

## **Local Businesses Benefit from Bespoke Capacity- Building**

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The Private Sector Development Programme is well under way with the diagnostic audit of 100 local SMMEs. The Programme is an initiative of the Government of Botswana, represented by the Ministry of Trade and Industry (MTI) and the Ministry of Finance and Development Planning (MFDP), in partnership with the European Union (EU). The Programme is supported by the Centre for the Development of Enterprise and BOCCIM.

The Programme is capacitating the local private sector with the intention to stimulate and sustain growth and facilitating ease of doing business in Botswana. Selected business owners and managers want to take their businesses to the 'next level', each receiving the benefit of the diagnosis, bespoke mentoring and capacitation in the areas of their businesses that need the most attention.

Several partner entities were involved in the diagnosis of the beneficiary businesses, including the Local Enterprise Authority (LEA), Botswana National Productivity Centre (BNPC) and Botswana Innovation Hub (BIH).

In general, it was found that even though the specific needs of the SMMEs were peculiar to them, there were several challenges that cut across the different businesses, including access to finance, aligning their missions and visions with specific growth strategies and in some cases, human resources management challenges.

BNPC was assigned the larger SMMEs that were accepted into the PSDP. The diagnostic audit revealed that the transition of local companies to becoming innovative global players in the region and in the international arena has to begin at the core of the business itself, from the people operating it. Enterprise Support and Marketing Manager at BNPC, Matlho Kgosi noted that BNPC recommended having marketing plans in place, growth projections, understanding whether they are hitting their targets, and if not, how they would remedy the situation.

Some of the businesses that were audited had a lot of systems in place, including quality control, HR and sales management systems, but these tended to be disconnected from each other. BNPC also recommended that before their businesses could grow any further, they needed to consolidate those systems and have them 'talk' to each other.

BIH was appointed to participate in the PSDP SMME Diagnostic Audit focusing primarily on the ICT companies participating in the Programme. It became evident that majority of the ICT based SMME companies in Botswana are following the same business model, which is reliant on the Government tendering system. Tshepo Tsheko, Programme Manager at the BIH First Steps Venture Centre noted that a change in mind-set is required from "how things have always been done" to cultivate a corporate culture for innovation where performance is gauged by contribution and implementation of innovative ideas and processes.

LEA identified 11 micro businesses out of the selected SMME beneficiaries to audit. From their preliminary report, three challenges which hinder growth amongst these SMMEs included difficulties with book- keeping, stock taking and pricing and compliance issues (failure to file tax returns).

\*\*\*Capacity- building with SES Germany Managers Without Borders inserted here

The PSDP is larger than the audits. It takes a holistic approach to engaging and improving the growth of businesses, getting through to the core of what the businesses need. The Programme is helping businesses to make a difference to their bottom line, which will have an exponential effect on the economy of Botswana, in line with the Economic Diversification Drive.