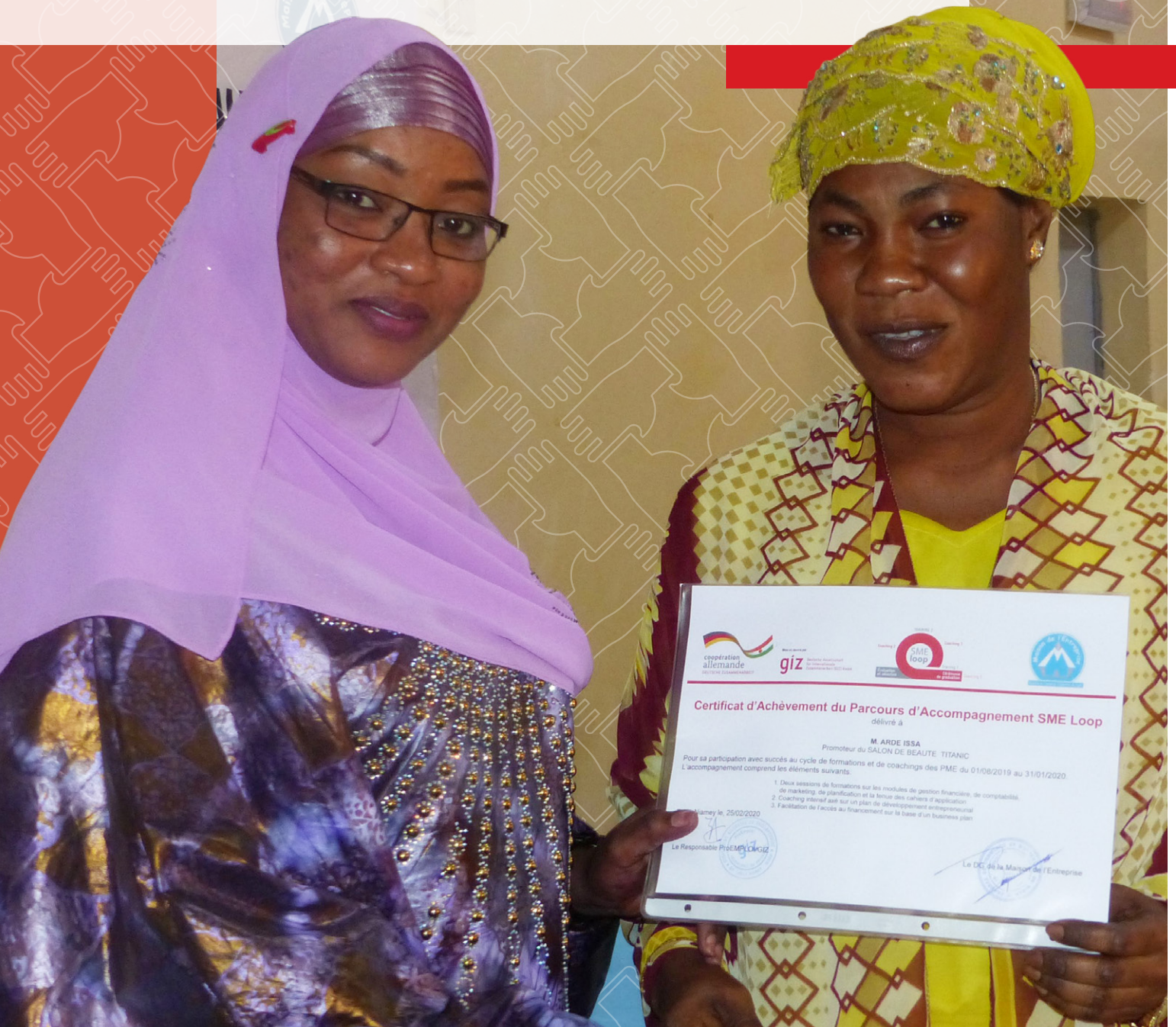


Implementing the SME Business Training and Coaching Loop (SME Loop) in Niger



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LIST OF ABBREVIATIONS

| | |
|-----------------|---|
| ABF | Business facilitator |
| CCIN | Chamber of Commerce and Industry of the Niger |
| CMANI | Chamber of Crafts of the Niger |
| CRCPE | Regional Skills Development and Employment Promotion Centre (Benin) |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH |
| ME | Maison de l'Entreprise (business promotion centre) |
| MQSs | Minimum quality standards |
| MSMEs | Micro, small and medium-sized enterprises |
| RCCM | Trade and Personal Property Credit Register |
| SME Loop | Business Training and Coaching Loop for Small and Medium-Sized Enterprises |
| SMEs | Small and medium-sized enterprises |
| TA | Technical assistant |
| TAD | Technical advisor |
| TIN | Tax identification number |
| TMEA | Technical monitoring and evaluation advisor |



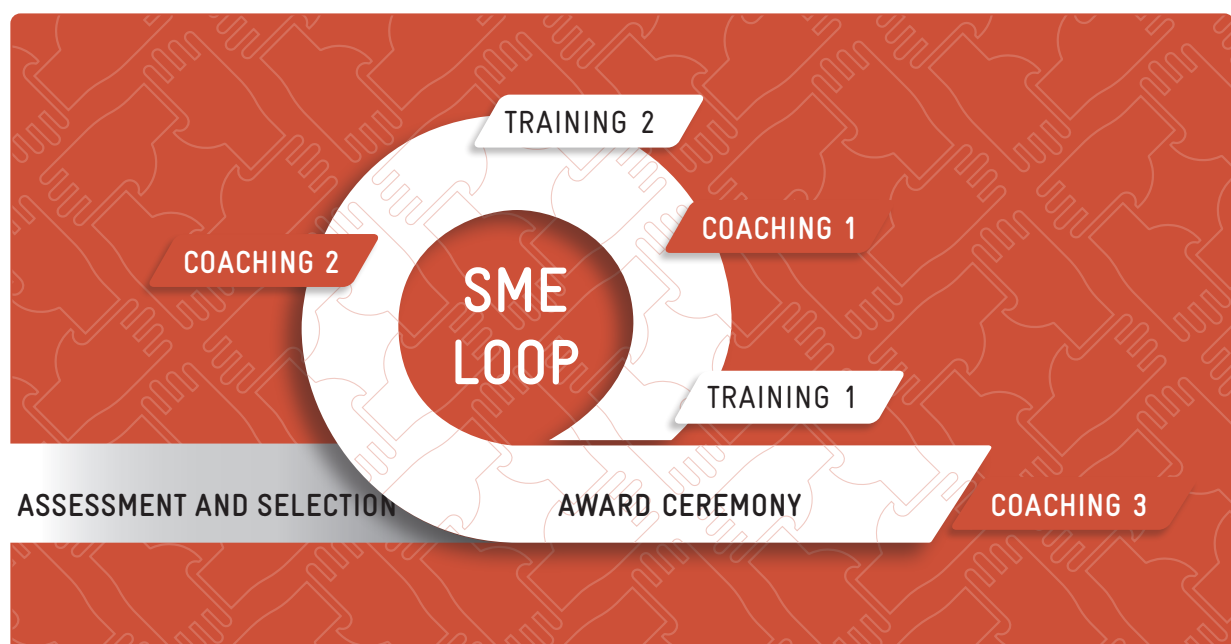
1. Overview of SME Loop

The Business Training and Coaching Loop for Small and Medium-Sized Enterprises (SME Loop) is a business support approach developed in Sierra Leone in 2014 and replicated in Benin in 2015. Since then, it has been successfully implemented in other countries, including Burkina Faso, Ghana, Malawi, Mali, the Niger, Nigeria, Senegal and Tunisia.

SME Loop is a combined business training and coaching system that uses tools adapted to the country's national context and tailored to the needs of its businesses (see Figure 1). It is based on an approach consisting of advisory support and individualised assistance for SMEs and is delivered as part of a training and coaching cycle that lasts around six months and comprises seven stages:

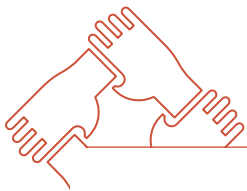
1. SME assessment and selection
2. First training session (three days)
3. First coaching phase (two months)
4. Second training session (three days)
5. Second coaching phase (three months)
6. Certificate award ceremony (one day)
7. Third coaching phase (additional coaching)

Figure 1:
SME Business Training and Coaching Loop





SME Loop was launched in the Niger in 2019 by the programme Improving Employment and Income Opportunities (ProEMPLOI) as part of a package of support measures designed to promote micro, small and medium-sized enterprises (MSMEs) in the regions of Agadez and Zinder. Prior to roll-out, the approach, training modules and tools were adapted to the national context, taking into account the characteristics of the businesses to be supported. To ensure the sustainability of the model and of the corresponding institutional framework, these preparations were undertaken in collaboration with local partners, such as the Maison de l'Entreprise (ME) business promotion centre and the Chamber of Crafts of the Niger (CMANI).



Thriving SMEs are a powerful engine of economic growth because they help to create wealth and jobs.

2. Issue addressed by SME Loop

Thriving SMEs are a powerful engine of economic growth because they help to create wealth and jobs. However, in the Niger, as in most developing countries, SMEs very seldom receive sustained and structured support

The fact is that over 70% of SMEs in the Niger operate in the informal economy, and people starting up companies often lack the entrepreneurial know-how and long-term vision required to develop their business successfully. Despite the numerous entrepreneurship training initiatives available to entrepreneurs, they still struggle to innovate and to manage their financial, human and material resources and customer relationships. Although there are various business training opportunities and approaches in the country, they often fail to deliver the expected results. This is partly because the content of the training is too general and is not tailored to the needs of the participating entrepreneurs. Another shortcoming is that participants do not receive coaching on how to put what they have learned into practice.

The introduction of SME Loop in the Niger, with tools adapted to the country's national context and the specific needs of its businesses, is an innovative response to this problem.



The approach was originally designed to support SMEs under projects run by Green Innovation Centres for the development of agricultural value chains, but ProEMPLOI adapted it from 2019 onwards to businesses that were developing in the craft industry, the manufacturing and service sectors and the food processing and catering industries.

3. Objective and practical applications of SME Loop

SME Loop is an innovative approach that aims to support both service providers and the final beneficiaries (MSMEs). It seeks to improve and professionalise business advisory support services. To this end, it offers service providers a smoothly interlinked, step-by-step programme of activities. This coherent procedure enables SME advisory support organisations and experts to follow an approach based on individualised coaching and suitably modified tools, thereby facilitating the implementation of SME Loop and its incorporation into everyday work routines. SME Loop also helps entrepreneurs develop their managerial skills and gain a better understanding of their business through an assessment conducted to determine its strengths and weaknesses and its potential and risks. This information is then used to prepare a business development plan. The ultimate aim of SME Loop is to enable entrepreneurs to acquire the know-how and skills required to organise and manage their business more effectively, with a view to increasing turnover and creating more jobs.



4. SME Loop pre- paration and implementation process

4.1. PREPARATION AND COMMUNICATION PROCESS

The process for rolling out SME Loop in the Niger was carried out in four stages.

1.

Informing partners about the approach

The aim of this stage was to raise awareness of the approach among those institutions and service providers involved in supporting entrepreneurship and to involve them in the implementation process. In the course of this activity, the partners agreed on the criteria for selecting businesses to take part in SME Loop in the Niger. A workshop was held in Niamey and in each of the cities where ProEMPLOI is being implemented. Information was also provided through local media broadcasts. The workshop was attended by national partners, including the Chamber of Commerce and Industry of the Niger (CCIN), ME, CMANI, entrepreneurship training providers, business incubators and several entrepreneurs.



Information meeting in Zinder, February 2019



2.

Basic SME Loop training for partners and the ProEMPLOI team

Institutional partners (CCIN, ME and CMANI) at the national level and in the programme's two target regions and ProEMPLOI technical personnel responsible for promoting entrepreneurship took part in a one-week basic training course on SME Loop at the Regional Skills Development and Employment Promotion Centre (CRCPE) in Benin. This capacity-building activity strengthened partner buy-in and commitment to the approach. It addressed a variety of topics including the role of each actor, the most effective operating structures, general guidelines, quality standards and critical factors to be taken into account when implementing the approach.

3.

Developing an SME Loop roll-out strategy

Following the basic training, a national roll-out strategy was developed for the approach by ProEMPLOI and its partners.

This stage involved adapting the approach to the national context. Criteria and methods for selecting suitable MSMEs were agreed and defined, an implementation plan was drawn up, and the training modules and management tools were adapted to different sectors and to the specific needs of local businesses. Some materials were translated into Hausa. A monitoring and evaluation strategy was also put in place.



Basic training for partners in Cotonou, February 2019



4.

Recruitment and training of coaches and trainers

The last stage involved the recruitment of service providers – the business coaches and trainers. The Niger currently has 20 coaches and four trainers, all qualified and equipped to implement the SME Loop approach.

Training was provided in 2019 by an international master coach (Ton van der Krabben) and a regional expert (Aliou Tamboura) on SME Loop, and in 2020 by CRCPE.

4.2.

SUCCESS FACTORS

The following three factors in particular contributed to the success of SME Loop.

- **Buy-in to the approach by all involved.** ME and CMANI were closely involved in both cycles, thus paving the way for the gradual handover and institutional mainstreaming of the approach.
- **Adaptation of the approach and tools.** The SME Loop manual and tools were adapted to the national context and the local operating conditions facing MSMEs in each sector, while maintaining minimum quality standards (MQSs).
- **Training for coaches.** One of the drivers of business development is the provision of quality advisory support services. SME Loop has led to the emergence of an



First training session for coaches given by Ton van der Krabben and Aliou Tamboura in Niamey, April 2019



attractive and promising new career path as a business coach. The young people selected received high-level training, making them pioneers of a profession that is completely new to the country's labour market.

Other factors that have contributed to the success of the innovative SME Loop approach include the following.

- **Documentation on the approach.** An SME Loop manual is available for programmes wishing to use the approach to promote SME development. This is not reinventing the wheel, but rather adapting the existing approach and toolkit to the specific circumstances of each country, the programme's objectives and the needs of target groups.
- **Networking and sharing experiences.** CRCPE acts as channel through which countries can share their experiences of implementing the approach. It supports the efforts of countries to deliver training and maintain quality standards in the implementation process. On account of the COVID-19 pandemic, arrangements were made to provide online training and support using MS Teams.
- **Implementation planning and monitoring.** At the start of each SME Loop cycle, an implementation plan was drawn up. Weekly meetings were held at each regional centre and then at national level (using MS Teams) to monitor implementation.

4.3. RESULTS

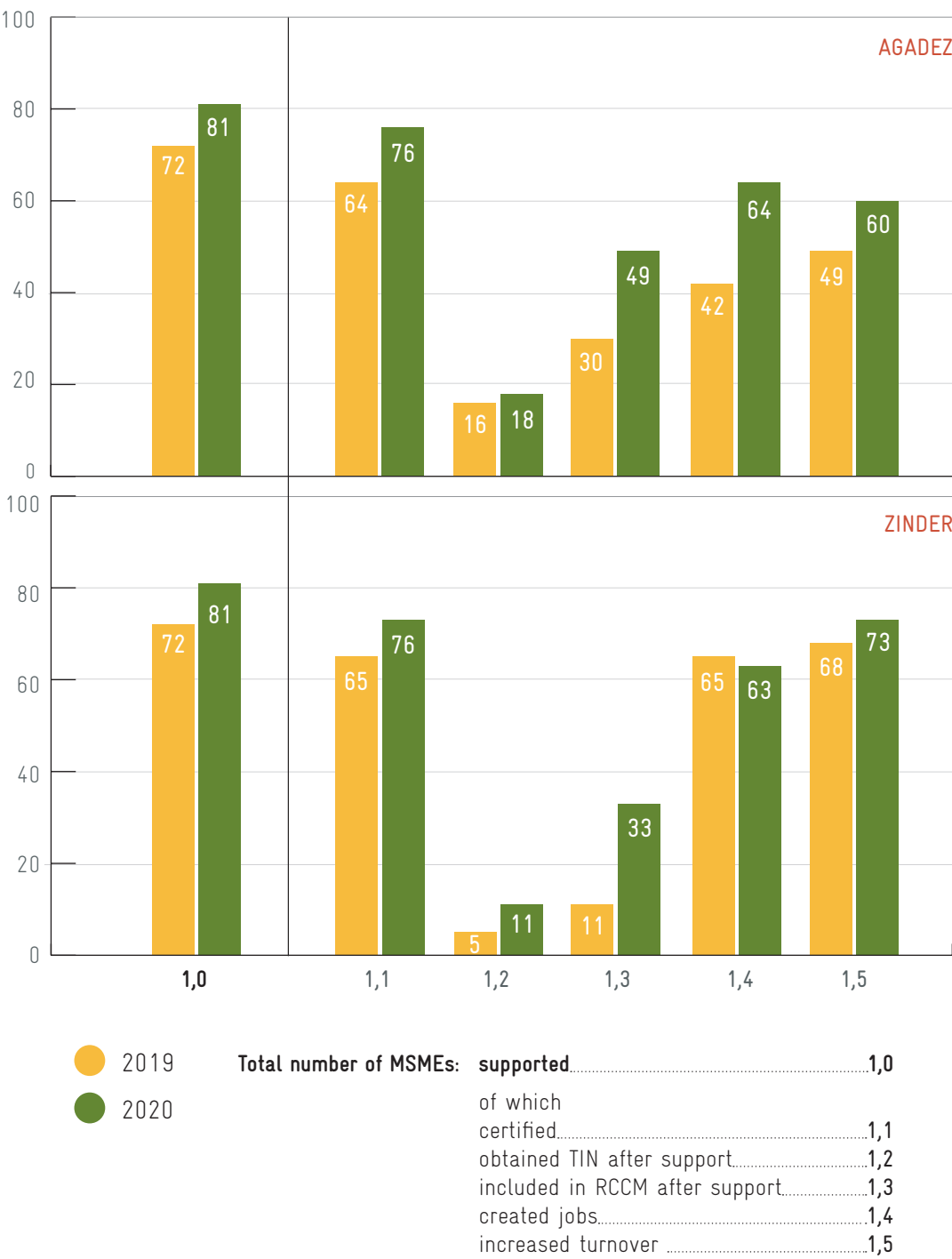
From June 2019 to December 2020, ProEMPLOI conducted two SME Loop cycles, in which it supported 306 MSMEs in Agadez and Zinder (144 in the first cycle and 162 in the second) with very encouraging results.

Out of the 306 MSMEs supported during this period, 278 (91%) successfully completed the full programme and were certified by ME. These businesses achieved a considerable increase in their turnover (average of 40%) and also created 803 jobs (256 permanent and 547 temporary).

Thanks to SME Loop and with the support of their coaches, businesses learned how to use new management tools, enabling them to improve profitability and better control production costs. They also learned about new marketing strategies and how to implement them.

One of the beneficiaries, Mariama Aboubé, who is 36 and owns a hairdressing salon, explains how SME Loop helped her: 'I was on the verge of closing my business because I couldn't pay the rent or my two employees. That's when a coach came to tell me about the SME Loop system and the GIZ ProEMPLOI programme and what they aim to achieve. I put off my decision to see what results the training and the coach's advice would have. Two months later, my financial situation had improved, my old customers had returned, and I was winning new ones.'

Figure 2 :
Diagram showing progress made by MSMEs supported in Agadez and Zinder from 2019 to 2020



4.4. DIFFICULTIES ENCOUNTERED

One of the challenges faced in rolling out SME Loop in the Niger was the lack of service providers. The MQSs for SME Loop roll-out and implementation recommend establishing contracts with business support providers that have experience of delivering training and coaching/mentoring services. Unfortunately, the situation in the Niger meant that in 2019 and 2020 it was not possible to find service providers with the expertise necessary to meet the requirements of the approach. In view of this, the programme decided to recruit young people with the required qualifications and train them to form a national pool of business coaches and trainers.

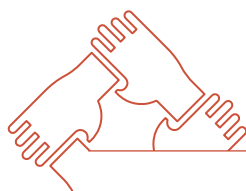
The project sought capacity-building support from international SME Loop consultants (master coaches) and from CRCPE for the coaches and trainers that it engaged as independent consultants in order to implement the first two cycles, directly providing the services itself.

Two essential lessons were learned from the experience of implementing these two SME Loop cycles.

- The direct provision of services by the project itself is complex and burdensome and requires effective management without which the success of the approach would be jeopardised. If existing advisory support providers are not qualified to deliver the necessary services, the

best option is to identify those that meet minimum requirements and provide capacity-building support to bring their expertise up to the required standard.

- Selecting the right businesses is key to the success of an SME Loop cycle. This step should be carried out by the service provider itself. However, before the final list of MSMEs selected to receive support is approved, checks must be made to ensure that they meet eligibility requirements and will be able to complete the programme successfully.



The project sought capacity-building support from international SME Loop consultants (master coaches) and from CRCPE for the coaches and trainers...



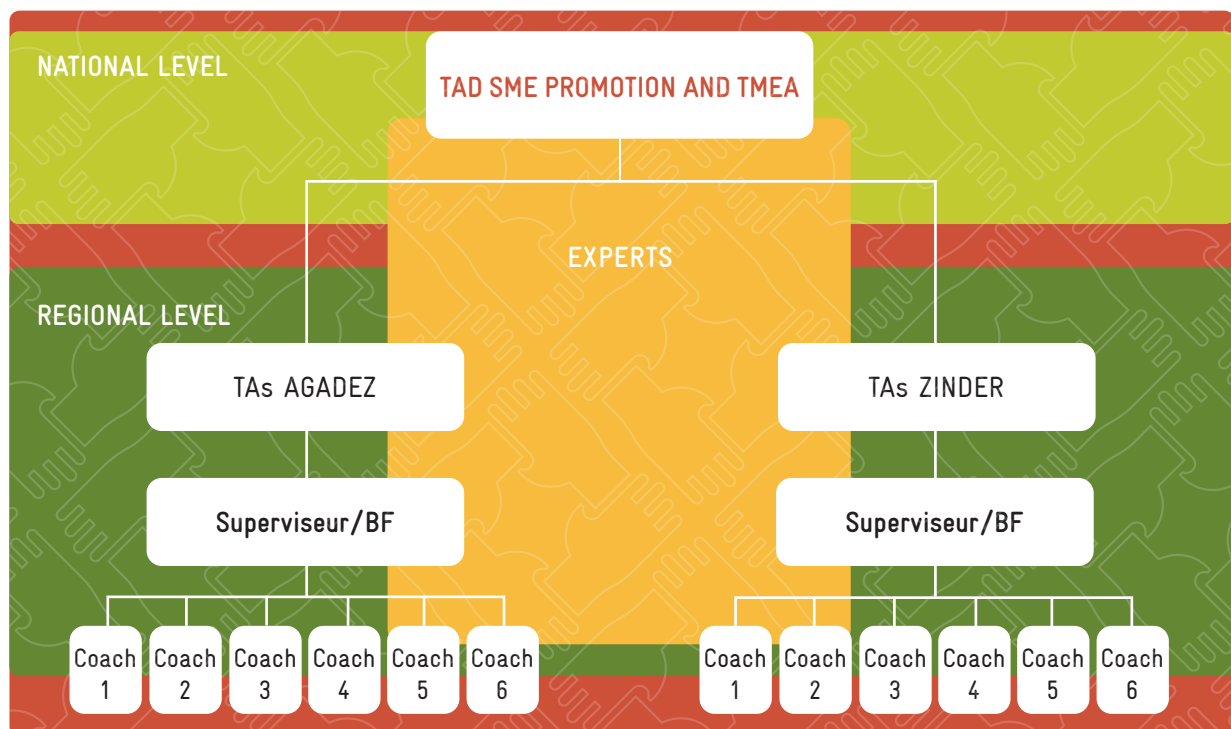
5. Minimum requirements for implemen- tation

5.1. OPERATIONAL STRUCTURE

The operational structure required to implement SME Loop in the Niger is shown in [Figure 3](#) below.

It is coordinated by the technical advisor (TAD) responsible for SME promotion, who is assisted by the technical monitoring and evaluation advisor (TMEA). The TAD is supported by regional technical entrepreneurship promotion assistants (TAs) tasked with the operational management of the process in the regions of Agadez and Zinder.

Figure 3 :
Operational structure for SME Loop implementation by ProEMPLOI Niger (CRCPE monitoring report, November 2019)



In the first cycle, a coach supervisor was assigned to each region. These supervisors were not ProEMPLOI personnel but consultants who acted as trainers to conduct the business training sessions jointly with the coaches. The duties assigned to them included closely monitoring the business coaches and providing them with technical guidance, where necessary. However, this arrangement did not work as planned, and the supervisors had trouble performing their role of helping the business coaches.

Consequently, in the second cycle, two of the coaches from the first cycle were recruited as full-time business facilitators (BFs) to help the TAs responsible for entrepreneurship promotion in the regions. These BFs were the only people assigned exclusively to SME Loop. They gave continuous technical support directly to coaches, which resulted in a considerable improvement in the quality of the coaching provided to businesses.

The programme engaged the business coaches directly. The number of coaches was increased from 12 to 18 (including six women) in the second cycle. The SME Loop MQSS recommend a ratio of one coach to every 15 to 25 entrepreneurs. However, in the pilot phase, ProEMPLOI limited this to a maximum of 15 entrepreneurs per coach to facilitate the learning process. This pedagogical approach paid off as the coaches gained solid experience and skills and are now easily able to support 20 to 25 businesses.

5.2. INVESTMENT AND IMPLEMENTATION COSTS

The level of investment required to implement SME Loop is relatively high, particularly in the early stages when projects and programmes require external know-how in order to develop national capacities and expertise. The costs do, however, decrease over time.

In the Niger, the main items of expenditure for the implementation of the approach are:

- engagement of the international SME Loop master coach, the regional expert, and the trainers and coaches;
- training of coaches and trainers;
- copying/editing of documents and setting up the monitoring and evaluation system.

The total estimated implementation cost was XOF 203,766,890 for the first cycle (around XOF 1,415,000 per MSME supported). However, in the second cycle, the cost fell to XOF 146,670,893 (around XOF 905,000 per MSME) as the national team gradually took over, therefore reducing the amount of time for which the services of international experts were needed. With ProEMPLOI II (2021–2023), the cost will fall sharply, and could be practically halved, as the approach will be wholly implemented by specially trained national experts.

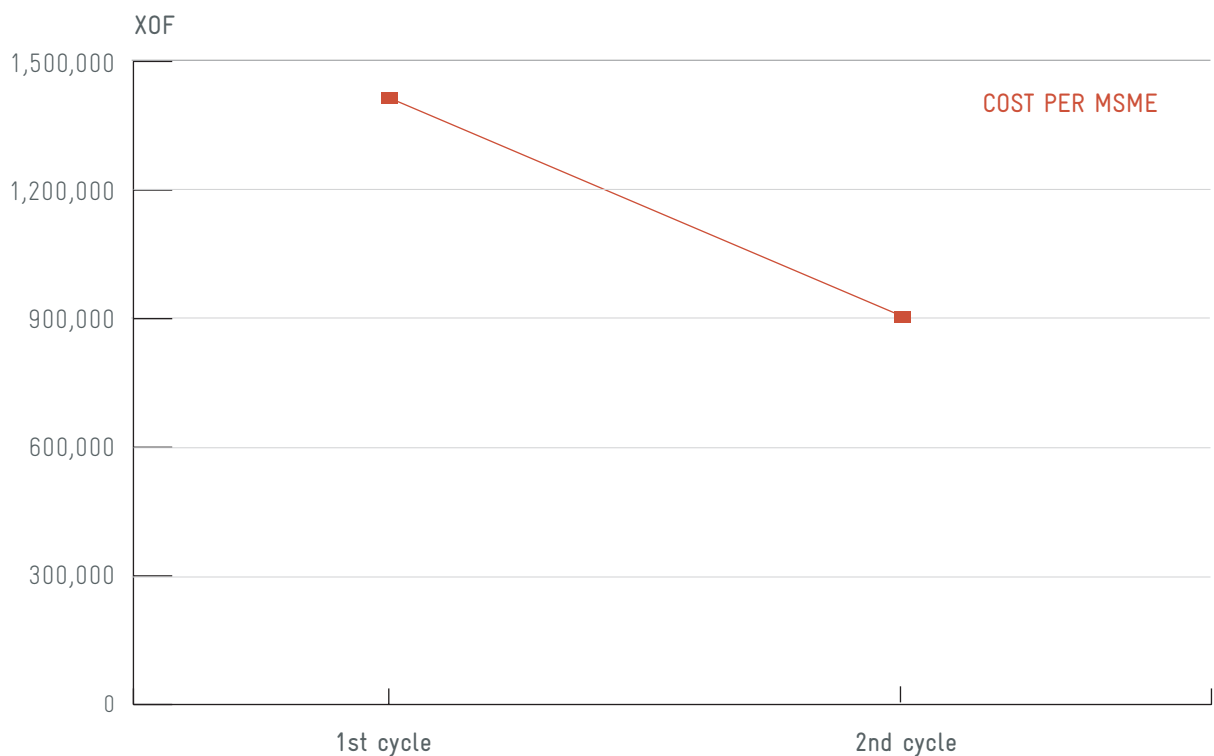
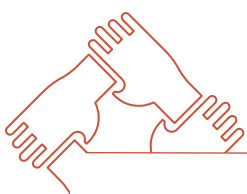


Figure 4 :
Change in the cost of SME Loop support per MSME



With ProEMPLOI II (2021–2023), the cost will fall sharply, and could be practically halved, as the approach will be wholly implemented by specially trained national experts.



6.

Implementing SME Loop as part of ProEMPLOI II

The SME Loop approach is highly valued by both partners and entrepreneurs. In the next phase, ProEMPLOI intends to scale up the initiative by extending it to the region of Tillabéri.

ProEMPLOI II will provide an opportunity to consolidate the implementation of SME Loop in the country, with a focus on increasing national ownership and strengthening the institutional framework. To achieve this, a capacity-building programme needs to be put in place to improve the capabilities of the country's business advisory support providers in the project's target areas. The best would then be selected as SME Loop service providers.

It is also necessary to strengthen the partnership with ME to prepare for the handover of SME Loop and the gradual transfer of management responsibilities.

A three-step institutionalisation strategy has been developed to achieve this.

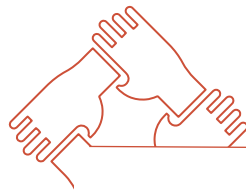
- **Step 1 – increasing ownership.** An SME Loop cycle will be implemented by ProEMPLOI and ME working in partnership. ME personnel will be involved throughout the implementation process from the recruitment of service providers and the selection of MSMEs through to certification. To facilitate the transfer of competencies and the handover, a capacity-building programme will be established for the partner (with the support of CRCPE in Benin) to help it manage an SME Loop cycle, conduct appropriate quality controls and monitor the progress of the businesses receiving assistance.
- **Step 2 – Moving towards maturity.** ME will be responsible for implementing a full SME Loop cycle with technical support from ProEMPLOI.
- **Step 3 – Integration and scaling up.** ME will integrate the approach into its business support strategies and tools and extend its use beyond the ProEMPLOI target areas.



7

Adapting SME Loop

SME Loop is primarily intended for existing businesses. In the Niger, one of the selection criteria is that the business must have been operating for at least two months. ProEMPLOI intends to adapt SME Loop, as it has in Nigeria, to support young people in setting up, formalising and structuring start-ups. SME Loop for Start-ups will therefore be deployed as a tool for promoting employment and self-employment among young people in the Niger.



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