

Entrepreneurial Skills: Empowering Women
A UNDP-DPMM-MECD Project



Second Progress Report

Entrepreneurial Skills: Empowering Women

A joint project between the Ministry of Entrepreneur and
Cooperative Development,
Malay Chamber of Commerce Malaysia
&
the United Nations Development Programme

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SUMMARY

The “Entrepreneurial Skills: Empowering Women” project is a pilot project led by three main stakeholders namely the Ministry of Entrepreneurial and Cooperative Development (MECD), The Malay Chamber of Commerce (MCCM) and the United Nations Development Programme (UNDP). The two main components to the project are to create awareness, understanding and take up of microcredit and to empower women to become successful entrepreneurs capable of running, upgrading and expanding their businesses in a sustainable manner by capacity building (business coaching, training & business matching).

Since the inception of this project in May 2006, the project has undergone two Technical Working Committee (TWC) Meetings, one National Steering Committee (NSC) meeting and one policy dialogue attended by policy makers, Developmental Financial Institutes (DFIs) and related organizations involved in microcredit and entrepreneurial development.

Five months has passed since the first progress report was presented to the TWC & NSC. This second progress report provides an update on the project since October 2006.

The project is now in the midst of implementing its communication campaign component which will run for the duration of 6 months, ending August 2007. The communication campaign was launched at four of the five selected pilot states – Kelantan, Melaka, Terengganu & Penang. No launch was held in Kedah due to the lack of capacity (human resources) at the state MCCM. Each launch was followed by a full day workshop at state MCCM the next day. The workshop covered the types of microcredit loans available through the various DFIs and Microcredit Institutions (MIs). Participants were also briefed on the functions of the ‘Bestari Helpdesk’ held at state MCCMs.

The main thrust of the campaign is to promote ‘sustainable microfinance’ through the ‘Bestari Helpdesk’ which acts as a one-stop centre of unbiased information on microcredit & various trainings available. The campaign is targeted to all women especially low income women in the rural areas who wish to start a business or who are already in business.

The project has also initiated the capacity building component which is the second component of this project. This component targets to provide 100 selected women in the ‘cottage food industry’ with the necessary business coaching and training required to improve their entrepreneurial skills in becoming successful microentrepreneurs.

For this component, the project engaged a National Consultant to conduct a ‘needs analysis’ in identifying the training needs of targeted women and provide recommendations on the selection process of these women.

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1.0 BACKGROUND

The “Entrepreneurial Skills: Empowering Women” project is an 18 month project with two interrelated major components. The first component focuses on creating communications strategies and approaches to increase the awareness, understanding and take-up of microcredit and microfinance among rural and urban low income communities, especially women. The second component targets low income women in the food⁴ industry with existing businesses but require capacity development in terms of adopting better technology, increasing production and better quality standardisation, branding, packaging and marketing. New and innovative ways of opening market access will also be explored under the second component, such as the development of a website to strengthen business networking for the women, in addition to forums for matching producers with potential marketers.

The objectives of this pilot project are as follows:

- To enhance the awareness, understanding and take-up of low income rural and urban communities, especially women, in five selected states, on the availability and advantages of microcredit and microfinance schemes in the country.
- To develop and enhance the capacity of key stakeholders to support the empowerment of women entrepreneurs, and at the same time to promote the food sector within the Malaysian cottage industry.
- To enable a group of low income women in sample areas in the selected states to acquire certain skills and develop expertise through activities, such as business coaching, hands-on training and ICT training that is needed to promote and increase their entrepreneurial skills so as to empower these women to become successful entrepreneurs.
- To identify and develop the production of local food products in various microenterprise aspects of branding, labelling, packaging, marketing and promotion.
- To match the enterprise owners with companies that can market their products through the development of business networks.

For the first component (communications campaign), there will be two major output targets:

1. Successful awareness & advocacy campaign on sustainable microfinance carried

⁴ The food sector was identified as a potential industry for capacity building activities as majority of the women entrepreneurs in this sector lacked microenterprise skills.

out in selected districts in five states - Kelantan, Terengganu, Kedah, Penang and Melaka - over a period of 6 months; and

2. Increased uptake of microcredit and microfinance by women.

For the second component (capacity development), there will be three major output targets:

1. A group of low income women trained with entrepreneurial skills, especially micro enterprise skills related to branding, packaging, labelling, marketing and promotion, in addition to basic business planning skills and financial management.;
2. Basic training manual(s) in Bahasa Malaysia on marketing, packaging and branding for micro-entrepreneurs produced. This will include guides to business planning and financial management; and
3. A platform for networking and business matching developed

A MECD-DPMM-UNDP publication will be produced based on the findings and lessons learnt from this pilot project for future reference. Using data and facts collected and compiled from this pilot project, a model for developing successful women entrepreneurs capable of running, sustaining and improving their businesses in the most efficient way may be identified. The findings from this project will also be used to inform and influence strategies, policies and programmes on microcredit and microfinance.

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3.0 MILESTONES

Below is a list of the major activities carried out thus far :

Details	Date	2006			2007			
		October	Nov	Dec	Jan	Feb	March	April

Second Technical Working Committee Meeting (TWC)	10-Oct-06	★						
First National Steering Committee Meeting (NSC)	16-Oct-06	★						
First Training - 'Bestari' Help Desk Officer	11-13 Dec 06		↔					
Travel - Kedah, Kelantan, Terrengganu, Penang & Melaka	17-21 Dec 06			↔				
Appointment of National Consultant - Duration of engagement	10-Jan-07					▬		
Travel - Penang, Kelantan & Terrengganu	18-Jan - 1Feb 07					↔		
Appointment of Brand Consultant - Duration of engagement	23-Jan-07					●		
Second Training - 'Bestari' Help Desk Officer	29-30Jan-07					↔		
Launch & Workshop - Penang, Kelantan, Terrengganu & Melaka	6-13Feb-07						↔	
National Consultant - report submitted	25-Feb-07						●	
Third TWC	21-Mar-07							★
Second NSC	2-Apr-07							★
Roundtable Discussion - Uptake of Sustainable Microfinance Logo	10-Apr-07							★

2.1 Travel

The project has since conducted 3 trips to the selected states.

2.1.1 Kedah, Kelantan, Terrengganu, Penang & Melaka

Purpose: Inform state MCCM's on the upcoming Communication Campaign

Outcome: State MCCM's participate in the decision making and implementation of the activities carried out during the 6 month campaign at each state

2.1.2 Penang, Kelantan & Terrengganu

Purpose: To conduct a needs analysis through focus group meetings held with NC

Outcome: NC produced a “needs analysis” report based on collected data of over 60 women from the “cottage food industry” from three states

2.1.3 Penang, Melaka, Kelantan & Terrengganu

Purpose: To launch the Communication Campaign and Workshop

Outcome: Over 100 participants attended the launches at each state with 50 participants attending the workshops at state MCCM's the next day

2.2 Launch & Workshop

The main thrust of the communications campaign is to promote the concept of ‘sustainable microfinance’ which promotes a more holistic approach to poverty reduction through microcredit / microfinance programs that go beyond the provision of small loans to providing capacity development for rural women entrepreneurs through training & business coaching.

2.2.1 Launch

Over 100 participants attended the launches, including various Developmental Financial Institutes (DFIs), Microcredit Institutes (MIs), related government agencies, women NGOs, banking institutions and businesswomen from the respective states.

A key feature of the launch was the ‘Bestari’ Helpdesk which will be based at the offices of the MCCM in the selected states. This helpdesk acts as a one-stop center for women to obtain unbiased and objective information on the microcredit products and services, training programmes and financial advisory services available to them

The details of the launches held at the 4 states:

Date	States	Hotel Venue	Launch Officiated by:
5 February	Penang	The Gurney	YBhg Datin Seri Hajah Rabaayah bt Mohd Naim (Wife of the Deputy Chief Minister of Pulau Pinang)
8 February	Melaka	The Renaissance	Yang Amat Bhg. Toh Puan Dato Datin Seri Utama Hajjah Zurina Kassim (Wife of His Excellency the Governor of the State of Melaka)
10 February	Kelantan	Perdana	Puan Kamariah Yeop Abdullah Director of INSKEN
12 February	Terrengganu	Sri Malaysia	Yang Amat Bhg. To' Puan Seri Hajah Che' Kamariah Zakaria (Wife of the Chief Minister of Terrengganu)

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2.2.2 Workshops

Workshops were also held at the 4 states on the day following the launch. The objective of the workshops was to introduce the targeted women to the various microcredit products and services provided by Amanah Ikhtiar Malaysia (AIM), Yaysan Tekun Nasional (YTN), Mara & Bank Pertanian. The workshop also included a presentation by Agency Kaunselling & Pengurusan Kredit (AKPK) an agency under Bank Negara. The workshops received overwhelming responses from women in the respective states with participants requesting for more workshops held closer to home. Future workshop will be held in the month of March & May at selected districts identified by state MCCMs.

2.3 Training

To ensure that the 'Bestari' help desk officers are equipped with the necessary skills and knowledge; training sessions will be held from time-to-time (on needs basis).

Two training sessions consisting of 10 officers from both state MCCM and MCCM Headquarters have already been conducted at the MCCM Headquarters in Kuala Lumpur:

1) The first training was conducted on 11-13 December

- The objective of the 1st training was to introduce participants to microcredit, brief them on the various Developmental Financial Institutions (DFIs) involved & products available as well as to provide them with a brief introduction of the functions of the 'bestari' helpdesk. This method of training focuses on imparting 'Knowledge' (the 'Theory' side)
- The three day training course included:
 - Day 1** - Full day training with Ms Ranjini Balakrishnan specialist in capacity development for Developmental Financial Institutes (DFIs) and Microcredit Institutes
 - Day 2** - Full day session with the related DFIs and Training Institutes
 - Day 3** - Half day trip to Amanah Ikhtiar's collection centre in Sabak Bernam

2) The second training of the second training will be on 29-30 Jan

- The objective of the second training was to measure the level understanding on the previous training session, to focus on their 'task at-hand', ensuring that participants have a clear understanding of what is required of a 'bestari' help desk officer. The method of training focused on imparting the necessary 'Skills' (the 'Practical' side) required in managing the 'Bestari' Helpdesk
- The two day training course included:
 - Day 1** - Full day training with Ms Ranjini Balakrishnan specialist in capacity development for Developmental Financial Institutes (DFIs) and Microcredit Institutes
 - Day 2** - Full day session with AKPK and a session with Ms Chery Low (call centre specialist)

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3.0 COMPONENT 1: COMMUNICATIONS CAMPAIGN

3.1 Appointment of the Brand Consultant

A call for expressions of Interest from qualified Consulting firms to develop a logo with brand strategy was posted through:

- The Star newspaper (11 November 2006)
- UNDP website

Out of 10 applicants that applied for the post, 4 candidates were short listed. The interviews were held with:

1. Mr Stevie Tan – A dell Design (conference call)
2. Mr Awaludin – The Citra Group
3. Ms Doris Lim - Matrix Communications.
4. Mr Malkeet Singh - Bloomingdale.

The Brand Consultant was expected to have an extensive knowledge and experience in brand positioning for the finance or banking industry locally and regionally.

The scope of work included:

- Review current logos and/or brands associated to microcredit or microfinance locally and internationally
- Analyse trends and develop the new logo with a brand strategy that promotes sustainable microfinance.
- Develop a tag line for the sustainable microfinance logo/brand
- Develop a program to build brand awareness and brand equity, ensuring customer segments are targeted effectively, the core values and identity of the brand are aptly communicated
- Monitor and review brand performance
- To analyze and interpret feedback from internal / external sources to ascertain brand's health and identify communication gaps and opportunities.

The candidates were required to submit their proposals and present them on 8 December. The content of the proposals included:

1. 3 or more logos and rationale behind the design.
2. The tagline of "smart financing for better living"

The selection was narrowed down to two companies. Logos were presented to all three stakeholders for selection and approval.

On 23 January, another meeting was held with Datuk Wira Abdul Rahman Jamal (Executive Director of MCCM) along with Bank Pertanian and Amanah Ikhtiar representatives from respective Corporate Communications Department (Mara & Tekun were unable to attend). After much deliberation, the logo of choice was chosen and Matrix Communications was appointed as Brand Consultant. Both MECD and UNDP were agreeable to adopt the chosen logo.

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Prior to the 3rd Technical Working Committee (TWC) meeting, the Bank Negara which acts as 'advisor' to the SME Council recently informed the project team that the SME council have decided to create their own 'Sustainable Microfinance' Logo.

Due to this new development, the project will not proceed with active promotion of the 'biayaan mikro' as the 'sustainable microfinance' logo of choice. Instead the logo will be used internally, promoting 'sustainable microfinance' for the project.

4.0 COMPONENT 2: CAPACITY BUILDING

4.1 Appointment of the National Consultant

An advertisement for the National Consultant position under the second component of the project was posted through the following channels:

- UNDP Malaysia website (9 June 2006)
- UNDP HR Network (12 June 2006)
- The Star (17 June 2006)

A total of 124 applications (58 females and 66 males) were received and reviewed. There were no suitable applicants found.

Following the results of the advertisement, it was felt that the TOR for the National Consultant may be too ambitious and that it would be difficult to find a suitable candidate that will be able to perform all of the above to the highest standards.

To overcome this, changes were made to the TOR and the revised TOR was presented to the 2nd TWC & NSC for approval.

It was agreed that the KANITA team led by Prof Sukor Kassim would conduct the study over a period of two months. However, the project team did not accept KANITA's proposed revisions to the scope of work and the revised fees which far exceeded existing budgets. KANITA was therefore unable to take up the position as National Consultant.

The TOR was subsequently scaled down to focus on a needs analysis of only three states of the five states. From the three states, two will be selected for the second component of the project. It was decided that the needs analysis will not be conducted in Melaka and Kedah. For the former, many of the NGOs consulted there felt that there were already many similar programmes in existence in the state. For the latter, there was concern about the capacity at the local MCCM there to implement the capacity building component.

Dr Soraya Azmi was appointed as the national consultant on 4 Jan 2006. Her TOR was as follows:

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- Undertake a feasibility study of the food industry in 3 states – Kelantan, Terengganu and Penang – to determine the 2 states where the capacity building component of the project will take place. Factors that should be taken into consideration include women's participation in the food industry, available infrastructure, marketability of the food products, and women's needs in terms of business support.
- Using the "Entrepreneurial Skills: Empowering Women" project document as a guide and based on results from the feasibility study, assess the criteria for selecting the women that will participate in the capacity building component and make recommendations for improvement.
- Conduct focus group discussions at grassroots level to identify the training needs of targeted women. Make recommendations for a system that can be used as baseline and to track progress and outcomes of targeted women.
- Based on the project document and on the findings of the focus group discussions, create a strategic plan for sustainable capacity building for the targeted women.
- The strategic plan should include, among others, the following:

- Criteria and possible methods for selecting the women that will take part in the capacity building exercise, with justifications.
- Identification of the specific training needs for the targeted women.
- Provide recommendations for expanding the women's market access and strengthening business networking for the targeted women.
- A plan of action for the implementation of the strategic plan.

Dr Soraya Azmi was given a duration of 5 weeks to complete the consultancy. Her completed report will be presented in the upcoming TWC & NSC.