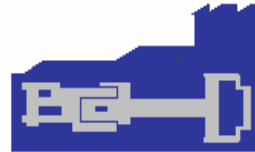




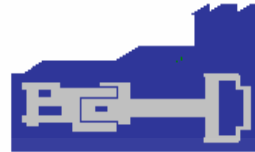
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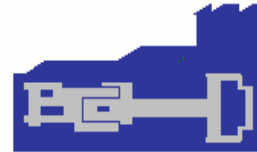
## Building the competitiveness of Ethiopian Enterprises

# A REFERENCE MODEL FOR ENTERPRISE COMPETITIVENESS



## Grim Facts

- Enterprises need to be competitive for success in the globalised market;
- To build enterprise competitiveness, a reference model is needed;
- Is there one such model?

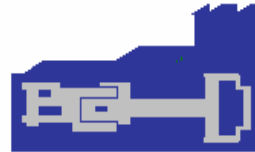


## Why do you need it?

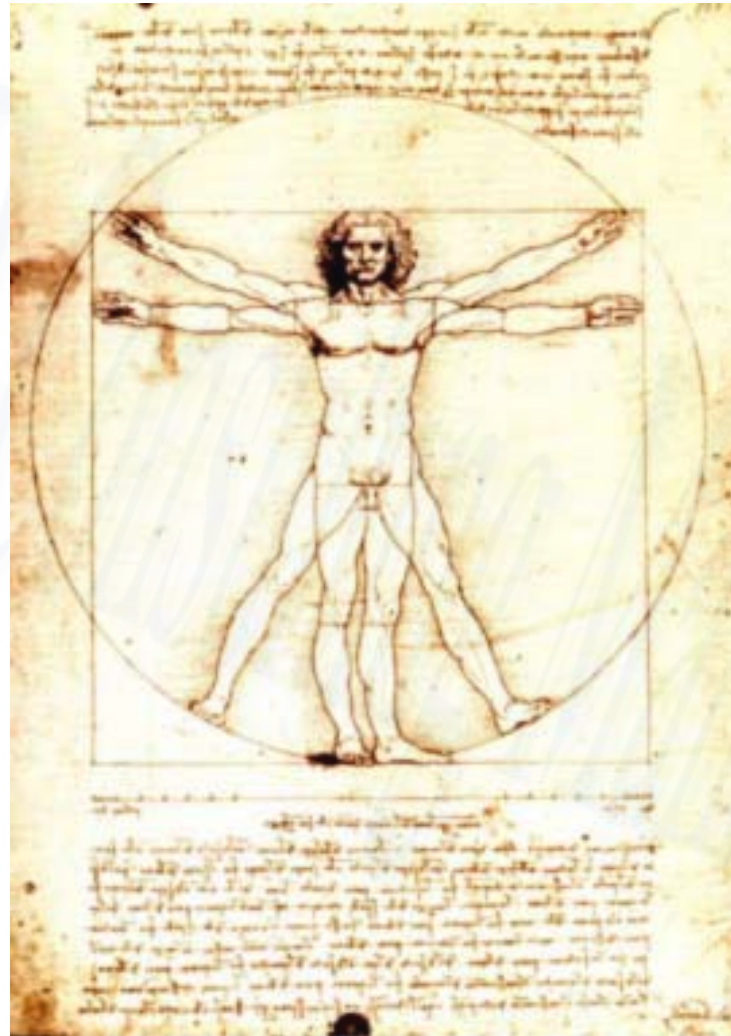
- If you aren't competitive now, you need to figure out why in such a way that you do something about it
- Medical doctors diagnose you in such a way that they do something about you because they have a model i.e. anatomic model;
- For proper diagnosis, you need such a reference model;

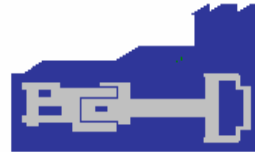


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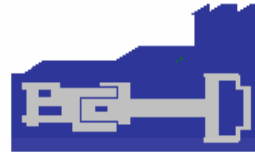
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## What Should a Reference Model Look Like?

- Needs to be complete and integrated;
- Should explain a complete picture of its domain;
- It should be robust against time, space and sector;
- should be consistent and not contradict internally among its various parts;



## Is there such a Model?

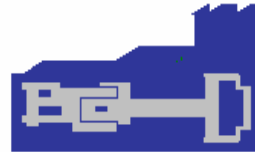
- Yes, it is the Business Management System (**BMS**);
- This model has all the features that we have explained;

## How would this model help SMEs?

- If SMEs want to be competitive, what should they do?
- A manager's job is to make resource decisions based on the diagnostic result of the business;
- If SME managers use this model, they can make rational decisions.



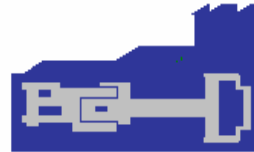
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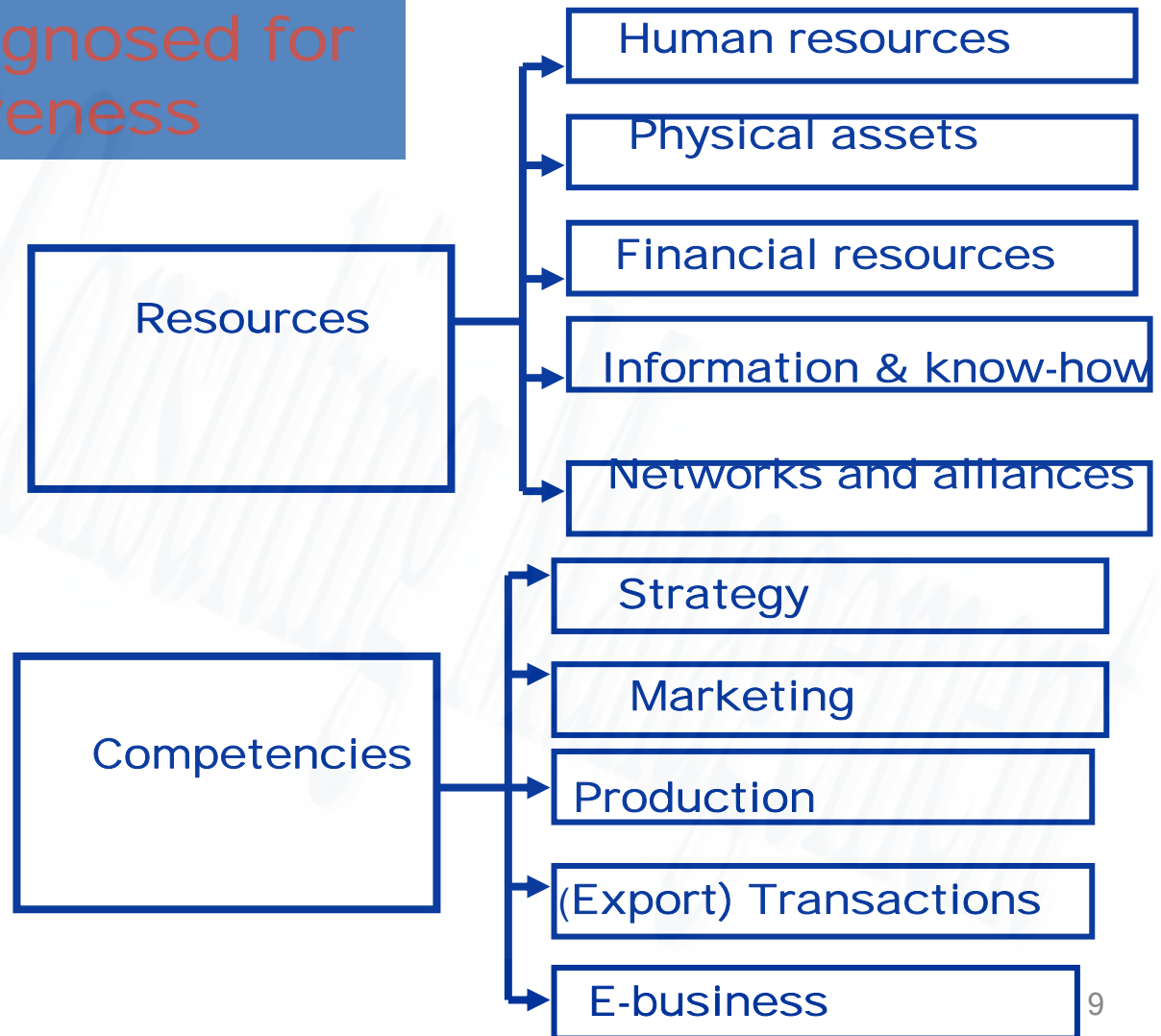
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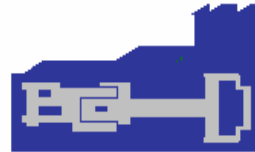
## BUILDING THE COMPETITIVENESS OF ETHIOPIAN ENTERPRISES

# TOOLS FOR ENTERPRISE COMPETITIVENESS



## Areas to be Diagnosed for Competitiveness





## Tools for Enterprise Competitiveness

### Competency assessment Tools

- Overall success of the business (*Objectives of BMS Book*)
  - Management performance (NeedSME software)
  - Export readiness (ExportSME)
  - E-utilization (e-SME)
  - Overall evaluation (Snapshot)
- 
- The diagnosis tool provides the consultant **report**
  - The Consultant **interprets** the report and **diagnoses**



X-ray machine

## **Tools for Enterprise Competitiveness (cont.)**

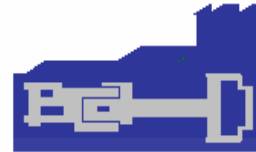
### **Strategy Design & Management Tools**

- **PlanSME-I (Strategy design software)**
- **PlanSME-II (strategy Implementation Software )**
- **Compass( Strategy design and implementation)**

**The tools provide a process for strategy design and for calculating resource requirement for implementation**

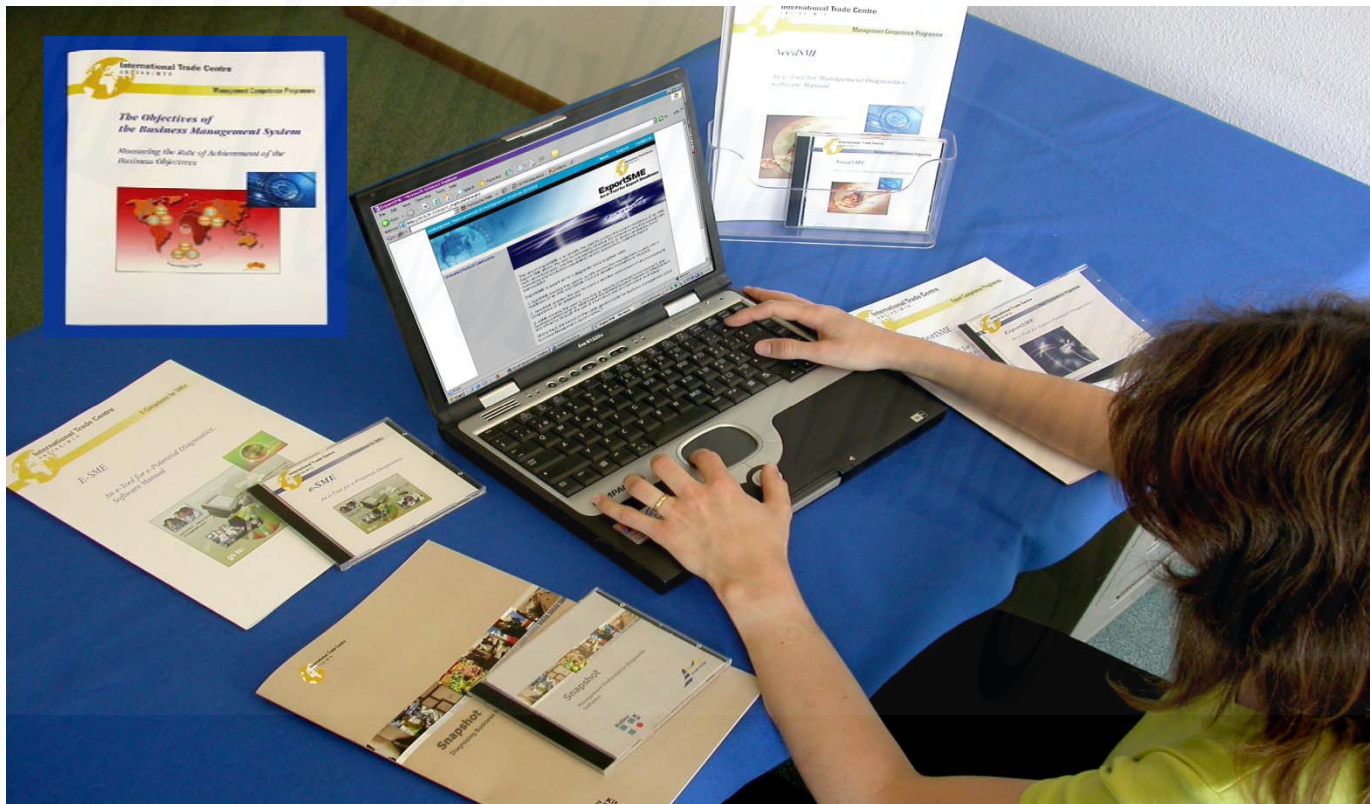


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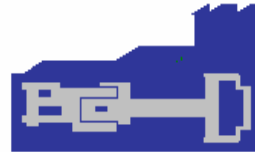
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## Tools for Enterprise Competitiveness





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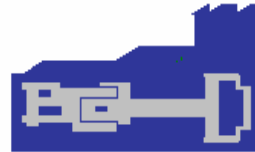
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## BUILDING THE COMPETITIVENESS OF ETHIOPIAN ENTERPRISES

# APPLICATION OF THE BMS MODEL



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# THE TWO DIMENSIONS OF BMS

DIAGNOSIS

IMPROVEMENT

# HOW THE TWO Enablers OF THE BMS WORK

## **DIAGNOSIS** (EVALUATION, SCREENING)

- USING THE TOOL - SNAPSHOT Software, find out what is wrong with the businesses of the ENTERPRISE

## **IMPROVEMENT**

- USING TOOLS –COMPASS Software , design strategy for competitiveness of the businesses of the enterprise

# BMS – WHERE TO APPLY

- **BUSINESS FIRMS-** PRODUCTION AND SERVICE
- **COST SHARING PROGRAMS**
- **BANKS /FINANCING INSTITUTION**
- **SECTOR DEVELOPMENT PROGRAMMS**
- **HIGHER LEARNING INSTITUTIONS**
- **OTHERS-** Incubator programs, SME assisting institutions

# BUSINESS FIRMS- PRODUCTION & SERVICE

- SELECT BUSINESS WITH HIGHEST POTENTIAL
- DETERMINE THE MANAGERIAL SKILL AND THE RESOURCE REQUIREMENT TO BUILD IT
- ASSIST TO DESIGN STRATEGIES
- PREPARE RESOURCE REQUIREMENT
- PROVIDE ASSISTANCE
- HELP MANAGERS TO IMPLEMENT STRATEGIES

## COST SHARING PROGRAMS

- TO DIAGNOSISE THE FIRM TO IDENTIFY THE INTERVENTION AREA
- PRIORITIZE URGENT /CRITICAL TASKS
- TO DETERMINE THE COST AND THE SHARE

# BANKS /FINANCING INSTITUTION

- USING COMPETENCE AS COLLATERAL
- The following banks already applied it
  - INDIA Exim BANK
  - TUNISIA Micro and small Enterprise bank
- SCREEING FIRMS BASED ON  
COMPETENCY

# BUSINESS INCUBATORS

- TO SCREEN PROSPECTIVE PARTICIPANTS
- TRANSFER RISKS
- TO ESTIMATE COSTS
- TO ACQUIRE AND ALLOCATE RESOURCES
- MONITOR PROGRESS AND TAKE CORRECTIVE MEASURES

# OTHERS

- SME assisting institutions or Trade Support Institutions to design program to better serve SMEs to be competitive.