

# Developing the Market for Business Support Services

Reaching sustainable solutions for MSME  
growth

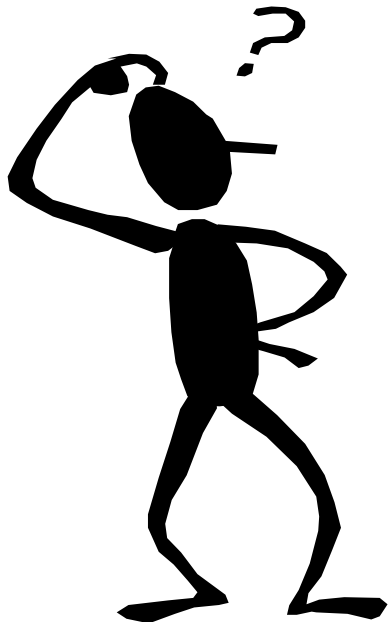
PIND Niger Delta Development Forum  
Benin City, November 2013



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# MSME: WHY BUSINESS SUPPORT SERVICES?



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**Designs  
Production  
Administration  
Materials/inputs  
Quality  
Communications  
Compliance  
People (HR)  
Customers  
Costs  
Markets  
Money**

*How to?*

*Who with?*

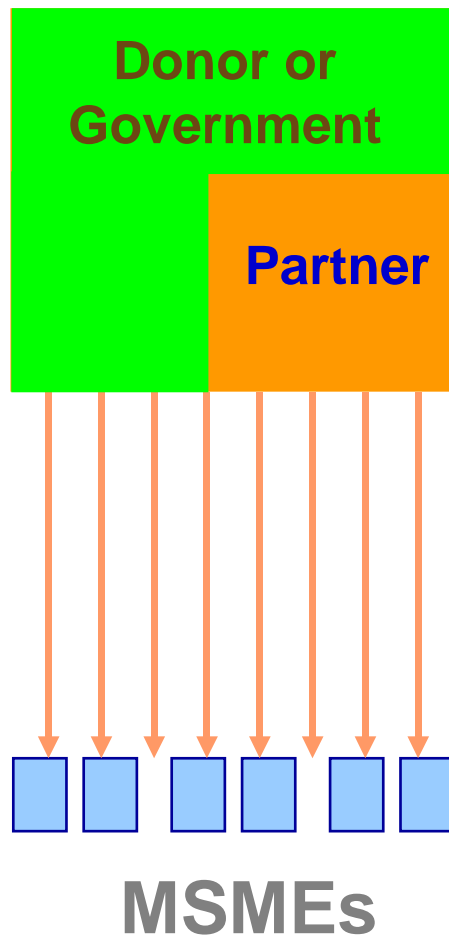
*Where to?*

# THE PROBLEM WITH CONVENTIONAL APPROACHES



## Characteristics

## Results



- State as provider →
  - MSMEs as weak beneficiaries →
  - Public services →
  - “What’s good” for MSMEs →
  - Limited transactions - direct subsidised delivery →
  - Continuous, generalised support
- Low outreach – among every group
  - External dependence/ limited sustainability
  - Limited relevance, low impact
  - Market distortion
  - Bloated costs, inefficient practices

# BUSINESS-LIKE RELATIONSHIPS



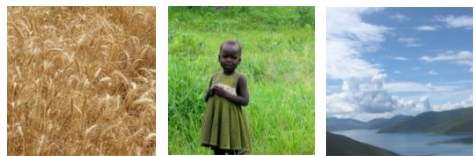
## WELFARE

- Benefactor
- Pliant beneficiary
- Gift
- Gratitude offered
- Needs-based
- One-directional
- Unequal

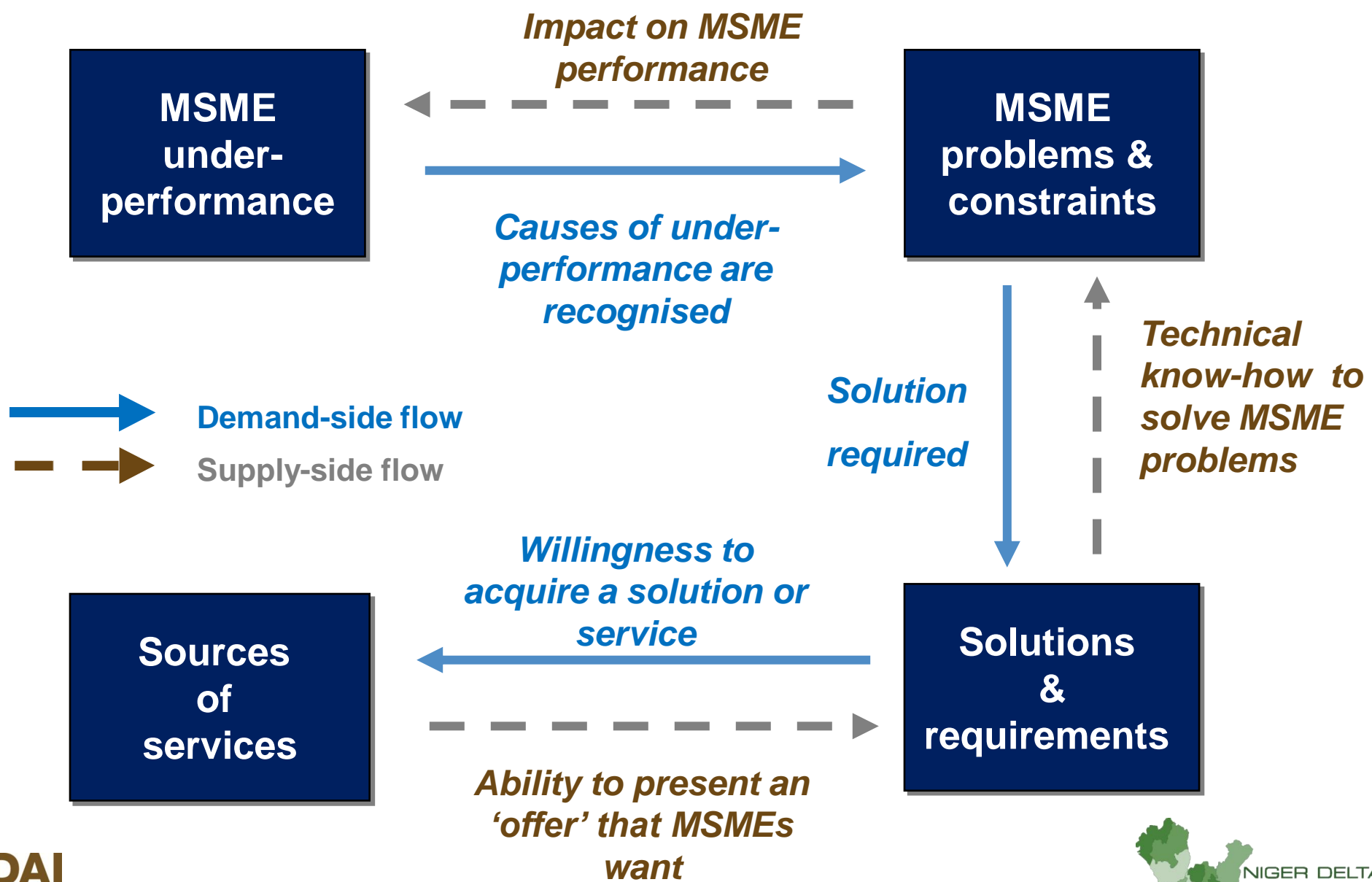
## TRANSACTIONAL

- Provider
- Discerning client
- Service/product
- Payment required
- Demand-based
- Exchange
- Equal

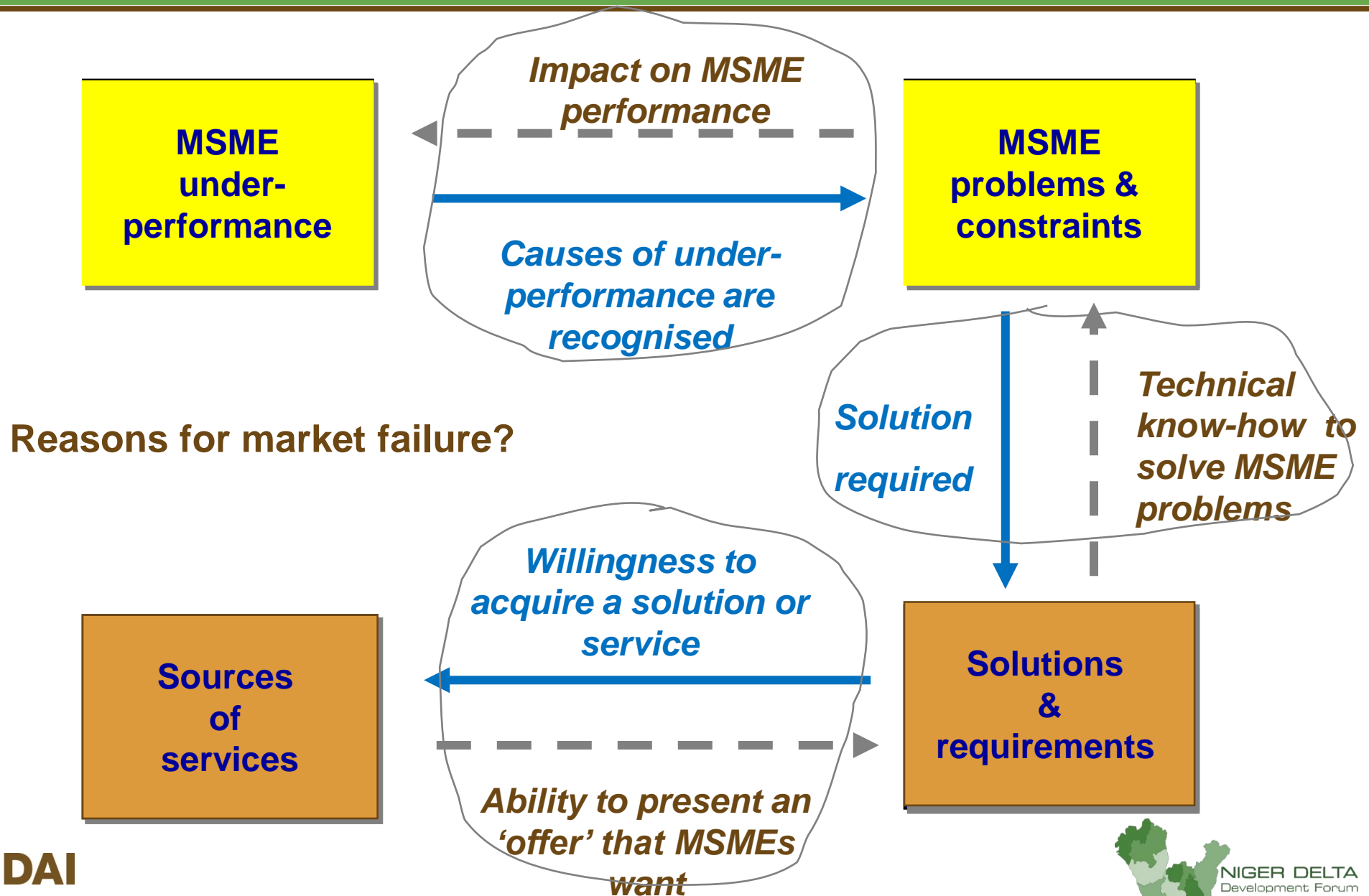
# ANATOMY OF A BUSINESS SUPPORT SERVICE TRANSACTION



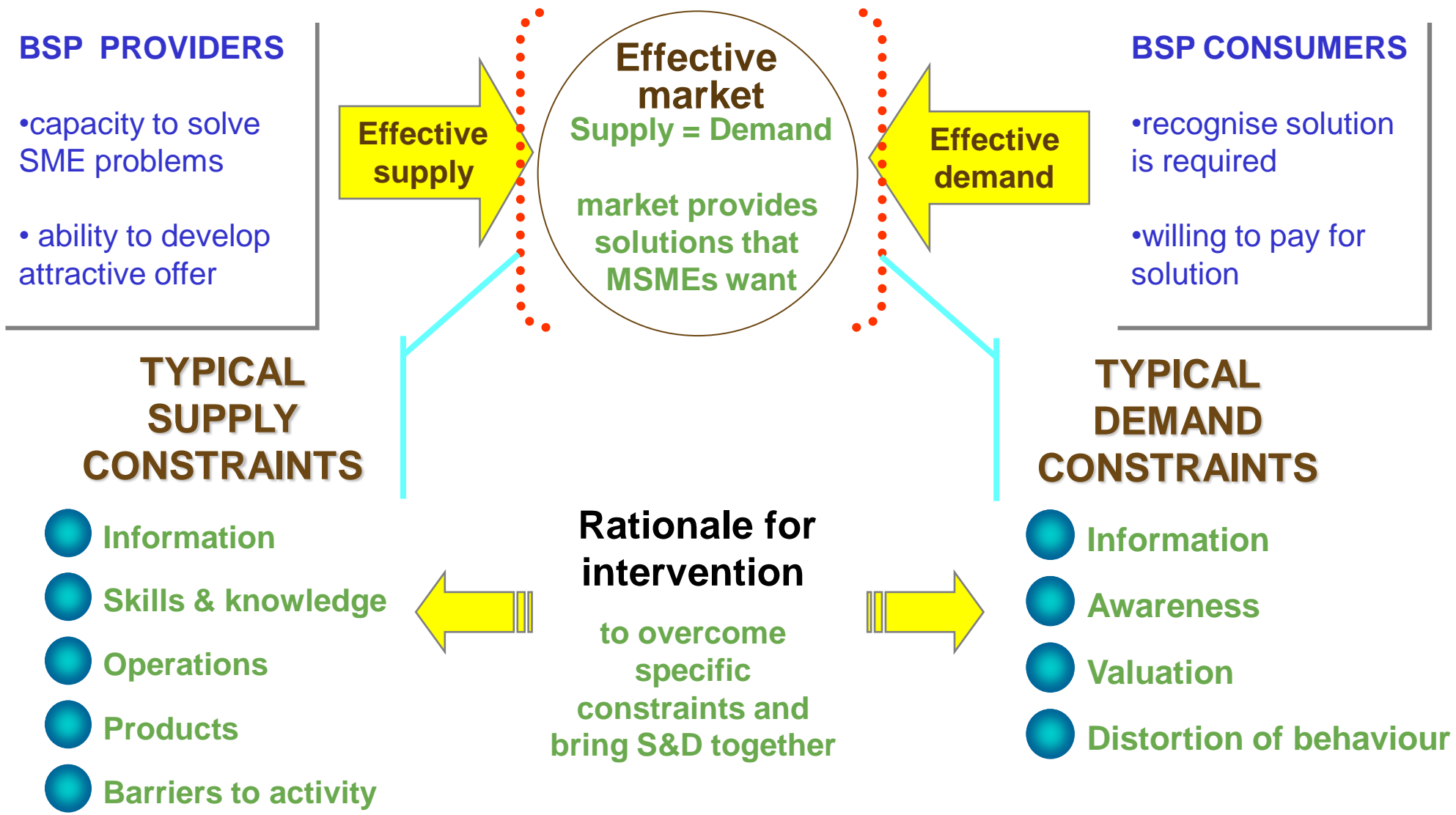
## Why do businesses want BSS?



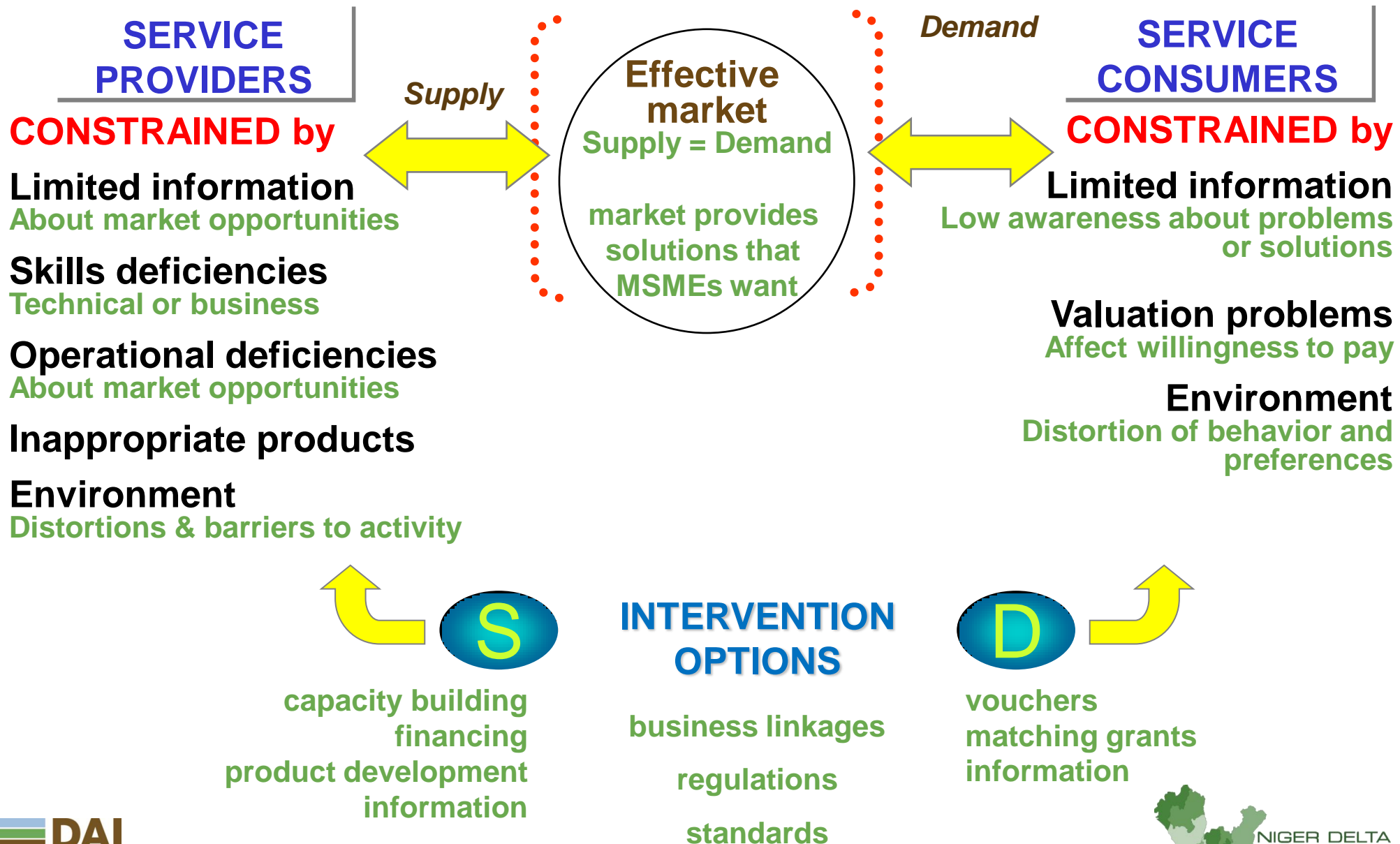
# ANATOMY OF A SUPPORT SERVICE TRANSACTION



# MATCHING MARKET ANALYSIS TO INTERVENTION OPTIONS

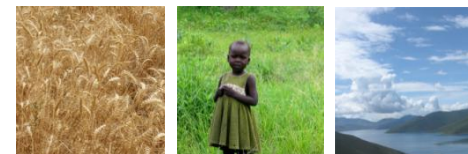


# MATCHING MARKET ANALYSIS TO INTERVENTION OPTIONS (2)





# IS THIS A DEPARTURE FROM THE PAST?



Why is market focus different from conventional approaches?

## CONVENTIONAL

- Needs-based: shopping list of expectations
- MSME as “beneficiary”
- Focus on addressing the symptoms of MSME problems
- MSMEs excluded from market
- Intervention based on pre-defined agenda - continued subsidy to provide services

## MARKET FOCUS

- Intervention shaped by market diagnosis
- MSME as “consumer”
- Why isn't the market/system working?
- MSMEs “*born, live & die in markets*”
- Market development objective - finite, focused, facilitative

# THANK YOU



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