

The Role of SMEs and their Challenges

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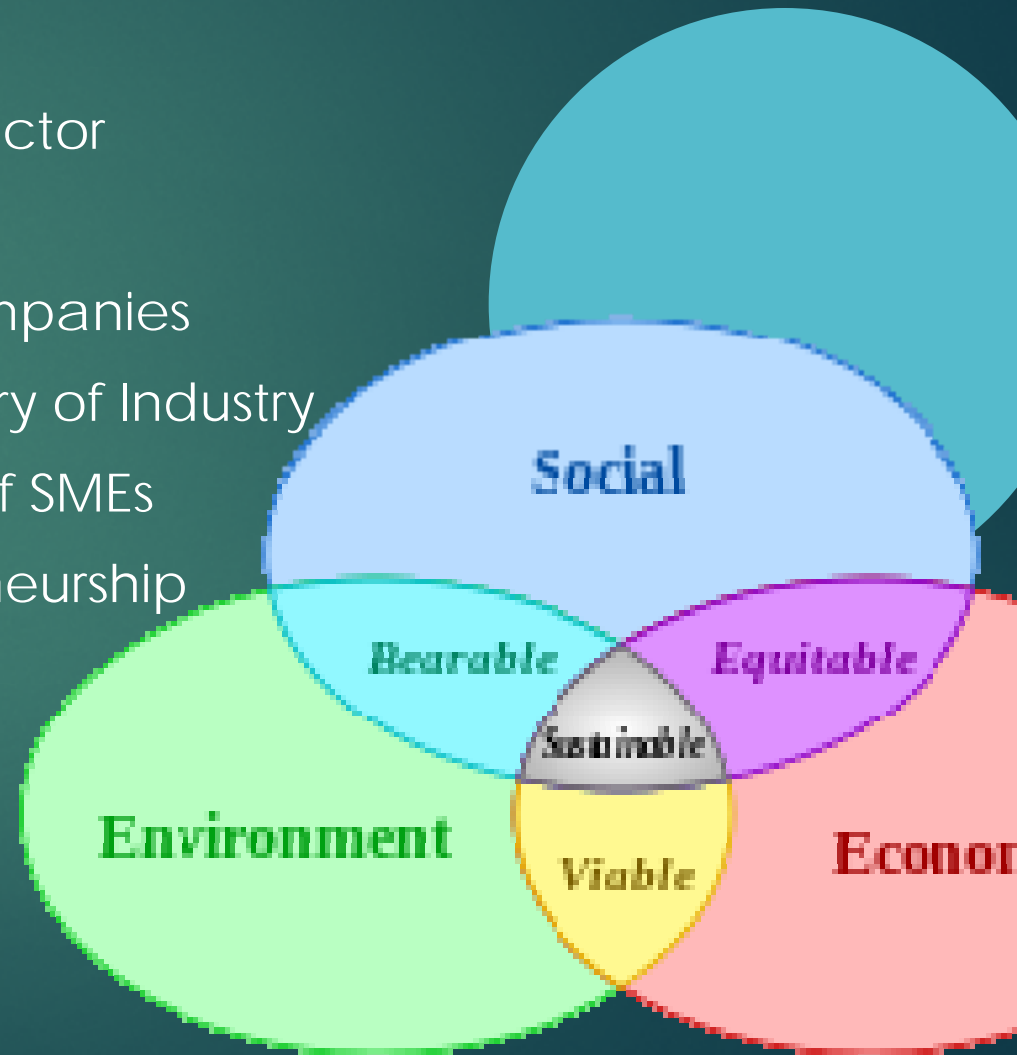


Global Entrepreneurship Summit 2016

- ▶ Twin goals of World Bank Group:
 - ▶ Ending extreme poverty
 - ▶ Boosting shared prosperity
- ▶ Requirements of unprecedented efforts
- ▶ Developing countries to unleash private sector-led growth
- ▶ Commitment to support entrepreneurship – key driver for growth
- ▶ Central theme – critical role of SMEs in low income countries

Emergent Trends concerning SMEs

- ▶ Sustainable Development of private sector
- ▶ Major population of businesses - SMEs
- ▶ Employment comparable to large companies
- ▶ Emergence of SME Department, Ministry of Industry
- ▶ Formation of Associations comprised of SMEs
- ▶ Focus of INGOs on SMEs and Entrepreneurship



the Role of SMEs

- ▶ Drivers for local growth & job creation
- ▶ Sustainability & Service delivery: Urgent development challenges



Economic Opportunities

Sector

- ▶ Agribusinesses
- ▶ Tourism businesses
- ▶ ICT & Mobile

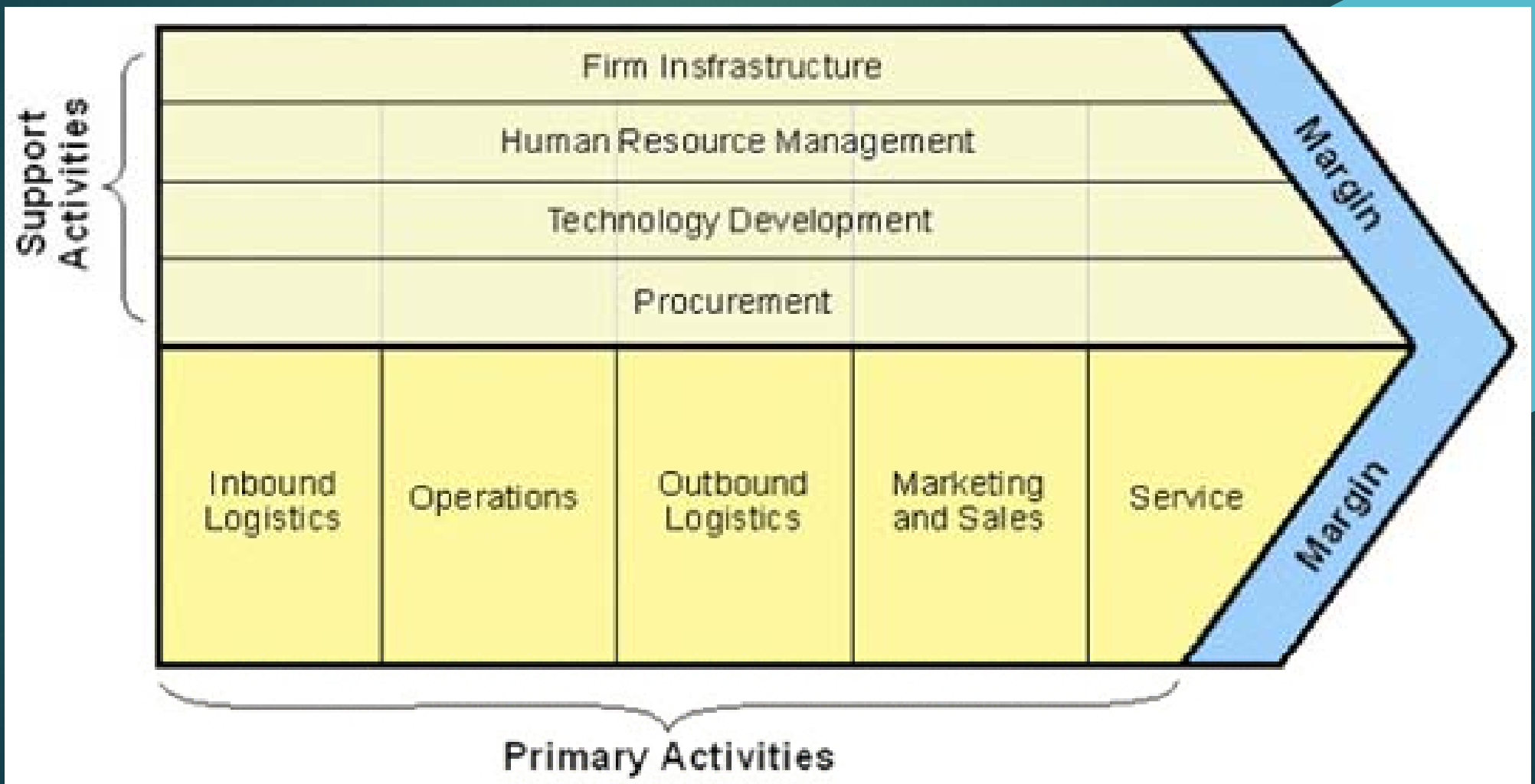


Function

- ▶ Value Innovation
- ▶ Service Delivery
- ▶ Operational Efficiency



Value Chain

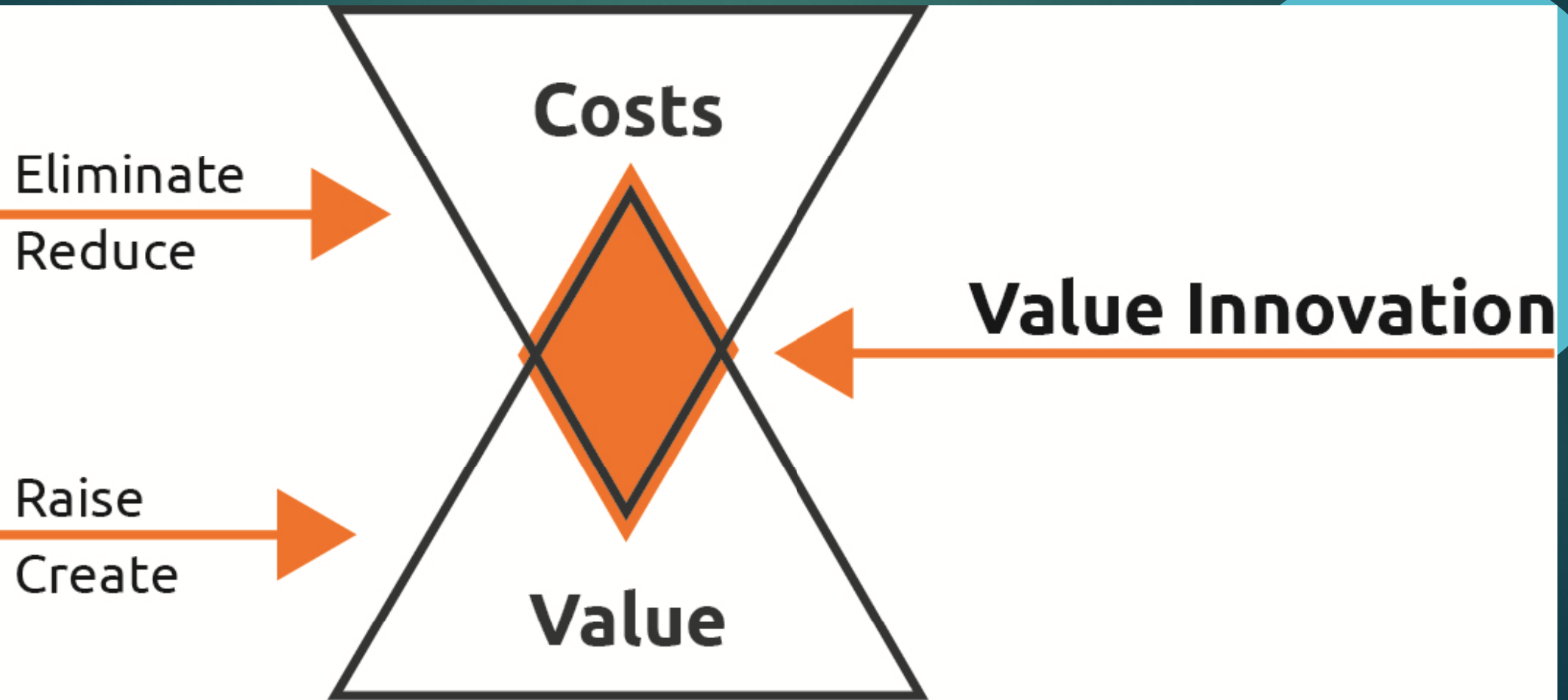


Case: Snacks Mandalay Co. Ltd,

- ▶ Electrical drying vs Solar drying
- ▶ Traditional sun drying – far beyond
- ▶ Colour, Moisture, Spicy level
- ▶ Food safety awareness, especially
- ▶ 1 ton – 15000 ks
- ▶ 1000 vs 1250
- ▶ Food safety – customer value
- ▶ Training for awareness makes customer confident



Value Innovation



Solar Dry Processing



Operational Efficiency Factors

- ▶ Factors at work – guidance, incentive
- ▶ Member characteristics – ability, experience, training, professional orientation
- ▶ Tasks characteristics– standardized methods, jobs with built-in feedback
- ▶ IT – instructions are stored
- ▶ Organizational factors – explicit plans, goals, cohesive work groups

Set Goals

1.....

2.....

3.....

4.....

Peter Drucker

"Because its purpose is to create a customer, the business has two – and only two functions:

Marketing and **Innovation**.

Marketing and Innovation produce results.

All the rest are costs"



Thank you.

