

SMEtoolbox

An ADFIAP publication featuring ideas, news & tips for small & medium enterprise financing

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CEO Forum on SMEs Held



ADFIAP, in cooperation with the Association of Development Finance Institutions in Malaysia



tion of the development financial institutions (DFIs) in assisting small and medium enterprises (SMEs) in realizing their potential as engines of growth.

(ADFIM), the Latin American Association of Development Financing Institutions (ALIDE) and the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI), held the "International CEO Forum of Development Financing Institutions" with the theme, "Revving SMEs Up as the Engine of Growth" on September 12-13, 2005 at the Regent Hotel in Kuala Lumpur, Malaysia.



The occasion was also the venue where the ADFIAP's SME Finance Initiative (SME/FI) was launched. Essentially, the SME/FI will be a knowledge and business network that will put together development banks and other specialized financial institutions to dialogue and address specific issues of financing SMEs. The SME/FI will have three main elements, i.e., the CEO Forum, the SME/FI Portal and the SME Center. ADFIAP is initially working with ADFIM and the Geneva-based International Trade Centre UNCTAD/WTO (ITC) to implement the Initiative through a Memorandum of Understanding.



It is the second year in a row that ADFIAP and its co-organizers held the event in Kuala Lumpur. The first CEO Forum was conducted on August 10-12, 2004.

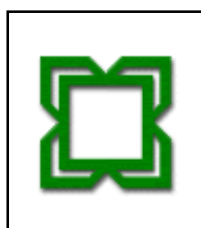
The primary objective of the Forum is to discuss and learn from each participating CEOs on the possible ways to improve the participa-

The event was graced by Y. B. Tan Sri Nor Mohamed Yakcop, Minister Finance II of the Government of Malaysia.

DBP Administers Financing Program for SMEs

The Development Bank of the Philippines (DBP) administers the Industrial Guarantee Loan Fund (IGLF) to ensure it plays a significant role in the government's SME Development Plan. IGLF is a government financing facility mandated to support the development of micro, small and medium enterprises (MSMEs)

through accredited participating institutions. IGLF has been a principal funding source of MSME projects located all over the country.



How Can Financial Technologies Help?

To make small business finance profitable, a financial institution must simultaneously reduce the cost of acquiring and servicing small business clients while increasing the profit contribution by cross-and up-selling a range of financial services. Proven financial technologies, which include market segmentation tools, customer relationship management systems, credit scoring and application processing solutions, light branches and kiosks, electronic banking and remote banking networks can help achieve these goals through streamlined methodologies and operating efficiencies. Among the benefits:

- ➔ Strong credit underwriting and application processing using credit scoring and related technologies can improve operating efficiencies, grow business and reduce losses.
- ➔ Target market strategies allow banks to mass-customize financial products and services, identify cross-selling opportunities and hence maximize the profit contribution per client.
- ➔ Adapted delivery channel design, including electronic banking, allows customers with limited access to traditional bank branches to conveniently conduct day-to-day transactions while optimizing cost for the bank in servicing its clients.

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Technology Solutions for Small and Medium Businesses



The SME Toolkit uses the latest information and communication technologies to help small and medium enterprises in emerg-

ing markets learn sustainable business management practices.

The SME Toolkit product consists of four major components:

- **Business Resources.** A large set of articles, interactive tools, business forms, software, and online training resources designed to educate small business owners and managers in seven core business areas: Accounting and Finance, Business Planning, Human Resources, Legal and Insurance, Marketing and Sales, Operations, and Information Technology.
- **Web Content Management Tool for Partners.** A robust back-office content management tool that allows local implementation partners to manage all aspects of the Web site and content in mul-

iple languages simultaneously without technical expertise.

- **Business Training Curriculum.** A comprehensive SME Toolkit training curriculum enables local partners to offer hands-on, computer-based training workshops for SMEs and business development service providers on key business management topics.
- **Portal(s) for SMEs.** An easy-to-use Web and CD-Rom interface that allows users to search or browse to locate the content they need.

The SME Toolkit is distributed through partnerships with local organizations that can translate the product into local language(s), add locally relevant content such as business regulations, local sources of financing, and local business directories and distribute the localized version to SMEs in their market. Current Toolkit partners range from local SME service providers and local banks to NGOs, IFC Project Development Facilities, and IFC departments and country offices. Email info@smetoolkit.org if you are interested to becoming a Toolkit partner.

Improving Customer Service

A term often used in e-business is customer relationship management or CRM. CRM basically uses technology to manage relationships. For example, some countries use it to create personalized call centers where technology recognizes in-coming phone numbers and automatically calls up customer information for the representative taking the call. A CRM system could also allow traveling sales and repair personnel to use mobile wireless transfers to punch up information about customers.

If CRM technology is not within your budget, then you can at least apply the basic practices. For example, in most businesses, entrepreneurs contact and deal with customers through a variety of different means including

email, faxes, phone calls and letters. Putting this information together can help you improve customer service:

- Keep track of how you are dealing with your customer (who said what to whom and when) with a simple spreadsheet.
- Identify your gold clients so that you can offer them special promotions.
- Use the information to customize your products to the specific needs of customers.
- Ideally, coordinate your customer contact efforts for a particular customer through a single person.

Protecting Your Creative Advertising

Competitors are likely to copy and to freeride upon your creative inspiration, skills and efforts. You should therefore devise appropriate strategies to protect your creations by using the legal tools made available by the IP system. These may include:

- Registering your advertisement and any other copyright protected material (including your website) with the national copyright office, in countries providing this option.
- Alerting the public that your advertising material is legally protected by copyright law.
- Registering your trademarks. Trademarks are typically words, numerals and/or logos.
- Registering your trademark as a domain name. Therefore, register your trademark as a domain name before someone else does so.
- Using your trademarks consistently and properly in all promotional material. Use only the specific font, color, size, or other features that are part of your trademark.
- Thinking about patenting innovative advertising technologies and online business methods, in all countries where such protection is available.
- Taking precautions to prevent inadvertent disclosure of trade secrets.
- If you commission an advertising agency or a consultant to create an advertisement for your business, make sure that all who might have access to your facilities or need to know about your confidential business information are bound for a confidentiality or non disclosure agreement. This can protect you against unauthorized disclosure of your trade secrets.
- Do not disclose patent related information. To obtain a patent, an invention must be "new" or "novel". This means that an invention must not have been disclosed, in most countries, to the public prior to the filing of a patent application.