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العرفة الإسلامية للتجارة والصناعة والزراعة
Islamic Chamber of Commerce, Industry & Agriculture
La Chambre Islamique de Commerce, d'Industrie et d'Agriculture



غرفة تجارة وصناعة الشارقة
Sharjah Chamber of Commerce & Industry

Report

of the Training Program on Entrepreneurship Development for OIC Countries

March 18-20, 2013
Sharjah – United Arab Emirates

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Preamble:

The ICCIA is undertaking activities that would directly or indirectly lead to develop the economies of the OIC Member Countries. In this context, Entrepreneurship is one of the most important vehicles for improvement in the economic wellbeing of individuals and societies. Studies have shown a positive relationship between entrepreneurship and aggregate economic growth. The business community from OIC Developing Countries needs to have a common platform to promote entrepreneurship. This will become a key to poverty alleviation, self-reliance and prosperity.

The role assigned to the ICCIA for capacity building in the OIC Member States will come into proper play by fostering the true spirit of entrepreneurship and providing networking opportunities to enter and expand their business. This initiative will provide a platform for the participants of the member countries to come together and draw a roadmap to have a stable and sustainable economic growth. This will further focus on how Entrepreneurship can trigger, fuel and propel the engine of economic growth to combat poverty and lead to capacity building. These initiatives will reap the right dividends only with the proper help and support of the Governments and International institutions in achieving the desired results.

Training Program on Entrepreneurship Development for OIC Countries
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In compliance with the recommendations emerged during the 6th Forum for Businesswomen held in Kingdom of Bahrain in December 2012, to develop entrepreneurship among women and youths, the Islamic Chamber of Commerce, Industry & Agriculture (ICCIA) organized the Training Program on Entrepreneurship Development for OIC Countries in Sharjah – United Arab Emirates, from 18-20 March 2013. This Training Program was organized in collaboration with the Perez-Guerrero Trust Fund (PGTF)/United Nations Development Programme (UNDP) and Sharjah Chamber of Commerce & Industry. The program was attended by 24 participants from 16 Member Countries namely Afghanistan, Azerbaijan, Bahrain, Bangladesh, Iran, Jordan, Kyrgyzstan, Oman, Pakistan, Palestine, Saudi Arabia, Sudan, Tajikistan, Uganda, Yemen and U.A.E.

Opening Session:

The program opened with a recitation of verses from the Holy Quran.

On behalf of Mr. Hussain Al-Mahmoudi, Director General of Sharjah Chamber of Commerce & Industry, Mr. Mohammed Ahmed Amin, Assistant Director General for Economic & International Affairs of Sharjah Chamber, delivered a welcome speech, in which he welcomed all the participants in Sharjah Emirate wishing them a pleasant stay. He further highlighted the special cooperation and strong working relationship between Sharjah Chamber and the Islamic Chamber of Commerce, Industry & Agriculture ICCIA which is manifested in the many joint

programs and activities that the two organizations have organized recently. He stated that the leadership of the State of United Arab Emirates places great significance on economic growth, sustainable development of human resources and with particular focus on capacity building of youth segment. He wished the participants all the success in their training and that this program will help them to further progress of their businesses.

Thereafter, in her Speech Mrs. Attiya Nawazish Ali, Assistant Secretary General of the Islamic Chamber of Commerce, Industry and Agriculture welcomed the participants and thanked the President, Director General and all personnel of Sharjah Chamber for their continuous support to the ICCIA and its activities. She also thanked the Perez-Guerrero Trust Fund / United Nations Development Programme (UNDP) for their generous support. She mentioned the programmes undertaken by the ICCIA for capacity building, poverty alleviation, SME development, value addition and microfinance. These programmes are directly or indirectly linked to the call of the Extra Ordinary Islamic Summit held in Makkah-al-Mukarrmah in 2005 which called for the increase of intra-Islamic trade to 20% by the year of 2015. She further stated that Workshops such as these would be instrumental in creating awareness of the existing potentials and how best these could be utilized with proper business model and plan. She concluded by wishing the participants success in the Training Program.

Entrepreneurship Concept, History and Nature:

Entrepreneurship has emerged over the last two decades as arguably the most potent economic force the world has ever experienced. With that expansion has come a similar increase in the field of entrepreneurship education. The recent growth and development in the curricula and programs devoted to entrepreneurship and new-venture creation have been remarkable. The number of colleges and universities that offer courses related to entrepreneurship has grown from a handful in the 1970s to over 2,000 in the world. In the midst of this huge expansion remains the challenge of complete academic legitimacy for entrepreneurship. While it can be argued that some legitimacy has been attained in the current state of entrepreneurship education, there are critical challenges that lie. The entrepreneurial revolution has taken hold across the globe and has undeniably impacted the world of business forever.

Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks—in terms of time, investment, or career; the ability to formulate an effective venture team; the creative skill to arrange needed resources; and fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion.

In this light, entrepreneurship is more than the mere creation of business. Although that is certainly an important facet, it is not the complete picture. The characteristics of seeking opportunities, taking risks beyond security, and having the tenacity to push an idea through to reality combine into a special perspective that permeates entrepreneurs. An "entrepreneurial perspective" can be developed in individuals. This perspective can be exhibited inside or outside an organization, in profit or not-for-profit enterprises, and in business or non-business activities for the purpose of bringing forth creative ideas. Thus, entrepreneurship is an integrated concept that permeates an individual's business in an innovative manner. It is this perspective that has revolutionized the way business is conducted at every level and in every country. The revolution

has begun in an economic sense, and the entrepreneurial perspective is the dominant force. The younger generation of the 21st century is becoming the most entrepreneurial generation since the Industrial Revolution.

Objectives of the Program:

The think tanks and economics gurus of west have agreed on one issue that the new era of economic revolution lies in the hands of Asia. Looking at the composition of countries in Asia, we see a very strong presence of Islamic countries which have also realized this emerging opportunity for them to strengthen their business acumen. The percentage of working population and a constant growth in it in this region brings us the opportunity to control the major chunk of business activity in future.

This program is intended to develop the entrepreneurial spirit and the modern way of doing business among all those who already jumped in the business world or are planning to do so in near future. Some of the objectives planned for this program are:

1. Developing “Be my Boss” thinking in participants’ mind.
2. Understanding the difference between Entrepreneurship and an ordinary business.
3. Developing a creative mindset to explore opportunities / GAPS in the world around us.
4. Mastering the core functions of business to develop a successful venture.
5. Finding creative methods of raising initial capital.
6. Developing an effective Marketing Plan.
7. Understanding management of financial resources
8. Developing a Business Model to plan for current strategy and future growth.

Technical Sessions:

Session-I & II - Idea Generation - Developing a Business Idea:

During the start-up stage of a business, the existence of a sound business plan can increase your chances for a positive outcome. Rather than pursuing conflicting goals or allowing the business to develop haphazardly, you can use the plan to keep your business on track. Developing a business idea depends heavily on your planning before you plan to start a venture.

Some of the questions your plan should answer are:

- What business am I in?
- What are my products or services?
- Who are my competitors?
- Who is my target market?
- What’s the best marketing strategy?
- How should my resources be utilized?
- What is the business’s profit potential?

A business idea must pass in terms of its:

- Reality Test
- Applicability Test

Session-III - Business Model:

You must be familiar with a working definition of a business model. Business model is a company's unique value proposition (its business concept), how the firm uses its sustainable competitive advantage to perform better than its rivals over time (its strategy), and whether as well as how the firm can make money now and in the future (its revenue model). The terms business model, business concept, revenue model and economic model are often used interchangeably, resulting in less than desirable rigor being applied when assessing the attractiveness of an opportunity or viability of a proposed new venture. Moreover, business models have been approached as architecture, design, pattern, plan, strategy, method, assumption, and statement.

You must understand that firms fail in spite of well-constructed business models, and succeed with loosely-designed and sometimes poorly-designed models. Nonetheless, a business model can provide significant value to the entrepreneur and other stakeholders (e.g., employees, financiers, network partners, advisors, etc.). It serves at many major purposes. The most important of all, a model can help ensure that the entrepreneur brings a fairly logical and internally consistent approach to the design and operations of the venture, and communicates this approach to employees.

Session-IV - Financing & Budgeting:

Unlike day-to-day accounting records, financial statements provide an overview of your business. Instead of telling what you sold on a particular day, or how much a specific inventory item cost, financial statements give you the big picture—comparing what you own to what you owe, what you earned to what you spent. As such, they form the basis for any financial analysis of your business.

The two most important of these are the balance sheet and the income statement (often referred to as a profit-and-loss statement or P&L). The balance sheet is a summary of your business's assets, liabilities, and capital on a given day. The income statement is a summary of your business's income and expenses during a specific period (month, quarter, year).

The difference between these two statements can be compared to the difference between a photograph and a motion picture. The balance sheet is like a photograph, depicting your business as it appears in a single instant. The income statement is like a motion picture, depicting your business as it changes over time.

Session V - Legal & Regulatory Issues:

The laws of the land matter a lot for any business. Wherever a business is started, the laws governing that market must be considered before finalizing any business plan. Especially the laws relating to product/service liability, labor laws, environmental laws and all other rules and regulations a business must adhere to should be looked into and if needed, legal advising should be taken. The most important of all are the tax laws, GST, and excise laws since these are going to effect the day to day operations of any business. The last thing you want to do is get into conflict with any government agency for legal violation.

Session VII - Marketing mix:

If you're running a small business, you are your business. Wherever you go and whatever you do is a business promotion opportunity. Conversely, wherever you go and whatever you do reflects upon your business; your business image is, in large part, your image. Too often small business people forget this. They've spent "x" amounts of dollars placing ads in various places and figure that's enough. Business promotion will take care of itself. It doesn't. If you want to improve your sales figures or get more clients or keep the customers you have coming back, you have to actively work at business promotion all the time. But promotion isn't just advertising or press releases or sales events; promotion is also how you present yourself. When evaluating a particular community's suitability for your business, ask yourself the following questions:

Is there a need for my product or service?

- How many customers are there?
- How strong is the competition?

Pricing is another important factor in success or failure of business. Before you set the price you're your product /service, you must undertake answering these questions.

- What is the perceived value of customer?
- What is the buying power of the customer?
- How strong or weak customer is attracted towards your offering?

Session VIII - Organizational & HR Functions:

The most valuable asset of any business is its people. Land, buildings, merchandise, and equipment may dominate a balance sheet, but they don't make a business successful; people do. The best businesses have the best people—capable, creative, energetic people. To attract these people, you need both ingenuity and initiative, but the payoff in productivity is worth it. Staffing your business with the best people available should be one of your highest priorities.

Session IX - Operations & Supply Chain:

Every business, regardless of whether its primary function is retailing, wholesaling, services, or manufacturing, has one thing in common with other businesses: inventory. In fact, the major portion of your investment will probably go for inventory. Included in this portion are expenditures for merchandise, supplies, raw materials, and parts, all of which are expected to earn profits for your business. To do so, however, these expenditures must be kept in proper balance. This is the aim of inventory control.

Having a great product offering is a good place to start. To actually put it all together and get it into the marketplace, though, you'll need to manage your distribution network. This means working with suppliers, wholesalers, and retailers.

Session X - Entrepreneurial Growth:

Every business reaches an intersection where it is actually the decision point to choose between forward and stability stage. Entrepreneurs are differentiated with their approach of moving forward. Businesses need strong vision, objectives, structure supporting growth, team, and of course a solid financial health to pursue growth strategy. The businesses also need to keep a sharp eye on the environmental changes as well as the rapidly changing customer profile.

Presentations by Participants:

The participants were divided into five groups of four members in each group. The idea was to engage them in practically completing the process of business plan development. Each group was given a Business Model Canvas to complete during the course. After each session, the group was required to fill out the relevant portion of their business canvas based on the learning in the session. They started from the idea generation till the final implementation by covering all business functions. The last session was devoted for group presentations and the best business idea award was given to the group.

Group Exercises:

Groups were required to complete all sections of their Business Model Canvas. This way they were engaged not only during session but also after the session in the evening. The purpose was to give them hands on experiential learning by choosing a real business idea and then go through all stages of business plan development.

Outcomes:

The intended outcome of the Training Program was to create a network that provides mutual learning and opportunity exploitation from each other. This will give the participants by joining hands with each other. Some of the outcomes can be narrated as below:

- Sharing knowledge and exchanging business ideas
- Supporting each other for true yet undiscovered opportunities in each other's country
- Joining hands towards mutual growth among OIC nations
- Coming out of the myths of entrepreneurship by exploring the fundamental framework of a successful business plan
- Overcoming the fears of taking chances in developing a new venture

Evaluation and Follow up:

At the end of the Training Program, an evaluation questionnaire was circulated amongst the participants. This questionnaire was designed to see the overall efficacy of the Training Program and to assess the effectiveness of the training, and to what extent the participants have gained knowledge and skills from it and how they would apply the same into their businesses and transfer some to their counterparts of their respective countries. The participants have shown overall satisfaction to the course materials and efficient way of imparting training and pledged to update the ICCIA on their progress in this respect.

The efficacy of the Workshop needs to be determined by the follow up and the implementation of what was learnt. Towards this end, the Islamic Chamber will be the focal point and as mentioned in one of the Recommendations a Blog will be created wherein all the participants have to give their updates. As regards the executing agencies of some of the Recommendations, the Islamic Chamber has contacted the member chambers and also some of the relevant International Agencies.
