



EBRD TurnAround Management and Business Advisory Services (TAM/BAS) Programmes MONTENEGRO

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TAM/BAS Programme

- The TAM/BAS Programme promotes economic transition in the countries of EBRD operation , through the TAM Programme and the BAS Programme
- Complementary technical assistance programmes which develop the MSME sectors through a multi- tiered approach
- TAM/BAS combines direct assistance to the private sector at the enterprise level with systemic market development interventions
- TAM/BAS projects with enterprises are 100% Donor Funded
- Not-for-profit entity, part of EBRD Banking Department





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TAM/BAS Mission Statement

“The purpose of the TAM/BAS Programme is to promote the economic transition through advice and mentoring at the enterprise level and the development of a sustainable infrastructure of business advisory services, and to contribute to improving the policy and regulatory environment for business.”





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What's different between TAM & BAS?

TAM

- TAM focuses on enterprise level intervention. TAM transfers relevant commercial and technical know how from experienced directors and senior managers, from economically developed countries, resulting in the introduction of new management culture and improved management skills in the assisted enterprises.

BAS

- BAS intervention is systemic in that it targets a market system by acting as a facilitator for the use of private-sector consultants by MSMEs to obtain a diverse array of services. BAS operates on both the demand side and on the supply side. On the one hand, it stimulates demand by raising the understanding of MSMEs of the potential benefits of using external consultants. On the other, it directly increases the supply and quality of local advisory services.



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TAM/BAS Key Facts

TAM in a nutshell

For companies with
200–1500 employees.

Purpose

Restructure and introduce
new management culture.

Method

Industry-specific, senior
managers from economically-
developed countries advise
SMEs over a period of 18-24
months. No local office.



BAS in a nutshell

For enterprises with
10–250 employees.

Purpose

Teaches businesses to use external
business services. Develops local
consultancy sector.

Method

Local office: 3-4 local staff
facilitate short-term
consultancy projects.
Grant provided for maximum 50% of
project cost up to €10,000.



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An impressive track record

- Over 14 years in operation
- Carried out over 7,000 projects in 27 countries
 - TAM: 1,490 projects in 27 countries
 - BAS: 5,927 projects in 18 countries
- Raised €162 million of donor funding
- EU has been the biggest single donor providing over €58 million through EAR, PHARE and TACIS





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TAM/BAS Impact

	TAM	BAS	TAM/BAS
Turnover	€ 17.5 billion	€ 10.5 billion	€ 25 billion***
Workforce Helped	840,000	350,000	1.1 million***
Employment	Maintained at 90%	Increased by 20%	-
Success Rate*	82% *	92%**	-

*EBRD evaluation department reported higher than 90% success rate in TAM projects

**EBRD evaluation department has rated the BAS Programme as “Successful”

***Some enterprises received both TAM and BAS projects. Total turnover and workforce helped does not double count these projects.



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About the TAM Programme

Objectives:

- Improve the expertise of senior management and assist in improving business performance and attracting investment

The TAM Approach:

- **TAM Projects:** Committed and active management of each TAM project, from screening to completion. Rigorous screening and independent selection of enterprises and advisors chosen to assist. Termination of projects where the beneficiaries fail to meet their obligations and commitments.
- **Market development activities** including SME and training & good practices seminars. Informed contribution to EBRD policy dialogue; and Visibility and dissemination activities





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TAM Results

The development of strong enterprise management in transition countries is the key to future economic development and sustainable growth.

Since 1993, 1,480 TAM projects have been carried out in all the Bank's countries of operation, except Turkmenistan, committing €96 million in donor funding. Of these, over 84% have been evaluated as "satisfactory" or better.

Strong, competent enterprise management leads to:

- Jobs being saved
- New jobs being created
- New and better products and increased sales
- Improved profitability
- Internal industry sector restructuring, which is more effective than externally imposed "solutions"



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About the BAS Programme

Objectives:

- Achieve enterprise change in potentially viable MSMEs
- Develop sustainable infrastructures of local business advisory services



BAS Approach:

- **BAS Projects**- SMEs provided with a grant to cover up to 50% of consultants' costs or max. € 10,000 (Grant only paid on successful completion of project)
- **Market development activities** including MSME and consultancy training; Support to, and development of, existing relevant local institutions; Informed contribution to EBRD policy dialogue; and Visibility and dissemination activities



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BAS field office locations



- A New office has been established in Tajikistan and there is currently a feasibility study being undertaken to establish an office in Mongolia. BAS also anticipates opening 2 offices in Ukraine within the next year.



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BAS Results

BAS started operating in 1995 and has undertaken over 5,900 projects in 22 countries with over €66.5 million in Donor funding. Currently BAS operates in 18 countries from central Europe to central Asia, through 29 offices. Of the projects rated one year after completion, 93 per cent have been evaluated as being “successful” in helping to improve business performance and enhance competitiveness.

Why is BAS successful?

- Market driven design and methodology
- Direct link between BAS staff and the SME client
- High level of competence and effectiveness in BAS management teams
- Focus on improving management effectiveness, market performance, and reducing production and operating costs
- Capacity to start up quickly, with many short-term projects, each having a rapid pay back for enterprise.



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TAM & BAS Market Development & Dissemination Activities

- **Trainings & workshops for SME Managers, examples include:**
 - Advanced Financial and marketing skills for Senior Managers
 - Retail management & visual merchandising for retail outlets
 - Energy Efficiency –cost saving opportunities
 - Investment opportunities for SMEs
- **Trainings & workshops for the local consultancy market, examples include:**
 - Marketing of consultancy services
 - QMS –Quality Management Systems
 - Capacity building in asset and investment appraisal
 - Development of veterinary services
- **Dissemination activities of successful TAM models to other companies in the industry, examples include:**
 - Wastewater treatment best practices to animal production companies
 - Kyoto's Clean Development Mechanism opportunities for district heating companies
 - Catering and food service good practices



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TAM/BAS Funding in Montenegro

TAM

- TAM has been operating in Montenegro since 2002, primarily with funding from the EU's European Agency for Reconstruction (EAR). Other bilateral donors have been: Switzerland, Italy, Greece, Denmark, Austria and Canada.

BAS

- Funding for BAS Montenegro has come from EU's European Agency for Reconstruction (EAR) and the Netherlands.



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TAM Operation Results in Montenegro to date

- 58 TAM projects undertaken, of which 12 projects are on-going;
- 1 Business Incubator;
- Over EUR 2.7 million committed;
- 67% of projects undertaken outside Podgorica;
- 36% with enterprises with less than 200 employees, 64% with enterprise with more than 200 employees;
- Of those completed, 87% of projects have been rated successful or higher



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BAS Operation Results in Montenegro to date

- 196 BAS projects undertaken,
- 75 consulting companies contracted for BAS projects;
- EUR 3.76 million committed;
- 79% of the projects undertaken outside Podgorica;
- 73% with enterprises with less than 50 employees, 11% from 50<99, 7% from 100<199, and 9% with >200 employees;
- 49% of projects aimed to improve market performance;
- 38% of projects aimed to improve management effectiveness;
- 9% of projects to introduce quality management & certifications and 4% other;
- 110 projects have been evaluated 1 year after completion: Highly Satisfactory (40%), Satisfactory (59%), Unsatisfactory (6%).



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USAID Funding to TAM/BAS

- **USAID Funding** has been provided to BAS Armenia in June 2007, which amounts to over USD 1.64 million.
- The Agreement comprises programme “co-share” of ~USD 500,000 from the EBRD ETC Multi-Donor Fund and other bilateral donors.
- The Programme will cover standard BAS projects and local consultancy competence building, as well as several training seminars.
- Current negotiations are taking place for USAID to fund the BAS Programme in Georgia too.



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Working with TAM/BAS

Benefits of Cooperating with TAM/BAS:

- An integral part of EBRD
- Cost effectiveness, low managerial support costs
- Infrastructure in place and operating successfully
- No start up costs
- Rapid delivery and impact
- Attention to EBRD's mandate for transition impact
- BAS ensures outreach to a high volume of MSMEs across all industries with narrowly defined and focused projects.
- BAS ensures market development of local consultancies to promote a sustainable local consulting industry.
- TAM ensures outreach to key players in SME sector across all industries transferring market economy practices and management know-how, spurring the demonstration effect of market ideas and practices.



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