



**BNPC STATUS REPORT**  
**PRIVATE SECTOR DEVELOPMENT**  
**PROGRAMME (PSDP)**  
**DIAGNOSIS OF SME'S PARTICIPATING IN**  
**PSDP, BOTSWANA**  
**STATUS AS AT 20/09/2014**

20 September, 2014

## Background

CDE has awarded BNPC the work to complete 28 Company Audits using the Fundes Methodology and Tools. The Audits commenced on the 14<sup>th</sup> July 2014, and are scheduled to be completed on the 10<sup>th</sup> October 2014.

## Progress – 11 August, 2014

To date, BNPC has audited 20 Companies in the Manufacturing Sector and Agri Business. These companies are located mainly in the Gaborone and surrounding areas, as well as in the North, mainly in Francistown and Selibe-Phikwe areas. BNPC is utilising 3 teams of 3 auditors. As at 15 August 2014, 3 companies are audited per week. All auditors have been trained to utilise the Fundes Methodology by CDE Experts. The Team BNPC Team is led by a Project Coordinator internally, and supervised by a Project Consultant based in Accra, Ghana.

*Below is the current Plan indicating Companies audited and those yet to be audited.*

| STATUS     | COMPANIES   |
|------------|---|
| Completed  | John Marshall, Power Engineering, PPC Cement Botswana, Clover Chemicals   |
| Completed  | Kebo Holdings and Cul De Sac  |
| Ongoing    | Experience Count and SDM Holdings   |
| 18-Aug-14  | First Polymers/Sunita Cables and N&D Building Eletrical & Maintenance   |
| 25-Aug-14  | Elmex Steel Works and Tonybase + <b>Western Apparels</b>  |
| 01-Sep-14  | <b>Francistown Companies</b> (Noka Farm & Mirimex) 1 Team only for 5days as Mirimex has already been audited so what remains in verification + <b>Lesedi Board and Sebube in Gaborone</b> |
| 08-Sep-14  | Maneblock ( <b>Tsetsejwe</b> ) + Delta Air Conditioners and Electromech ( <b>Gaborone</b> )   |
| 15-Sep-14  | Noble Suppliers   |
| 22-Sep-14  | Creations of Africa and Intec Solutions T/A Agri Feed   |
| 06-Oct-14  | <b>Technofeeds, Sezi Electricals and Gabs Bedding</b>   |
| Struck Off | <b>Idah Knitters; Namre Holdings</b>  |

KEY -  Completed  Ongoing  cheduled

Completion of audits is anticipated to be on the 10<sup>th</sup> October, with all reports submitted by the 17<sup>th</sup> October 2014.

## **Trends**

We have been asked to provide trends emerging from the audits to enable the PSDP Team to begin to plan for capacity building which is scheduled for November 2014. We hasten to say that although there are trends of gaps and indeed strengths emerging, companies that are ready to move to the next level of growth need mentoring and handholding/coaching by industry experts on the shop floor to support them through the transition to the next stage, they require that much more than they need generic capacity building. However, below are trends being observed:-

In the audits conducted, there is a lot of excitement about the potential to improve the productivity of the Companies through the PSDP. As our auditors are trained in various elements in the area of productivity such as quality management systems including product and management standards, industrial engineering, financial management, strategic planning, human capital management etc. they were able to bring these insight into the audits and subsequent recommendations for improvement. Some of the Companies indicated that they would immediately implement some recommendations that they had capacity to implement while they await interventions from CDE. This was added value for them as the audits brought insights that could be immediately addressed.

However, on the whole trends indicate gaps in financial planning and management, marketing and sales, factory layout to optimise productivity and other industrial engineering related issues, lack of a continuous improvement culture focused on improving productivity, no management or product standards, lack of start up plans or strategic planning, poor internal systems and quality control.

Companies ready for export were challenged by issues such as non-tariff barriers and other issues related to trading across borders. Additionally, these companies tend not to have export development strategies or plans.

In general Companies also sited challenges in the business environment. Such include the capacity of entities such as BOCCIM, MTI and BEMA. Companies believed these entities could offer more practical support than is currently available. Suggestions were for them to be strengthened through PSDP.

## **Challenges Experienced by the Audit Teams**

Apart from challenges indicated in previous reports, new challenges have emerged. During the week of September 15, 2 companies namely Sezi Electricals and Technofeeds rescheduled their audits. The Managing Directors of both companies travelled unexpectedly

and both expressed hesitance for the audits to commence in their absence. These audits have since been scheduled for the week of 6<sup>th</sup> October 2014, bringing the number of companies to be audited that week up to 3. Gabs Bedding had already indicated that they could only be audited that week as indicated in earlier reports.

Additionally, Namre Holdings has since indicated that they are withdrawing from the PSDP. The Manager indicates that when they applied to participate in the Project, they had critical capacity building needs, which they have since met using other avenues. They indicate that the CDE Program has been overtaken by events.

### **Looking Ahead**

We anticipate to have submitted all reports to PSDP by the 17<sup>th</sup> October 2014 as indicated in previous Reports. Audits will be completed on the 10<sup>th</sup> October 2014.