

# JOBS NEWSLETTER

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## Other recent highlights:

- 100 bankers from 16 banks were trained in Understanding and Financing the Special Needs of Small and Medium Enterprises, in association with the Bangladesh Institute of Bank Management (BIBM).
- 500 unskilled workers were trained in the leather footwear sector.
- 150 unskilled workers were trained in the leather goods and accessories sector.
- 78 handicrafts entrepreneurs from outside Dhaka were trained in Skill Development and Basic Business Management.
- 40 entrepreneurs from Dhaka were trained in Vegetable Dyeing and Block Printing.
- 65 Enterprise Development Workers were trained in Enterprise Development and Business Management.

## Credits

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### PHOTOS:

Siraj and JOBS Project.

## Paving the way for Information and Communication Technology

### JOBS - Computer Jagat Programming Contest 2000

*A computer programming contest, organized by JOBS and Computer Jagat magazine, has highlighted the potential IT talent that is to be tapped in Bangladesh.*

*Computer Jagat*, the leading computer magazine of the country and the JOBS Project recently ran a software programming contest. Following the formal launch, which was attended by leading IT personalities of Bangladesh, over 200 people took part in the programming contest. 25 finalists took a practical examination, in which they had to solve a series of challenging problems, set according to international standards.



JOBS & Computer Jagat representatives speaking at a Press Conference.

### JOBS' role: Promoting ICT

The JOBS Project is working to advance the concept of Information and Communication Technology (ICT), with the main focus on Electronic Commerce (E-Commerce).

JOBS realizes that countries selling through E-Commerce are increasingly challenging the growth of Bangladeshi products. Consequently, JOBS is assisting the Government of Bangladesh and private sector leaders in the arena to identify legal, regulatory and institutional constraints to E-Commerce and ICT.

The nationwide contest enabled budding talents to get involved in this newly evolving growth sector.

### Computer Jagat's role: Reaching specialists

*Computer Jagat* is the leading IT related magazine in Bangladesh. Published since 1992, it has a wide circulation, reaching the nation's computer scientists, students and entrepreneurs. Since its inception, the magazine has been arranging similar contests to attract potential IT talents in Bangladesh.

The contest was just one of many endeavors taken by JOBS and *Computer Jagat* to promote ICT and E-Commerce in Bangladesh.

# Better opportunities for MICRO ENTREPRENEURS

## JOBS acts as a bridge

JOBS acts as a bridge: providing skill development opportunities, training in business management and marketing, as well as other needs-based technical support to small, medium and micro enterprises. These services enable entrepreneurs to take a step forward and increase sales, as well as their income, and grow accordingly. Here, we take a look at JOBS' Micro Enterprise Development Program.

## From entrepreneur...

The concept of Income Generating Activities (IGA) was popularized in Bangladesh by non-government organizations (NGOs) working to alleviate poverty. Stemming out of Micro Finance

necessary assistance, which is ongoing and "hands-on". JOBS works with individuals, community groups and beneficiaries of local NGOs. The work involves helping create businesses as well as expand existing activities. The aim is to increase production, sales and generate wage-based employment opportunities in Bangladesh. The services include technical and business management skills development, creation of linkages with markets, etc. By helping micro enterprises to enter markets, access credit and working capital (concepts they often lack knowledge of), the JOBS Project enables them to expand their businesses. The focus is on private sector enterprises that are growth-oriented, eco-friendly and use labor-intensive technology.



Micro entrepreneurs at work

*Bangladesh, a country with large manpower resources, has the potential to develop its micro enterprises. Most micro entrepreneurs lack skills, access to capital and business expertise, but with the right kind of support they can generate a large amount of wage-based employment across the country.*

## Asking the right questions

Where do I find access to credit and working capital? What shall I produce? How can I gain skills for a specific trade? Where and how can I sell the products? How can I manage the business?

The JOBS Project addresses all the right areas and guides clients through the entire process, which in turn gives them the courage to strive for improvement. This also meets JOBS' goal of increasing sales and creating more jobs!

## Training

Entrepreneurship Development Workers (EDWs), trained by experts to provide training to the grassroots entrepreneurs, are recruited from selected NGOs. Once trained, they can recognize potential and



Training the trainers

activities among the poor, the potential of IGAs, in the long run, is limited due to the absence of proper funds and marketing skills.

Bangladesh, the pioneer in the field of micro credit, needs to assist small, self-employed entrepreneurs to grow into micro enterprises with the potential for wage-based employment. JOBS is working to influence policies that will create a more conducive environment for micro enterprises.

## ...to micro enterprise

JOBS' Micro Enterprise Development Program is the next step forward from running an IGA. Entrepreneurs who are ready to expand their activities receive

## ... to small and medium enterprises

JOBS envisions that, with the right support, these micro enterprises will gradually expand into small and medium sized enterprises, forming the backbone of the nation's economy.

## Selecting clients

JOBS works in partnership with local NGOs and selects potential clients from amongst their beneficiaries. Those who have experience in running small-scale IGAs are provided with needs-based skills development training, which includes information on how to identify, package, market and sell products for a specific market. Emphasis is also placed on quality control.

capacity for growth amongst entrepreneurs.

EDWs analyze the entrepreneurs' needs and design training modules and methods accordingly, using materials that are locally available and acceptable.

## Loans

Once trained and equipped with the necessary skills for entrepreneurship, the entrepreneurs are assisted to get loans. With guidance, they are able to establish themselves and slowly expand.

## A new marketing culture

Product marketing ideas are often non-existent in the rural areas and among micro-entrepreneurs. Many production-oriented enterprises do not even consider "marketing" their goods. JOBS wants to see a new marketing culture take shape in Bangladesh. To meet this goal, JOBS not only trains clients to market their products but also helps them to design a unique marketing mechanism best suited for the individual client. Surveys are carried out to determine the entrepreneur's capacity and consumers' demand. JOBS creates a chain of connections from bottom up by linking

"Hands on" direct assistance for micro entrepreneurs



producers to wholesalers, city-based outlets and corporate houses. Trade fairs, organized by JOBS, are opportunities for producers, buyers and retailers to make their own connections, and for increased sales as well.

### Empowering women

For the JOBS Project, the question of women's development is of prime importance. In a traditionally conservative society, it is an uphill struggle for women to find opportunities for economic advancement. In most cases where loans are disbursed to women, they are actually used by the male members of the family. As a result, women have little or no access to benefits from their loans.

To overcome this situation, the JOBS Project works in a distinctive way to encourage women entrepreneurs. By providing specialized skill development, business management and entrepreneurial training to borrowers who are mostly

women, JOBS lends a hand to the process of empowerment. The women learn to use their own resources and are then eager to control them. JOBS therefore, acts as the catalyst between the beneficiaries, NGOs and subcontracted organizations to generate growth.

### The JOBS vision

JOBS' vision is to see sustainable growth in the sales of assisted enterprises, creation of

full-time wage-based employment, linkage between producers and markets, as well as generation of sustainable capital in the economy. In turn these will lead to the growth of the Bangladeshi economy.

### Spreading the word

JOBS can now share the lessons learnt and experience gained from Bangladesh with other institutions and countries looking into similar avenues for economic growth.



Successful micro entrepreneurs

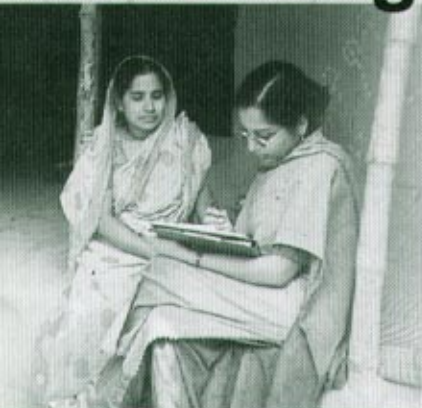
# Becoming a female micro entrepreneur:

## how family support and gender sensitization are vital

A conservative family may accept a woman doing an income-generating activity at home, but they may not support the next step in business expansion if the enterprise means stepping out of the house and dealing with outsiders. This point is illustrated by JOBS' experience with two women who are associated with the Project.

**SAHERA** and her family, like many poor families in Bangladesh, had led a hand-to-mouth existence for years. The only income was from her husband's small grocery shop. When Sahera learned tailoring from a friend, she began to do small orders for neighbors by hand. Six years later, a local NGO helped her to get a loan to buy a sewing machine, but the market still remained within a limited circle of neighbors. When JOBS provided her with training in Entrepreneurship Development and Business Management, she did a local market survey, identified the demand and bought five more machines with a loan. She trained two of her sons who were unemployed, and later her husband was encouraged to leave his tiny grocery shop and join her business. She has also created employment on a wage basis for two more people. As a result, Sahera has been able to generate capital, purchase a large amount of material and supply clothing to the local markets and village huts. After paying for all her business expenses, the family has at least Taka 20,000 per month. They have been able to construct two more rooms and ensure that their younger daughters remain in regular education. Sahera is proud to have been able to play the main income-earning role in the family and admits that it would not have been possible if her family had not been so supportive.

**AMBIA**, although from a higher socio-economic group (lower middle class), has not had the good fortune of Sahera. Like Sahera, she started out as a tailor with one sewing machine and has received similar assistance from a JOBS program. However, her family have not allowed her to pursue this initiative because they thought it was socially inappropriate for their mother/wife to deal with outsiders in taking orders and meeting with suppliers. There are many such Ambias who are capable of moving on to a sustainable micro enterprise but are not able to come into mainstream society unless they are able to cross the family hurdles on their own.



Sahera shares her ideas



JOBS helping women entrepreneurs identify risks



Rural women entrepreneurs at a JOBS workshop

*Prime Bank is a "bank with a difference," and proof of this is visible in the Bank's efforts to provide easy access to loans for small and medium-sized enterprises (SMEs), in partnership with the JOBS Project.*

# The JOBS Project teams up with Prime Bank to provide **easy access to loans** for small and medium enterprises



JOBS staff assisting with loan applications

Prime Bank's Small and Medium Enterprise (SME) Credit Scheme is an innovative step taken to support SMEs in Bangladesh, who usually lack access to credit.

## **The problem**

The reason why most small businesses cannot get credit from banks is that they do not have sufficient fixed assets. In most banks, the loan application procedures are complicated and require applicants to have fixed collateral, such as land or a building.

## **The solution**

As part of the USAID Loan Portfolio Guarantee (LPG) Program, Prime Bank has taken the step to do something to ease access to credit for SMEs.

The Bank recognizes that SMEs have the potential to grow and so support the nation's economic growth. It is prepared to provide access to loans based on moveable assets, such as machinery or stock in hand.

Talking to Mr. Monjur Morshed of Prime Bank, it was obvious that the Bank, and the staff working in the SME Credit Cell, are committed to assisting SMEs.

## **In micro-credit, loan repayment rates were as high as 100%...**

From early on, Mr. Morshed has had a keen interest in supporting SMEs. His past experience in rural areas revealed to him a crucial factor; at the national level the percentage of loans defaulted on was nearly 40%, whereas in the arena of micro-credit, loan repayment rates were as high as 100%.

## **SMEs are the backbone of Bangladesh's economy**

Mr. Morshed pointed out that about 87% of the nation's industrial labor force operates in the SME sector. They are truly the backbone of Bangladesh's economy. He firmly believes that linkages between industries can and will lead to the growth and development of a thriving economy, provided they receive the right kind of support.

Prime Bank believes that with the willingness, ability and commitment to support small enterprises in Bangladesh, both the Bank and JOBS can succeed in their efforts to promote the growth of these enterprises in Bangladesh.

## **JOBS assists with the application process**

The JOBS Project's Loan Facilitation Team works directly with entrepreneurs seeking help with securing credit. Detailed discussions gives those seeking assistance the chance to fully understand the minute details that are involved in loan application procedures.

Once selections are completed, the Bank checks on the entrepreneur's reliability. Enterprises skilled in managing their businesses for at least two years and that are 100% privately owned, controlled and operated enterprises, are eligible to apply for loans from the Prime Bank's SME Credit Cell.

Loan ceilings are Taka 250,000 maximum for small enterprises and Taka 75,00,000 for medium enterprises. Interest is currently charged at 15% per annum.



Bankers at a workshop conducted by JOBS and BIBM

*Local enterprises recently achieved significant sales and made vital links with international markets, by attending trade fairs in the UK and Japan, with the assistance of JOBS.*

In Bangladesh many enterprises are ill-prepared to face the demands of international standards, expectations and competition. Many local artisans and small, medium and micro enterprises (SMMEs) do

not have access to international markets due to lack of funds and information. Furthermore, most are not ready for export as they are not up-to-date with international trends.

Recently, the JOBS Project helped four handicrafts enterprises (Arannya, Kumudini, Folk Bangladesh and Creation) to attend the Birmingham Autumn Fair in the UK.

Similarly, JOBS arranged for three export-

oriented leather footwear producers from Bangladesh (Madina Shoes, Legacy Footwear and Surma Footwear) to attend the Japan Trade Fair in October, where the participants came face-to-face with competition from across the world.

Because of JOBS they were well prepared, and all the participants returned with major sales and contacts. These fairs were major learning experiences for participants on how to be successful in international markets.



## PREPARATIONS FOR THE JAPAN FAIR

- ▶ JOBS funded and organized a designing workshop for the Japan market where a famous designer from Japan developed 40 samples for the participants and assisted them with Japanese production and quality checking systems.
- ▶ Participants visited Japan one month before the fair to collect market information, do a pre-fair survey and invite buyers to visit the stall.
- ▶ JOBS guided participants in preparing CDs on their factory and product lines for display at the fair.
- ▶ JOBS took a stall at the fair, where the three footwear firms jointly displayed their products. The product range of the three firms were different as one of them displayed men's basics, another displayed ladies' shoes and the third boots and casuals.
- ▶ JOBS hired an interpreter for the stall.
- ▶ Modern audiovisual equipment was hired to display the CDs.

## ACHIEVEMENTS

Madina Shoes is negotiating orders worth US\$ 1.45 million. Legacy received an order worth US\$ 201,600, plus an agreement that the Japanese company would buy men's basic footwear only from Legacy in Bangladesh for the next one year. Surma also gained initial orders worth US\$ 76,000. The JOBS/Bangladesh team gave a detailed interview to the Chief Editor of *FOOTWEAR PRESS*, the only footwear magazine of Japan.



JOBS assisted footwear producers at work



## PREPARATIONS FOR THE UK FAIR

- ▶ A UK-based consultant was brought to Dhaka to assist in the selection of clients based on their products' suitability for the UK market.
- ▶ They were helped to understand the expectations of both buyers and sellers.
- ▶ New and improved products were developed.
- ▶ Furniture and wall space was allocated for each of the participants.
- ▶ Each of the clients prepared a brochure and were guided in the preparation of the price list and tags for the products, as well as display.
- ▶ 350 potential buyers were identified. All of them were sent an invitation letter, along with a pre-registration form that enabled them to gain free entry into the fair.

## ACHIEVEMENTS

Many enquiries came from buyers about Bangladeshi products and a significant number of contacts were established. Orders of approximately US\$ 180,000 were achieved.

A certificate was presented by the Bangladesh High Commissioner on the opening day to each participating organization.

The participants had the chance to visit other stands to better understand the trends of the market and competition.

Because handicrafts are a low-value item, the amount in US\$ earned is not the only consideration. The quantity of goods supplied and how this converts into employment creation is the most important achievement.



A local artisan working at the loom

# JOBS Trade Fair 2000: A huge success!

The recently held annual JOBS Project Trade Fair was a huge success. As many as 120 small, medium and micro entrepreneurs took part in the four-day long event. US Ambassador, Ms.

Mary Ann Peters was present to officially open the Fair. Also present was Mrs. Mintoo, President, Bangladesh Women Entrepreneurs Association.

Over 20,000 people visited and those taking part in the event made substantial sales, received orders on the spot, as well as made connections with potential buyers for future orders.

The pictures on the right show Ambassador Peters inaugurating at the opening ceremony, visiting stalls at the fair and the crowds of visitors to the fair buying products.



## JOBS

ASSISTING ENTERPRISES  
TO CREATE EMPLOYMENT

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