

Boosting growth through business skills

For countries in the enlargement process, economic growth is crucial. The EU is helping businesses to modernise and develop, which has benefitted hundreds of firms in the former Yugoslav Republic of Macedonia.

MORE THAN JUST MONEY

The country needs to make its companies more competitive, more diversified, and more export-oriented in order to take advantage of its strong agriculture and textiles industries, and of promising sectors, such as car parts and pharmaceuticals. It is not just a question of money. Local firms need expertise to help them adapt to the disciplines of the market economy. This is what the “Turn Around Management & Business Advisory Services” (TAM/BAS) projects provide. They advise on restructuring businesses, improving products, reducing operating costs, boosting access to local and export markets, and giving managers new skills.

The programmes are designed to fill gaps. Most businesses are small and are family owned and managed. Most of them have a small capital base and management training, and consequently are not well placed for business and employment growth, for becoming more competitive, or for exporting. The TAM/BAS projects have helped many of them to grow rapidly and to acquire new skills – in everything from conducting feasibility studies to computerising management information systems to market analysis. The support is focused particularly on rural areas and makes special provisions for women entrepreneurs.

Turn Around Management (TAM) promotes change within individual companies. So far it has run 37 projects

in the country, most of which have been medium-sized enterprises and located in the provinces, with 4 others in the pipeline. The success rate has been good: 9 out of 10 of the projects completed have been rated satisfactory or better. One of the big factors in this success is the eagerness of staff to learn.

TAILORED ADVICE AND A STRATEGY THAT PAYS OFF

Business Advisory Service (BAS) supports specific projects tailored to each company, a strategy which has paid off. Many of these have provided new approaches to meeting environmental challenges in the food and beverages industry, or to energy efficiency. Managers receive on-the-spot training on disciplines such as quality management or engineering.

Since 2002 BAS has funded over 600 consultancy projects in the country with local companies, engaging over 230 local consulting firms, and has received a total of €5.7 million in donor funding, principally from the EU. Of the nearly 109 projects implemented in 2010–2013, 88 companies reported increases in turnover. More than half of the projects have been implemented in smaller towns and rural areas.



Instrument for Pre-accession Assistance (IPA)

The former Yugoslav Republic of Macedonia

IPA – AN INVESTMENT IN EUROPE. AN INVESTMENT IN SUSTAINABLE ECONOMY.

Julija Vecovska of interior design supplier SOLOPROM in Skopje says, "We received advice on branding for a new concept store and on the best promotional strategy to follow. The advice helped us turn our initial idea into a real business success by giving us insights into real professional approaches in tune with international standards, so we got much better value for our investment."

Better business skills allow firms to qualify for loans and attract external finance. To date, 7 companies have obtained investments of €26.4 million from the European Bank for Reconstruction and Development. At the same time, TAM/BAS is building up local capacity for business development by engaging local consultants and training them in delivering advice.

PROJECT DETAILS –

Implementation of Turn Around Management & Business Advisory Services projects

Partners:

European Bank for Reconstruction and Development

Total cost in €:

2.25 million

EU Contribution in €:

100%

Start date:

July 2010

End date:

February 2013

Results:

Improved prospects for companies; better business management skills; wider availability of business advisory services

Techniques:

Advisory services to company managers, training and training materials

