



**BCaD-Consulting Management**

*Helping SMEs to be globally competitive!*

# Entrepreneurship Development Training of Trainers (ToT)

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## 1 Introduction

Competency based Economies through Formation of Enterprise (CEFE) is a comprehensive set of training instruments designed to stimulate positive interventions in the small and medium enterprise development process. It uses experiential learning methods to develop and enhance the competencies of two essential groups of actors:

- Existing and potential entrepreneurs- so that they can improve their business performance.
- Key personnel of enterprise support institutions- so that they can foster an environment favorable to enterprise development.

BCaD-consulting Management is proficient at international level to deliver CEFE training. We have developed entrepreneurship training curriculum for the Ministry of Education with CEFE methodology in year 2002 being contracted out by GTZ-TVET. We have also participated in the coaching of CEFE Instructors in three Nigerian Universities this year. Currently, we are running several CEFE TOT programs for GTZ-ECBP and preparing CEFE Upgrading TOT for GTZ-UCBP. In a nutshell we are established authority in the area of entrepreneurship development in our country.

## 2 Entrepreneurship Training with the CEFE Approach:

**CEFE** stands for **Competency-based Economies through Formation of Entrepreneurs** or in short **Creation of Enterprises Formation of Entrepreneurs**.

This model promotes the creation of micro, small and medium enterprises (MSMEs) and upgrading of existing ones through the systematic development of entrepreneurs and through adequate provision of techno-managerial inputs to start and operate an enterprise.

CEFE can be described as a person-oriented approach towards promoting and developing competent and productive initiatives in the area of MSMEs. It is an integrated development concept aimed at: (1) creating and stimulating a conducive

entrepreneurial environment in society; (2) enhancing the professionalism and competencies of MSME support institutions in the delivery of services to the sector; (3) promoting the creation of new MSMEs; (4) improving the efficiency and competitiveness of existing MSMEs; (5) developing new entrepreneurs; and (6) upgrading the competencies of existing entrepreneurs.

## **2.1 Concept:**

The CEFE approach of training entrepreneurs has some unique features and is based on the following conceptual sub themes:

2.1.1 Entrepreneurs, if they want to succeed, should always be aware of their personal qualities, competencies and their surrounding environment in order to develop appropriate strategies before embarking on any entrepreneurial ventures.

2.1.2 Entrepreneurs, based on their competencies, have to identify and select their own projects, which they are convinced to be feasible and can be carried out by themselves.

2.1.3 In order to succeed in any business, entrepreneurs have to make a study on their own, test their ideas, judge the viability of their projects and prepare Business Plans based on their own circumstances, decisions and findings.

2.1.4 Prescribing fixed solutions to business problems and ways of running the business only serves to stifle innovation, increases dependence and reduces competitiveness.

2.1.5 If entrepreneurs are competent and confident enough to implement their project, and if their projects seem viable, they should be

supported by finance and other types of assistance but not too much support.

2.1.6 Being potential entrepreneurs, they only need certain things at the initial stage, so give only the required initial inputs, e.g., do not give any bookkeeping and other operational advice because it will be premature at this stage for them. The ultimate aim is to enable the course participants to start their businesses (regarding the CEFE training for potential entrepreneurs).

2.1.7 Being existing entrepreneurs, they have considerable entrepreneurial experience, inherent and developed competencies. This wealth of experience must be tapped and put into proper use through upgrading measures to enable them to better plan and manage their business growth, expansion and diversification. The strategic fitness of what they already have, can do and want to do vis-à-vis planned activities must be significant in order to achieve a mutually reinforcing symbiosis. Training interventions for them must consider their specific personal and business requirements.

## **2.2 CEFE Interventions**

Although there exist a number of different CEFE projects around the world, they all fall into three basic categories, which focus on how the small entrepreneur interacts with his environment. They are:

- The process of competency acquisition for the entrepreneur, aimed at either enterprise formation or expansion.
- The process of resource mobilisation with the main emphasis being on credit and investment.

- The impact of macro policy in optimising business creation and expansion.

The process flow of enterprise creation under the CEFE model, which attempts to create a favourable environment for enterprise, is one of the entrepreneurs passing from competency acquisition to the testing of his ideas in the environment. When they are verified, he then mobilises resources, then enters into the market in his environment, and after sometime, acquires more competencies and so on through a spiral of growth.

If we accept this overview of competency acquisition, resource mobilisation and interaction with the business environment, the CEFE mission could be simply stated as: **Facilitating small enterprise growth through the enhancement of entrepreneurial competencies in society, and the fostering of a business environment conducive to the application of those competencies.**

### **2.3 CEFE Target Groups**

CEFE interventions address various target groups such as MSME development and financing agencies, existing small entrepreneurs and potential small entrepreneurs from varied walks of life (e.g., women, technical graduates, skilled workers, unemployed youths, professionals, retired civilian and military personnel, urban re-settlers, rural youths, among others).

## **3 CEFE Training Methodology**

The CEFE program is anchored on **action learning methodology** where the participants play an active role in simulation games, role-play and experience sharing. There is a minimum of lectures and a maximum of experiential and action learning exercises. The uniqueness of the CEFE training methodology is that the facilitators do not spoon-feed the participants. Rather, the participants themselves derive the learning points of the various training activities, and internalise their application into their own real world.

During the ToT, after having introduced the methodology to the participants for two days, the participants themselves will deliver training sessions with a close mentoring

and coaching of the trainers. We do the coaching every evening in preparation for the following day's delivery. Hence, those whose turn is near are expected to stay additional 1-2 hours for preparation after having done the day's course.

Each participants who is in charge of delivering the sessions would be evaluated based on a set of standard criteria and eventually be graded either as a trainer, assistant trainer or non-qualified to be a CEFE Trainer. All of them will be given a certificate of CEFE ToT participation though. See attached evaluation grid.

### **3.1 CEFE Features**

#### ***CEFE:***

3.1.1 Links financial institutions and support service institutions with existing programs for better assistance to MSMEs.

3.1.2 Requires participants to make actual business plans, which they aim to implement immediately after training. These include business creation, business expansion or diversification.

3.1.3 Delivers the entrepreneurial and enterprise concept through experiential and action learning exercises harping on the emotional learning curve concept. The action learning method enables the participants to discover for themselves the learning points of entrepreneurial values, search for and selection of indigenous business ideas, marketing, production, finance and organisation aspects and exercises, rather than spoon-feeding them through lectures.

### 3.1.4 Executes follow-up activities to the participants

### 3.1.5 Follows a rigid screening procedure and selection criteria of its beneficiaries.

The CEFE methodology puts emphasis on the development of confident and competent "public" persons. It builds competency. There is also a systematic transformation of the participants' progress towards acquisition of the needed knowledge, skills and attitude.

CEFE restricts itself to a minimalist approach. For instance, a CEFE course on new business creation for potential entrepreneurs offers only what is needed by the participants at the moment (e.g., one should not introduce accounting concepts if the participant is still in the process of creating a business. Rather, CEFE interventions such as Business start-up Courses can be offered when the graduates/participants are ready to embark on their business). Specific information and know-how related to their current needs are the ones being emphasised.

The delivery of CEFE interventions can be adapted to the characteristics and needs of the target group and the culture. In training, these include duration of training per day (whether full time or part time), timing (whether morning, afternoon or evening), schedule (whether daily or staggered by days or weeks), participant's fee (participants should pay for the training to get their commitment and involvement, even if the training is subsidised. The fee should, however, vary depending on the financial capability and resources of the target group), local language, among others.

CEFE shows a high success rate in creating personal competence to deal with entrepreneurial situations. Through a more professional awareness of one's resources, qualities and appropriate strategies in one's real life situation, the individual will be able to adapt oneself to the environment (e.g., through training), to reshape the environment (e.g., through networking), or to complement his

weakness with the strengths of others (e.g., hiring consultants). As such, its applicability even goes far beyond the world of small enterprise as tests have shown in various other fields like career planning, personal life re-orientation, structural adjustment programs, refugee programs, drug prevention programs, education and vocational training, quality improvement, export marketing, etc.

## 4 CEFE Training Modules

CEFE training is a modular training covering the following major issues.

### 4.1 Unlocking Competencies

A series of **behavioural exercises** are played to continue breaking the ice and to let the participants do a **self-assessment** of their strengths and weaknesses, life goals, wants and needs. The effective introspection is done by the participants themselves with active feedback from their co-participants and the facilitators. These exercises enable all to unlock their person and to derive **new and deeper insights into their own self**. Thus, a reinforcing and warm group atmosphere is created which also makes the participants aware of their future roles as entrepreneurs. Disclosing, receiving feedback and self-discovery are understood to be necessary prerequisites in the process of unlocking their entrepreneurial competencies. Here, too, the facilitators consciously start transforming a "private" person into a "public" person.

In the process of unlocking their person, the participants identify, define and crystallise their vision, qualities and resources and above all, their latent and developed competencies. They experience that as future entrepreneurs they must have mastery over **changing environment** through various strategy options.

Personal **entrepreneurial qualities** are highlighted. Among them figures, **Business Mathematics**, which occupies an important position. Business mathematics skills of the participants are assessed, and if necessary, improved on an individual basis after some classroom or extracurricular inputs. Improvement in math skills is validated by another quiz. It is important that all participants have basic math

competencies to perform fundamental calculation (e.g., fractions, decimals, percentages, interest, profit and loss) during business planning later in the course.

Successful entrepreneurs are also invited before the class to relate their success (and failure) stories. The participants can then gauge themselves whether they have what it takes to be a successful entrepreneur.

**Environmental and situational influences** are studied and scrutinised in detail vis-à-vis their expected favourable or unfavourable impacts on the intended business. **External resource persons** are invited to deliver talks on fields of interest to the future entrepreneurs such as **tax and registration regulations, import and export laws, health and other government regulations**, possibilities to get technical and financial assistance, etc. The ultimate objective of this module is to acquire the "strategising" experience and competency in the use of **three strategic options** to entrepreneurial challenge: namely, adopting, reshaping and complementing strategies in the face of given macro and micro situations.

Adapting strategies refer to specific decisions and actions by the actor (future entrepreneur requiring him to adjust himself to the given situation (e.g., training). Reshaping strategies refer to those decisions and actions providing the actor with certain mastery, influence and power to change the situation in his favour (e.g., change of business location). Complementing strategies refer to those decisions and actions requiring the actor to enlist the help or resources of others to make up for his deficiencies in exploiting a given situation (e.g., partnership, use of consultants, etc.).

The Unlocking Competencies module ends with a definitive summation of the participant's **qualities, resources and vision**, as well as weaknesses and deficiencies through an exercise called **Personal Balance Sheet (PBS)**. In essence, the PBS answers the three questions: 1) what do I have and do not have? 2) What can I do and cannot do? And 3) what do I want and do not want to do?

## 4.2 Matching Person with Project

Assuming that most of the participants - in the case of the CEFE course on new business creation - have not yet accurately identified their specific product or service ideas, there is ample opportunity during the training to broaden their horizon and draw their attentions to other feasible product ideas. Through **Brainteaser and Brainstorming exercises**, participants discover about one thousand product ideas. It is often experienced that many participants drop their original products/service ideas in favour of new ones during this stage.

Via Macro and Micro Screening techniques, individual participants learn to assess their chosen individual projects from various relevant angles in a phased, prioritised and systematic process using qualitative and quantitative instruments. They are thoroughly prepared via various exercises, role plays and briefings for their first fieldwork experience concentrating on **SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis** to obtain field data on the viability of their refined and preliminarily assessed project ideas. Fieldwork findings are reported in class to a panel of specialists for validation. Before the module on individual business planning is entered, the individual participants **decide** finally on their **real projects with their products/Services** using **Value Analysis/Engineering**, among other analytical tools. **Matching Person with Project** is done by means of **comparing Personal Balance Sheet (PBS)** and **Project SWOT Analysis** where the composite personal competencies of the participant are matched with his chosen project's requirements.

## 4.3 Business Plan

During the two weeks, participants learn step-by-step to develop a Business Plan for their individual projects which each of them has finally selected during the preceding module. In a logical and sequential manner, marketing, production, organisation & management as well as financial aspects of the project are dealt with in detail. Relevant functional action learning games are intensively processed and additional inputs given by the facilitators before the participants go out for their individual

fieldwork for each functional aspect of the project. Their fieldwork findings are reported to a panel of specialists. Some prefer not to disclose their collected data or even projects in public; but they are free to do so, hence they must present in private.

The Business Plan module is considered one of the pillars of the CEFE training, which enables the participants to understand the various components of the business, their dynamics and inter-relationships. It also prepares the participants for the presentation of their respective Business Plans to different banks of their choice. Key representatives from banks, which have earlier been exposed to the CEFE approach through a National Appreciation Workshop, are invited to evaluate the individual Business Plans with regard to their viability and bankability. It often occurs during these presentations that banks give their outright approval to certain participants based on Business Plan viability and independent assessment of their entrepreneurial competencies. Participants present their Business Plans not necessarily for borrowing purposes but to let experts objectively evaluate the viability of their chosen projects. In most cases, bankers give a conditional approval to the project subject to certain amendments and to fulfillment of the bank's regulations regarding format and collateral requirements.

## **5 Duration of Training**

The training takes 12 days (84hrs). In addition there is always an evening coaching time which extends for another 1-2 hours after the training to help those whose turn is the following day to deliver session from among the participants to do a practical exposure through action learning.

## 6 CEFE Training Ladder

