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**BUSINESS BOTSWANA**

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**PROVISION OF CONSULTANCY SERVICES FOR THE INDIVIDUAL TRAINING AND COACHING TO  
IMPROVE MARKET ACCESS BY SMMEs**

**Private Sector Development Programme (PSDP)**

**Final Training Report**



**Joina Consultants (PTY) LTD**

**REG No: 2004/888**

**P.O. Box 501327**

**Gaborone**

**Botswana**

**Telephone : 3184236**

**Telefax : 3184235**

**Mobile : 72192537**

**E-mail : [joinaconsultants@btcmail.co.bw](mailto:joinaconsultants@btcmail.co.bw)**

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## **1.0 BACKGROUND INFORMATION**

SMEs access to international markets is essential in their strive to remain competitive and ensure their long lasting sustainability. Despite this, the capacity to access markets abroad is a major drawback for SMEs in Botswana. To this regard recent assessments of growth point to an understanding that the rate at which countries grow is substantially determined by 1) their ability to integrate with the global economy through trade and investment; 2) their capacity to maintain sustainable government finances and sound money; and 3) their ability to put in place an institutional environment in which contracts can be enforced and property rights can be established.

As globalization proceeds, transition and developing countries like Botswana and their enterprises face major challenges for strengthening their human and institutional capacities to take advantage of trade and investment opportunities. While governments make policies in trade and investment areas, it is enterprises that trade and invest. Therefore, supply-side bottlenecks in the trade and investment areas and how governments, development partners and the private sector itself address these constraints have direct implications on the economic growth potential of Botswana and other developing countries.

SMEs play a key role in Botswana's development. These firms typically account for more than 90% of all firms outside the agricultural sector, constitute a major source of employment and generate significant domestic and export earnings. As such, SME development emerges as a key instrument in poverty reduction efforts.

Globalization and trade liberalization have ushered in new opportunities as well as challenges for SMEs. Presently, only a small part of the SME sector in Botswana is able to identify and exploit these opportunities and deal with the challenges. The majority of SMEs in Botswana, however, has been less able or unable to exploit the benefits of globalization and, to add to the situation, are frequently under pressure on the local or domestic markets from cheaper imports and foreign competition. A major objective of work to promote the development of the SME sector is therefore to change the balance between these two groups of SMEs and to equip SMEs to better meet the challenges of globalization and to benefit from its opportunities.

SMEs, due to their size, are particularly constrained by non-competitive real exchange rates, limited access to finance, cumbersome bureaucratic procedures in setting up, operating and growing a business, poor state of infrastructure and lack of effective institutional structures. The removal of these constraints is a daunting task calling for holistic SME support, i.e. an enabling environment for SME development consisting of functioning macro, meso and micro level institutions.

### **1.1 Basic Lessons Learned in SME Development**

On the basis of analysis to date, the following lessons seem to hold true, in the level of development of SMEs in Botswana and beyond:

- SME development requires a crosscutting strategy that touches upon many areas (e.g. ability of governments to implement sound macroeconomic policies, capability of stakeholders to develop conducive microeconomic business environments, *inter alia*, through simplified legal and regulatory frameworks, good governance, abundant and accessible finance, suitable infrastructure, supportive education, sufficiently healthy and flexibly skilled labour as well as capable public and private institutions, and the ability of SMEs to implement competitive operating practices and business strategies). Thus, SME development strategy must be integrated in the broader national development strategy and/or poverty reduction and growth economic strategy of Botswana (NDP 11).
  - Dialogue and partnerships between the stakeholders (public sector, private sector and civil society) fosters ownership of these strategies, engenders them more implementable (by better addressing SME needs), making them politically credible, and sustainable.
  - Access and integration into local, national, and global markets require substantial investments in sustainable institutional and physical infrastructure development and service delivery to SMEs in all areas, including those that are rural and/or remote. Continued dialogue and partnerships between stakeholders into implementation and review of supportive measures, particularly, those related to capacity building in executing institutions, yields improved outcomes.
  - Enhancing women’s ability to participate in SME development should be taken into account at every level, as women account for an important share of private sector activity and contribute most to poverty reduction. Gender dimensions need to be mainstreamed throughout SME development strategies and programs, with additional specific, targeted initiatives directed at critical roadblocks.

## **1.2 Building up Trade and Investment Capacity of SMEs**

SMEs must be able to respond quickly and efficiently to international market signals to take advantage of trade and investment opportunities and reap the benefits of the international trading system. This means they need to be competitive and productive. Effective business support systems are needed to enhance competitiveness and productivity of SMEs.

Development of an effective business support system is also a key condition for the success of both trade and investment capacity building. It requires business support agencies (including financial institutions), which are customer-oriented and which have a demonstrated capability of penetrating the SME sector.

Issues that need to be considered during the development of SMEs in Botswana include:

- Take steps to increase the capacity of financial institutions to construct profitable SME lending programmes, while prioritizing the development of innovative

solutions to collateral issues, such as the acceptance of more flexible forms of collateral, particularly for SMEs with few fixed assets; the use of group guarantees and loan guarantee schemes for SMEs; more emphasis on cash flow than balance sheets in assessment of borrowing capacity; easy and effective loan application assessment methodologies;

- Take steps to strengthen the business support system, through an intermediary role, by building capacities in business services, both public and private (e.g. market, product and process information provision, accounting, market analyses and research, legal advice, transportation, express delivery, advertising);
- Develop a national strategy for export development and promotion, led by the appropriate Ministry, but which involves participation by all key stakeholders. The overall objective should be to increase the volume and value of exports and the number of exporting companies. The strategy should seek to address the needs of firms at different stages of export market development. It should also seek to integrate export support and promotion into a well developed and effective business support system.
- Set up a single export promotion agency, which could be combined with an FDI function. Based on good practice in mature market economies, the establishment of such an agency should separate policy making from policy implementation. The agency should:
  - Operate in a commercially oriented manner;
  - Be result rather than procedure oriented;
  - Be staffed by people with relevant, practical business experience;
  - Seek to be customer-oriented,
  - Include private sector representation on its Management Board,
  - Be funded commensurate with its objectives.
- Develop export support, which includes:
  - The provision of information about specific markets and potential customers;
  - Help in making contact with potential customers or appropriate public and private intermediaries and business service providers;
  - Assistance with market visits.
- Develop an SME-FDI linkage 'offer', based on the 'fit-to-supply' principle and, which includes the following elements:

- Improving the flow of information about potential local suppliers to potential MNC purchasers and about supply opportunities to potential suppliers through the development of a national Website and/or business directories, supplemented by 'meet-the-buyer' events.
  - Targeting suppliers on the basis of proven abilities and commitment to future improvements,
  - Working closely with MNCs by inviting them to help potential suppliers to (a) understand their supply requirements (b) identify areas in which they have good opportunities to supply and (c) draw attention to weaknesses they must overcome in order to succeed. Such an intermediary role helps to build mutual understanding and trust between MNC and potential supplier.
  - Helping SMEs/suppliers identify needs and then to access the public and private support services they need.
  - Offering some form of monetary incentive to MNCs and local SMEs to participate in the linkage programme. This could include contributing to the salary costs of engineers & managers in MNCs who devoted time to supplier upgrading (Singapore); cash grants to promising suppliers to help with initial investment costs (Ireland); and subsidized training and consultancy necessary for enhancing supplier capability (Chinese Taipei).
  - Developing capacity building programmes that include supply chain and cluster initiatives, which recognize the potential for developing tiers of suppliers to maximize trickle down effects, including to micro enterprises as lower tier suppliers.
- Setting up industrial parks, and when viable, business incubators in order to provide an appropriate infrastructure for SME suppliers, launch cluster development initiatives, where possible, through public-private partnerships.

### **1.3 Improving Policy Coherence and Aid Effectiveness**

Obviously, policy coherence and a joined-up government are essential for the successful implementation of SME development strategies. Development partners need also to understand that trade and investment capacity building has to go hand in hand with market access and that improved coordination among donors, better attention to local conditions and further capacity building on their side are building blocks to success, if the world is going to adopt new approaches and invent new ways of working together to foster competitiveness of SMEs in Botswana.

## **2.0 METHODOLOGY**

The training of SMEs under PSDP was undertaken through seminars which were divided into two different levels: “Starters” category for SMEs with limited or no knowledge of international markets and “Middle to Advanced” category for those SMEs who had prior experience of international markets, some of whom were already exporting to the international markets and sought to strengthen their understanding and competitiveness. Each seminar took place in an intensive five days period in which experts from Joina Consultants delivered the topics listed below:

### **Seminar 1:**

- Free Movement of Goods & Services
- The Export Sequence
- Customs and Excise Policy
- Transport Overview
- Incoterms
- Export Costing
- Determining factors when negotiating a method of payment of Credit Terms
- Letters of Credit
- Export Documentation: An Overview
- Typical Terms and Conditions on Letters of Credit, and others
- Procedures involved in Effecting Payment under the Export Market
- Uniform Customs and Practice for Documentary Credits

### **Seminar 2:**

Module 1: Developing Strategy for Competitiveness

Module 2: Building Business Capabilities for Competitiveness

Module 3: Managing and Monitoring the Export Transaction

Based on the above mentioned seminars, the Phase 2 of the PSDP Programme was to engage the participants to undertake practical works with a view to practice what was learned from the seminars. Some of the notable practical amongst others to be undertaken by the SMEs participants were as follows:

## **2.1 SME Coaching**

Coaching is commonly described as the practice of supporting an individual, referred to as a client, through the process of achieving a specific personal or professional result.

The framework of Joina Consultants, and the SME coaching scheme was to assist the SMEs that took part in the different PSDP Programme activities with further capacity building and generating a sustainable internationalization process. These was the final phase in the support-chain towards PSDP SMEs. After having been trained and exposed to the domestic and international markets (through the study visits and B2Bs), and after having met potential partners in the investor for a,

SMEs from various parts of Botswana benefitted from further assistance in their international trade training process.

Based on best practices available on the Botswana side, a tailor made coaching scheme was developed for the local companies. Attention was paid to the coherence and complementarities between training and consultancy activities. Theoretical and practical activities were structured as one unit, providing comprehensive training and participating SMEs.

Proposed fields of training and consulting were amongst others:

- Development of business plans, due diligence and valuations;
- Financial restructuring and fund raising
- Organizational /human resource development
- Developing marketing and sales strategies
- Developing technical skills
- Productivity improvement and quality control
- Improving finance and accounting systems on the international trade.

The Joina Consultants' partners organization experts were using this methodology to guide the SMEs to source information for their businesses by attending the Trade Fairs and Trade Conference to learn who to gather information for their businesses. Mostly there were also given Web Site to access market for their businesses and how to communicate their business proposals to the identified clients. Appropriate training was organized to make sure there was sufficient "local capacity" to deliver the services to the identified SMEs.

Within the scope of the programme, the coaching scheme was designed across the various sectors in Botswana and for the identified SMEs, who successfully completed the PSDP activities which benefitted from the Programme.

## **2.2 SME Training Seminars**

Access to international markets offers new perspectives for SMEs in their strive to remain competitive and ensure their sustainability. Yet the SME community in Botswana does not have sufficient capacity to explore market opportunities abroad, nor to attract foreign investors for their business.

Against this background, Joina Consultants offered SMEs from the various parts of Botswana the possibility to enhance their knowledge and capacities in terms of "International Trade" and Business Competitiveness skills, thanks to the organization of a series of dedicated training seminars.

Two categories of SME were targeted:

- A "Starters" category: SMEs that have limited experience with Export Development, and were contemplating to enter the International Market;



- An “Advanced to middle” category: SMEs that had a higher or middle degree of knowledge and thanks to the training was able to enhance and deepen their contacts with international companies.

Two seminars in total were organized:

- 1 seminar on the “International Trade” : a) starters and b) advanced & middle level
- 1 seminar on “Business Competitiveness”: a) starters and b) advanced & middle level.

Selected SME companies were offered the training as an integrated package, whereby they first attend the International Trade seminar and then the Business Competitiveness seminar in their respective category (either starters or advance or middle level).

The training package on International Trade was been in line with priority sectors retained for those SMEs who are contemplating to enter the export market or are already in the export business, and were to cover amongst others the following areas:

- Technical standards and regulations
- Free movements of services and goods
- Competition policy
- Customs and excise regulations
- Intellectual Property Rights

Additional areas included amongst others depending on the priority sectors of the SMEs in the programme. Besides above-mentioned elements the “advanced or middle” training packaged included an “Export Audit” kit, which will allow SMEs to assess their level of readiness and compliance with export standards and legislation.

The training package on “internationalization” covered the following areas (and was not limited to them):

- Marketing strategies
- Quality standards
- Access to finance
- Management skills

Besides the above-mentioned elements the courses were complemented by sectoral information about market trends, an analysis of the potential for joint ventures.

After the training, and depending on the evaluation of their internationalization potential SMEs were offered to take part in the next phase of the project (Trade Fair – Study Visits or Trade Fair – B2B).

The training was reserved to small and medium enterprises (SMEs) from various districts in Botswana. The training took place in the period June – December 2016.

## **2.3 Trade Fairs – B2B**

The presence on international markets was an important element in ensuring companies' competitiveness. Even in today's digital era, the physical presence at dedicated trade fairs and personal contacts with potential business partners were crucial for moving ahead with a company's internationalization.

Joina Consultants contributed to the physical presence and personal contacts with its B2B packages for SMEs. The Joina Consultants B2B packages comprised several elements:

- SMEs were tasked to attend one of the Fairground Trade Fairs for the participating companies
- High visibility thanks to a company catalogue and PR activities that were provided from Business Botswana
- Organization of B2B meetings, enabling the SMEs to meet with potential foreign business partners
- Sector relevant technical visits

The service were to be organized in close link with the most important trade fairs in Botswana – important to attract foreign companies for the marching – and involve a group of selected regional project partners for organizing the programme.

The detailed programme were to vary from fair to fair, but was to include the following features:

- Briefing of the group, the evening before the fair
- Official welcome event/reception at the SMEs business stands
- Short seminar (1/2 day) with relevant speakers from the sector
- 1 day pre-organised B2N meetings at the fair
- Debriefing

The Fairgrounds trade fair were to offer participating SMEs companies the possibility to present their products and services. It was furthermore include meeting facilities where the SMEs companies can engage in discussion with foreign counterparts. In this way, visibility for the PSDP programme and the region in general was to be created.

A dedicated company catalogue was to be developed for the participating SMEs from the foreign countries, outlining their products and areas for cooperation (import, export, investment, joint venture, etc.). The catalogue were to be disseminated during the trade fair and among the foreign partner organizations identified for them to disseminate it among companies showing interest in dealings with the companies in Botswana.

As a complement to the B2B and meetings at the fair, the group were to be offered a 1 day technical visit in the region relevant for their sector. Again the contents were to vary for each group, but typically to include visits to relevant sector institute, “best practice” companies from the sector, etc.

Participation in the B2B module was reserved to SMEs from Botswana who already are engaged or will start engaging in export development programme, and have successfully taken part in the PSDP programme for SME seminars.

## **2.4 Trade Fair – Study Visits**

Exploring and gaining experience on foreign markets is crucial for the successful development of companies, particularly SMEs. These study visits were to be undertaken by the SMEs participants both locally and external.

Joina Consultants offered or enlightened selected SMEs from the PSDP programme with no or limited international experience the possibility to gain a first experience abroad by visiting Foreign Trade Fairs. The objective of the visits was to allow them to better understand the relevant sector/market, what are the quality criteria, design, but also observe marketing techniques, presentation of products, etc.

Prior to taking in the trade fair visits, the selected SMEs should have gone through training seminars organized in the framework of PSDP, in order to get an insight into relevant “International Trade” and Business Competitiveness subjects.

A total of 12 study visits, i.e. 2 for each of the selected priority sectors were foreseen.

In a first step, the most appropriate trade fairs will be identified. This is not necessarily the largest/most important fair of the sector, it may be advisable to visit a medium sized fair, which has easier access, more flexibility to host the group, etc.

Business Botswana will normally use its foreign project partners network to identify relevant fairs, relying on the long standing relationships of the latter with all major trade fair organisers around the foreign country identified, thus ensuring a privileged access to these events.

SMEs which have been identified for the Study Visits will be able to register for their respective fair, with a maximum of 10 to 20 SMEs per group. For each fair a business delegation will be constituted, gathering SMEs from all various districts and business sectors who will offer their support to the organization of the visit and at the same time learn from the experience.

The visiting programme will vary according to the sector and the trade fair itself. The following elements are going to be included systematically:

- A briefing of the group, the evening before the fair
- A welcome event at the fair, organized with the participation of the fair organisers
- A short seminar (1/2day) with relevant speakers from the sector
- A guided tour through the fair, in groups of 4/5 (1day)
- A debriefing: lessons learnt, opportunities for follow up.

Each Study Visit may be organized by the Business Botswana or Botswana International Trade Centre (BITC).

## **2.5 Investment Conferences**

The concept of the investment conference is two-fold. On the one hand, identifying foreign companies which may have an interest to invest in Botswana, take them there and organize meetings with potential local partner SMEs. On the other hand, these for a SME will be an opportunity to analyse the investment climate in the region, suggest measures to improve the attractiveness, role of the SACU, SADC, etc. They will be an important occasion to develop a public/private dialogue in the framework of PSDP and to promote the export development through market success. Therefore, SMEs were encouraged to attend these conferences to learn and source markets from such undertakings.

It was proposed that the SMEs should be on the look out of such conferences by contacting the Business Botswana offices and BITC for the organize investor fora, both in Botswana and outside the country, with a target of 50 participating SMEs in conference. The event were to be organized similar to B2B meetings: both sides were to identify companies which have an interest in the event. SME companies looking for an investment partner and foreign companies looking for an investment opportunity. The event may be scheduled back-to-back with existing important events in the country, provided visual identity for SMEs can be maintained.

Relevant public organizations – national and international – investment agencies, but also banks and venture capitalists will be invited to attend the forum, to engage in the policy debate and to offer relevant information to the participating companies.

The final output of the activity is to be a relevant debate around the investment climate and opportunities in the country, followed by pre-organized individual meetings between foreign companies, to discuss the investment projects.

### **3.0 EVALUATION OF PSDP TRAINING ON MARKET ACCESS BY SMEs**

#### **3.1 Evaluation from the Trainers' perspectives**

##### **3.1.1 Course's evaluation from trainers' perspectives**

For the PSDP Programme 12 SMEs participants benefitted from the programme and participated in the training course.

In general, the seminars were divided into two, based on one-week training for seminar 1 and the other week for seminar 2, but met the training course's primary objectives. Because the training course's content was quite new to almost all of the participants, the participants were interested in the course content. They evaluated the training course's content as very useful and mentioned that it was highly applicable to their work.

Most of the participants, especially the SMEs participants who are working for companies that are already in the export business or are likely to engage in international trade, would like to use the course material as a reference in their day-to-day work of their business. Even those that were not in the business of foreign trade could still use the materials for the improvements of their business competitiveness program and in preparing their business plans.

##### **3.1.2 Participants evaluation from trainer's perspective**

The participants took in the training course with a lot of enthusiasm, discussed a lot about the training course's case studies and exercises and learnt a lot. To analyze the development of international trade regionally and internationally, and the legal procedures to be followed, the incoterms to be used for a particular goods to be exported.

**Table 3.1: Trainers evaluation of the PSDP Course**

<b>Sr No</b>	<b>Full Name</b>	<b>Organization</b>	<b>Assessment</b>
1	Thatayaone Tumedi	Tony Base	Good. Have an aptitude for leadership
2	Gothatamang Tukisi	Dia Duma Investment (Pty) Limited	Good
3	Nomsa Thompson	Mechefs Engineering Services	Quite good, very enthusiasm in discussion
4	Gomolemo Dineo Mashonja	Noble Supplies	Quite good as they will be entering the Zambian Market
5	Malvion Ricardo Tebakae	Jelket Farm	Quite good we have increased our market four fold
6	Thato Heather Mosimaneotsile	Camels Inn Lodge	Quite good
7	Letlhogonolo Machibe	Sezi Investments	Quite good
8	Monica Pheko	SDM Switchboards	Very Good as we will be exporting to Zambia

9	Botlhe Botumile	Cally Clothing	Good
10	Skhumbuzo Romesh Meshack	Simunya Kodwa Investments	Very Good
11	Goitsemodimo Mminkie Sebina	Cally Clothing	Very good enthusiasm in discussion, have new ideas
12	Salome Kamiwa	Sally's Investments	Good

## 3.2 Course Evaluation from participants' perspectives

### 3.2.1 Evaluation of training course's content, material and support activities

In order to evaluate the participants' perception of the training course, a course evaluation was designed by the trainers and filled in individually by the trainees. The participants highly appreciated the course's preparation in term of its content, material, teaching team and teaching method. They expressed their special interest in the field trip to the Botswana Railways GABCON facility, because they received lots of useful information in how to export through a Cargo Terminal such as the one owned by the BR and the services provided. There were more interested in the processing, shipping, and documentation and various processes there learned from the seminar and how there are applied in real life. However, this did not take place since the BR did not respond to our request.

#### i. Content

In general, the participants highly valued the training course's content in terms of its usefulness and applicability as well as being suitable for SMEs who are contemplating to access both domestic and foreign markets. Over 80% of all participants rated the course as very good. The specific results can be seen in Table 3.1 above.

#### ii. Materials

The participants' opinions focused around the good way of preparing and arranging the material. According to the participants the materials were interesting, useful, specific and attractive. The material seems to be particularly useful for SMEs who are to engage in international trade and even improve on the domestic market, because of its case studies and exercises which are closely related to the SMEs current situation. Several participants also acknowledged the professional presentation of the materials.

#### iii. Other work related to the course

In general, other work related to the course met the course requirement. The training course location was suitable and reasonable. However, there were several complaints about the logistic support for arriving participants as they were not received in person on the first day of the course and it was difficult for persons coming to Tlokweng for the first time to orientate themselves. Nearly 80% of all participants evaluated the support services as good, 10% of them met the course requirement, 5% of them were quite good, remaining people complained about the support activities.

### **3.2.2 Evaluation of the trainers**

#### **i. Teaching team**

Almost all the participants were very pleased and highly appreciated all teachers, but especially Mr. Joseph T. Willie and Mrs. Tshimologo Dingake. All trainers presented clearly and convincingly, the participants said. The teaching team showed enthusiasm and wide knowledge and was able to persuade the participants to focus on the lecture. In addition, the teachers were highly appreciated because they provided a lot of interesting, practical exercises and case studies relevant to the SMEs that can help the participants to build a business plan or strategy, conduct public relation activities and improve the business services.

#### **ii. Training Method**

Experimental learning and learning centered training methodology was applied throughout the course. The trainers played the role of facilitators that introduce the main content of the topics, guide participants and create an environment and the adequate situations for the participants to discuss and find solutions based on their own experience and reasoning. Almost all participants evaluated the training method as fit for the trainees and better than the traditional training methods. The new training method combined with the trainers' presentation skills helped the participants to internalize the training content. However, several participants expressed the wish to get more chances to practice more case studies and do more exercises regarding the business strategy.

### **3.3 Comments for training course improvement.**

#### **3.3.1 From Trainers' Perspectives**

From Trainees point of view; the next course will be even more effective if the following points will be taken into consideration:

- For a one-week training course, it should only include two or three modules to help the participants easily catch the course's content. Based on the course it was adequate as it is important to measure the understanding of the trainees for both slow thinkers and fast ones and balance the two.
- The number of trainers for that course should not exceed 3 people to help the participants to follow the course, because different people have different teaching style. Since the trainers were two, it was considered appropriate as there were certified International Trade Tutors by the International Trade Centre.
- It is better to design a basic training course of 2-3 days and then offer special additional modules. The training course should be divided into two kinds of course.
- One kind of course focuses on general topic such as *General introduction to the management of SME Businesses*. Maximum for each course is 3 days. This subject can be covered through an online training that is implemented by OCD. The online

training project is supported by Global Competitiveness Facility (GCF) that improves SMEs competitive capacities.

- Two days for each of the following additional modules of *Management Skills for SMEs, Overall Strategic Development, Policy Advocacy for SMEs, Service Development* because the participants need more time for practice.
- In addition, it is a good idea train sector businesses/associations of the same sector such as horticulture farm producers, or tourism separate as they can engage more intensively in experience exchange.

### **3.3.2 From the participant's Perspectives**

According to the participants the following aspects of the training should be improved:

#### **i. Trainers**

- The trainers should provide more questions to encourage the participants' thinking, especially the trainer in charge of policy advocacy subject.
- If there are enough opinions for each case, the trainers should cut off and change to other case studies.
- The trainers should provide more good and bad practices of international trade in Botswana and SADC Region as lessons learnt.
- The teachers should spend more time on practice rather than teaching.

#### **ii. Business Botswana (BB)**

- BB should hold more similar course for the various sectors for the SMEs.
- BB should hold the field trip at the middle of the course.
- BB should cooperate with MITI and Donors to hold the similar courses in districts

#### **iii. Training content**

- The training content should also focus more on skills to manage the SMEs business.
- The policy advocacy is not very useful for Small Businesses.
- The "Strategy" and "Leadership skills" subjects should receive a higher priority.

### **3.3.3 From Consultants (Joina Consultants) Perspective**

This training course was designed on the basis of a demand from the SME level which was supported by a study by hopefully from the Business Botswana SMEs development initiatives in the country. Further it is also within the mandate of Business Botswana to train the SMEs on the export development programme to assist the government on growth of the economy, employment creation and poverty reduction, etc. The idea was to develop a comprehensive concept and the necessary training materials so other institutions engaged in the support to SMEs business development can later on avail themselves of this input.



The main conclusions by the Consultants are:

- The course contents are adequate and applicable to the reality of the SMEs in Botswana. However the mix of participants should not be too heterogeneous in order to assure a good information flow and working atmosphere.
- The training methodology based on experimental learning, but using the case studies of the specific SME businesses which are participating, was adequate for this kind of training.
- The cooperation with other institutions in Botswana will go a long way in improving the course content, particularly field visits that can be made to other institutions such as Botswana Railways and others;
- The vast range of topics covered during the course made it difficult to allocate sufficient time to each specific topic and cover it adequately with case studies and practical examples. Therefore it might be better to split the training in two: a) A general part (5 days) focusing on the framework for International trade, the assessment of their performance and the strategy development b) specific modules on topics such as Developing strategy for Competitiveness, and Managing the Export Transactions, business advocacy/public private dialogue, service development, membership recruitment / management, PR etc. which then should also be attended by the staff responsible for the respective topic within Business Botswana. They should be a slot for Business Botswana to explain the services it provides to the SMEs, and hopefully this will serve to revive its membership too.
- A “field visit” to a more experienced Business facility in Botswana is useful. It should take place during the Workshop and time to process the information obtained and reflect about it during the course should be allocated.
- While on-line training or consulting can be useful to complement the direct training experience it seems doubtful that it can replace e.g. the introductory training on international trade for SMEs as suggested by trainees, as there is not the same possibility of direct exchange between participants and no experimental learning methods can be applied. Besides, on-line training is still new with Botswana, and especially with local businesses, who are not only still facing with limited working facilities, but lacking knowledge and skills on internet applications.

The material / training manual developed for the 5-day-training course has been handed over to Business Botswana and SMEs participants, and they are not free to use or alter them for trainings they might conduct in the future. They remain the property of the International Trade Centre.

### **3.4 Evaluation of PSDP Assistance by Beneficiary (Refer to Appendix 1)**

#### **3.4.1 Quality of Assistance from PSDP Team**

**Table 3.2: Quality of Assistance from PSDP Team**

Quality of the assistance from PSDP team in the implementation of your request	Not at all (a)	Not entirely (b)	Normal (c)	Excellent (d)	Beyond my expectations (e)	Results
Was the methodology used by PSDP pertinent to your needs?	1	2	3(1)	4(5)	5(2)	4.12
Was the application procedure clear to you?	1	2	3(1)	4(3)	5(4)	4.37
Were you supported with adequate assistance and feedback during the Programme implementation?	1	2	3(3)	4(1)	5(4)	4.12
Was the timing of the project interventions in line with your needs?	1	2	3	4(5)	5(3)	4.37
Did the quality and professionalism of the provider meet with your expectations?	1	2	3(1)	4(4)	5(4)	4.33
Did the deliverables (reports, manuals, templates) of the assistance provided correspond with your needs?	1	2	3(1)	4(4)	5(3)	4.25
Quality of the assistance provided by the service provider?	1	2	3	4(4)	5(4)	4.5

The consultant has rated or ranked the above codes a) to be scored 1 (Not at All), and ranges from the lowest as 1 to the highest which is the e) Beyond my expectations is represented by score 5. The figures on the brackets represent the scores as per the respondents. This was then calculated by multiplying the scores with the statistics in the brackets to give a total figure of the scores. This total scores were then divided by the number of respondents to give an average mark. The average marks are provided in the Results column for each category of quality questions. The results show that the average marks are above 4 marks which means that the Quality of the assistance from PSDP team in the implementation was Excellent as represented by the score 4.

### 3.4.2 Observed changes since PSDP Intervention

**Table 3.3: Observed Changes since PSDP Intervention**

Observed changes since PSDP Intervention	% Increase	Low	Medium	High
Product and quality improvements		0	5	2
Increase sales? Please provide the percentage in relation to past years		0	7	1
Increase in turnover? Please provide the percentage in relation to past years		1	6	1
Increase of productivity? Please provide the percentage in relation to past years		0	6	2
Increase in employment? Please provide the percentage in relation to past years		0	7	1
Improvement of staff skills		0	5	3

The above Table 3.3 exhibit the observed changes since the PSDP intervention as per the SMEs respondents. In all the questions asked, the majority of the answers fall under the medium category which means that the PSDP interventions made some improvements to

the businesses. However, though some of these may not be wholly attributed to the PSDP interventions but in the long term these can also provide an insight into the changes made to the companies as attributed by these interventions.

### 3.4.3 Broader Impact Assessment

**Table 3.4: Broader Impact Assessment**

Broader Impact Assessment	Not at all (a)	Not entirely (b)	Normal (c)	Excellent (d)	Beyond my expectations (e)	Results
How has the Action Plan designed by the consultants impacted your company	1	2	3(1)	4(5)	5(2)	4.12
Are you aware of the PSDP M&E Web-based portal?	1(2)	2(1)	3(3)	4(1)	5(1)	2.75
Would you say PSDP impacted or will impact positively on the growth of your sector	1	2	3(1)	4(3)	5(4)	4.37
Is your enterprise benefitting from BOBS's new quality certification system and what has been the impact on your business	Yes (3)		N/A (6)			

### 3.4.4 SMEs Small Business Diagnostic Evaluation

**Table 3.5: Diagnosis of SMEs Companies (Refer to Appendix 2)**

SMEs Companies	Poor Score		Average score		Good Score	
	0	1	2	3	4	5
Mechefs Engineering Services	0	1	4	21	52	35
Noble Supplies	0	0	2	3	88	25
Camel Inn Lodge	0	0	4	63	32	0
SDM Electrical Switchboards	0	0	0	24	48	50
Cally Clothing	0	0	2	39	48	5
DIA Duma Investments	0	2	0	18	52	40
Simunya Kodwa Investments	0	3	4	27	12	60
Jelket Farm	0	0	8	51	32	5
Tony Base						
Sally's Investments						
Cally Clothing						
Sezi Investments						

The consultant has used a Small Business Diagnostic tool to find the challenges and problems that affect each of the participating companies, with a view to assist them in areas where they might be lacking. The assessment covered the following: Management capability, Commercial performance, Business product/service, the market and overview

of the business, and were rated from 0 to 5. From the scores of 0 to 1 represent a poor score, 2 to 3 represent an average score, while 4 to 5 depicted a good score. Based on these scores, the Table above shows that most of the companies interviewed scored above 3 and represented more than 80 percent of the companies that participated in the PSDP Intervention. This means that most of the SMEs companies that participated in the PSDP Programme are competent enough to manage their business without the direct assistance from the consultant, as their ratings were most above average scores. Only those which were facing cash flow problems were advised to approach financial institutions like CEDA and National Development Banks which provided Credit Guarantee Schemes. Therefore the identified SMEs were advised to prepare their Business Plans and approach the financial institutions to address their cash flow problems. The two institutions can assist the SMEs with cash flow funds particularly the SMEs and Agricultural projects. Furthermore, the consultant has also assisted the apiculture company based in Jwaneng with the packaging of the products to access hospitality market with their honey. Most of the SMEs companies are starting to gain markets by entering the foreign and expanding the domestic markets. Some have also reported to be waiting for the approval of Export Licenses to expand their markets.

#### **4.0 Key Policy Recommendations**

On the basis of the training and discussions and challenges facing the SMEs in Botswana, these were some of the recommendations that were put before the PSDP Programme to consider:

- **Embed strategies toward the private sector and SMEs in Botswana's broader national development and poverty reduction programmes.** Encourage and help SME associations to participate effectively in national dialogues that help set the strategic frameworks for development, so that the contribution and the policy and support needs of SMEs are fully recognised as central to growth, employment and poverty reduction.
- **Strengthen SME capacities to improve their competitiveness in domestic, regional and global markets.** Encourage and support private sector associations and enterprises able to provide information on markets and standards, advice on strategies, and access to technology and innovation coupled with appropriate financing packages. Promote tools, such as value chain analysis, which enable entrepreneurs to see what problems and challenges they need to address within and beyond their own borders and what kind of partners they need to help them.
- **Promote policy coherence at regional, national and international level.** Work to support whole of government approaches so that trade and investment policies and standard setting are aligned with development co-operation objectives and policies. Support completion of the Doha Round of multilateral trade negotiations, including a reduction of barriers to trade in manufacturing and agricultural sectors with major benefits and opportunities for developing countries including Botswana.

- **Maximise the spillover of management skills and knowledge from multi-national enterprises to local SMEs.** Spillovers of knowledge and management skills to local firms are one of most critical benefits of foreign direct investment for host countries. Support policy frameworks and multi-national enterprise behaviour that facilitate such spillovers and better document real-world cases to increase public understanding of the contribution of foreign direct investment in progression of development.

**APPENDIX 1**  
**EVALUATION OF PSDP ASSISTENCE BY BENEFICIARY**

## **APPENDIX 2**

### **EVALUATION OF SMEs BUSINESSES BY CONSULTANT**