

The Sub-Sector, Business Services (SBS) Approach: Towards Solution-Oriented Programming

Context

The current thinking on “market development” of business services has the tendency to focus on the business service markets with limited analysis of the product markets from which micro, small & medium enterprises (MSMEs) earn income. Yet, there is increasing recognition that the demand for business services, and the potential for MSMEs to benefit from those services, are linked to the income earning potential of the product market or sub-sector in which firms operate.

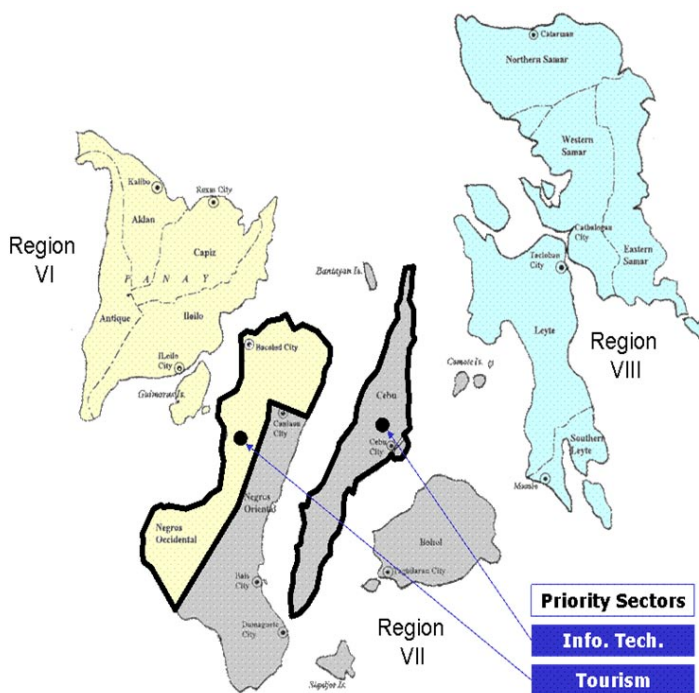
Identifying and developing business services that have a direct effect on strengthening the market for MSME-manufactured products of the sub-sector is therefore critical for the SMEDSEP.

Problem

Some development programs design their program initiatives without a thorough analysis of the target sectors resulting in programs that are costly and unresponsive to the realities of the market.

Solution

Adopt the **Sub-sector/Business Services or SBS Approach** that identifies the priority sector with the highest potential in terms of market, income and employment potential and analyzes the constraints of the selected sector. Business development services (BDS) to address these constraints shall be developed/improved by the BDS providers.



CASE: Development of Business Development Services (BDS) for the Information Technology (IT) and the Tourism Sectors

SMEDSEP partnered with BDS providers to develop Human Resource related programs/services for the IT sector and marketing related services for the tourism sector.

SMEDSEP supported the providers in terms of product and market development. Specific interventions included business planning, marketing strategy development and product launching.

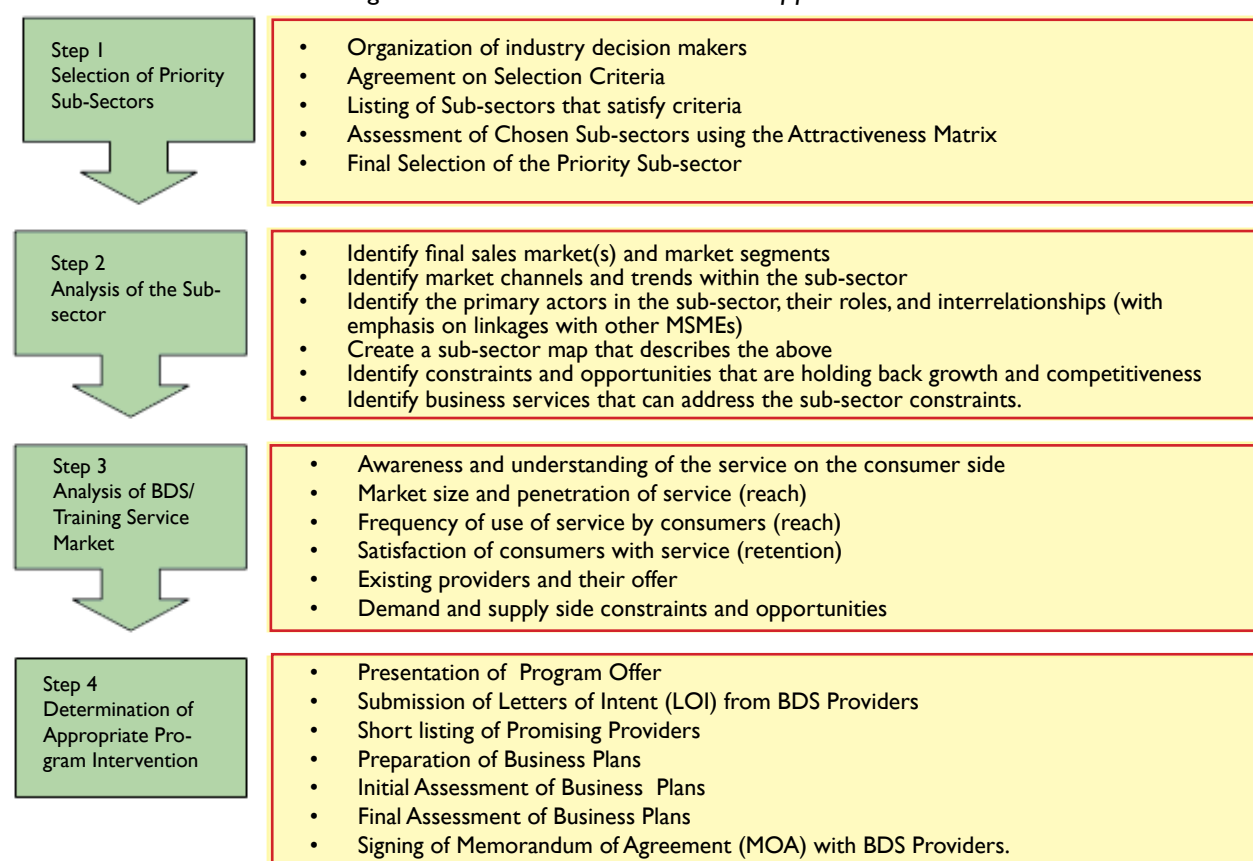
Approach

The Sub-Sector, Business Approach of SMEDEP

SBS identifies the constraints in the growth of a particular sub-sector, provides a business service orientation and promotes commercial opportunities to address such constraints. The SBS Approach leads to sustainable solutions that address key constraints hindering the sub-sector's potential for growth and development.

The SBS approach employed by SMEDEP is an attempt to combine the strengths of sub-sector analysis and business service market development. While sub-sector analysis can identify constraints, which limit Micro SME growth and income potential, a business service orientation can promote commercial opportunities to address these constraints. The SBS approach adopted by the Program consists of four major steps which are summarised in Figure 1 below.

Figure 1: Sub-sector/Business Services Approach



Key Results

- Selection of a priority sector supported by all major stakeholders
- Opportunities and constraints of the selected sub-sector identified
- Demand-driven services that addresses constraints developed
- Market-oriented BDS Providers selected
- Limited resources effectively utilized

Success Factors

- Transparency in the selection process (sector and BDS Providers)
- BDS Providers are supported in product and market development to address constraints of the sub-sector
- Strong and appropriate facilitation skills (selection of industry leaders, organizing the workshop, moderating the workshop)
- Availability of information regarding the sector and providers

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