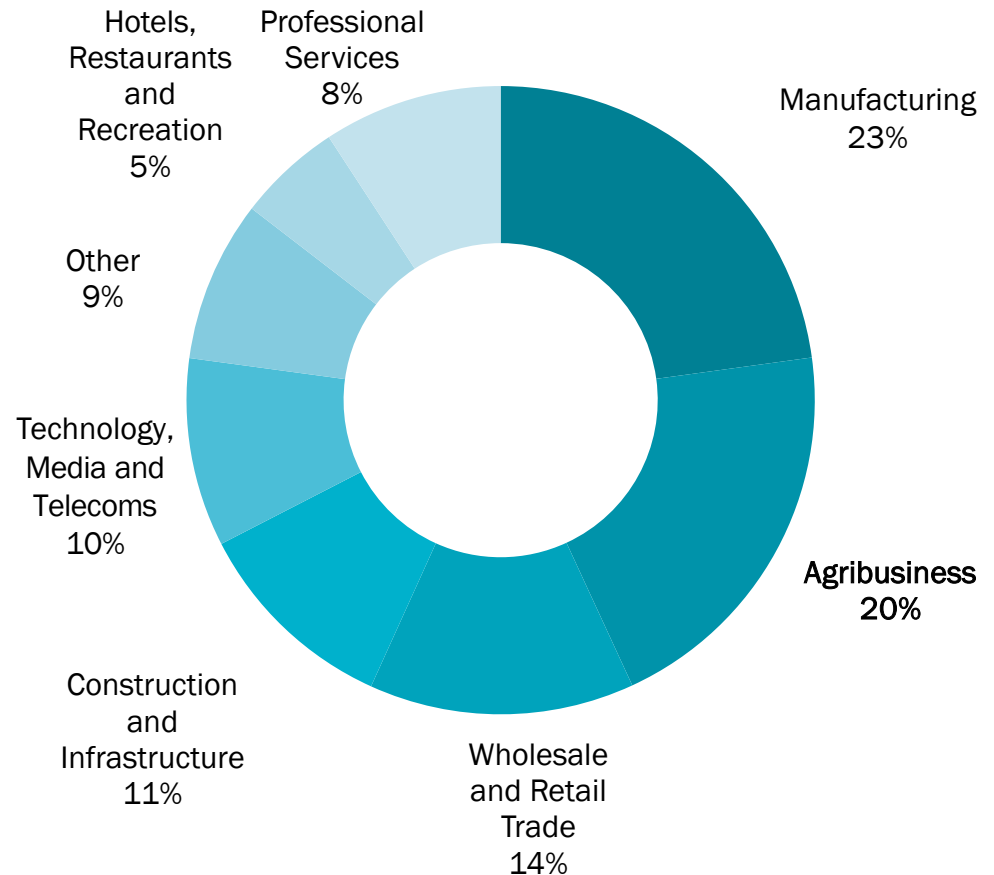
- Opportunities to work with an **international expert** from the **same industry**
- Working closely with senior management, sharing **best practices**
- **Strategic review** of every aspect of an enterprise
- For medium-sized companies looking to compete on the global frontier
- Network of over 1,500 advisers, from 65+ countries



# Advice for Agribusiness

- In the countries where we work, the **majority of agribusinesses are also SMEs**
- Transfer of international **industry-specific best practices**
- Advisory projects of 12-24 months, with **international industry experts**
- For medium-sized companies looking to **compete on the global frontier**
- Strong link with **EBRD financing**

Advisory project clients by sector





# Case study: Jami, frozen foods producer, Bosnia and Herzegovina

- Frozen burek producer, with 170 employees
- Looking to **diversify** the product range, expand **exports** and improve **efficiency**
- Project in 2011 with 4 Italian bakery experts
- Looked at **production**, **distribution** and **marketing**
  - New, common brand identity introduced
  - New products devised, including frozen desserts
- **Second phase** of the project currently underway, focused on marketing and the launch of the new product lines

Turnover

+14.3%

New exports to  
Austria, Germany,  
Sweden

€1 million loan  
from the EBRD in  
April 2012

# Case study: Dalvina, winery FYR Macedonia

- Winery based in Strumica, eastern FYR Macedonia
- Relatively low domestic demand meant **production capacity went unused**
- To **expand exports** to the EU, needed to **meet International Food Standard (IFS)**
- **Local consultant**
  - ensured the winery met Good Management Practices standards
  - prepared a HACCP plan
  - designed internal auditing procedures.
- Received certification for IFS in 2013
- **Negotiations with EU-based** supermarkets
- Now **70% income generated from exports**
- **Eight new markets:** Germany, Denmark, Croatia, Canada, China, Australia, Japan and India

Turnover  
**+80%**

Exports  
**x9**

Employees  
**+243%**

Advice for Small Businesses

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# Charlotte Ruhe, Director, Small Business Support Team

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