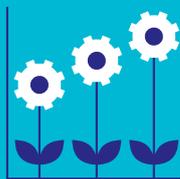


Newsletter December 2015

Issue I

2015 highlights

1. Success story 'Krajina klas' – turnover increase 55%
2. New generation of BIT camp software developers
3. Activities on disseminating best practices
4. Women in Business activities



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EU and EBRD launch new programme to support SME competitiveness in BiH

8 May 2015 Announcing the formal launch of the new two-year programme designed to foster the development of SMEs through the implementation of EU best practices, **Ambassador Lars-Gunnar Wigemark**, Head of the European Union Delegation to Bosnia and Herzegovina and European Union Special Representative, said:

"The programme that we are launching today represents a continued EU effort to help you in tackling the obstacles that hamper development of SMEs, which are the backbone of the economy. This very much compliments the recommendations of the Compact for Growth and Jobs which aims to help the country to catch up with its neighbours in terms of the business environment and the actions needed to spur investment and create jobs."

The total value of the programme is EUR 2.66 million, of which the EU provided EUR 2 million from IPA 2013. The programme will support over 130 SMEs through advisory projects drawing on the expertise of international advisers and local consultants. Additionally, the programme will raise awareness of EU Small Business Act (SBA) best practices through events, combined with training provided to local consultants, entrepreneurs and managers based on the principles of the SBA.



Western Balkans Women in Business Programme

UniCredit Bank Banja Luka first to join new programme with €2 million loan

11 February 2015 The EBRD has launched its Women in Business programme in the Western Balkans with a EUR 2 million loan extended to UniCredit Bank Banja Luka in Bosnia and Herzegovina.

The programme combines financing, technical assistance, risk mitigation strategies in the form of first-loss cover for local financial institutions and business advisory services to support women-led SMEs. The first-loss cover is funded by the EBRD Shareholder Special Fund, while technical assistance and advisory services are jointly funded by the governments of Luxembourg and Sweden.



On the business advisory side, the programme provides access to advisory services through grants, as well as access to workshops and coaching and mentoring in cooperation with the Cherie Blair Foundation for women.



Marketing and Selling Consulting Services training

Sarajevo, October 2015 A training session, given by Fuad Strik, an experienced BiH consultant, over four days, was attended by fifteen local consultants who had a chance to build their capacities to find, win and retain clients more effectively, mastering best practices in marketing. It was also a chance for the attendants to improve their ability to develop products/services that are in demand and to advance their sales skills and techniques.



BIT Camp celebrates its second generation of 48 new software developers

The first generation of BIT Camp students achieved excellent results and boasts a 95% employment rate

Following more than 6 months of intensive work with a team of lecturers and mentors consisting of 45 experienced professionals from the IT industry and academia in BiH, as well as hours of individual and teamwork on projects, the BIT Camp saw the graduation of the second generation of software developers on 24 November. "BIT Camp is much more than a course or a six-month training for software developers. BIT Camp is a huge turning point in my life. I have changed my world views and acquired many good habits and developed friendships with an amazing group of people", said **Medina Banjić**, one of the 48 proud BIT Camp students who received their certificates at the ceremony at the International University of Sarajevo. The BIT Camp project is implemented by the BIT Alijansa Association, made up of eight leading IT companies from BiH (AtlantBH, Authority Partners, codeNest, DevLogic, Green River Media, Mistral Technologies, PING i Zira), with support of the EBRD through its "Support for SME competitiveness in BiH" programme, funded by the European Union, as well as the 'MarketMakers' project supported by the Swiss Government.

Case study 1

Boost business by introducing new software design and modelling solutions



We helped **MDG International d.o.o.**, a metal parts and subcomponents producer from Sarajevo, to introduce a new 3D modelling software solution and support their growth and exporting activities. The Company increased its turnover by 43% and exporting activities by 48%.

Project: We connected the business with BiHkey Design Studio, an experienced consultant who helped them to connect all CNC machines into one

network, providing central programming. The consultant:

- Installed and adjusted SolidWorks Premium software,
- Individually trained all employees,
- Improved the preparations, planning productions and calculations processes in the engineering department
- Developed a system to minimise labour and human errors.

With the new software solution, MDG International d.o.o. has been able to increase its efficiency, creating bigger effects with the same resources and giving preference to the more profitable milling activities..

Impact: The increase in resource efficiency enabled the company to expand its production facilities, increase the number of employees by 57% and to give more room for the investment in company employee's training.

Turnover
+43%

Employees
+57%

Export
+48%



Case study 2

Better market positioning by using international industrial expertise



Founded in 1995 as a small bakery shop located in the family house by the freshly married couple Trivic, **Krajina Klas** is now, 20 years later, the leading producer of bakery and confectionery products in Bosnia and Herzegovina.

With innovative and high-quality products, the enterprise has been growing steadily over the last 15 years and has now reached a strategic crossroad.

In order to ensure further success of **Krajina Klas**, Mr. Trivic approached EBRD's Advice for Small Businesses team to assist the company's senior management team in consolidating its local market position, improve the quality of current products and introduce new bakery products.

More particularly, **Krajina Klas** sought assistance to improve the bakery products, introduce new recipes and semi-baked products to extend product shelf life. It further aimed to harmonise products quality with national and international standards, enhance product value and profitability and to improve the efficiency and effectiveness of on-going operations.

The implementation of the first programme started in December 2011 and it was led by Danish and three Dutch experts with vast experience in bakery business. At that point of time, the company operated 12 bakery outlets in Banja Luka and ran their production from two sites – one for cakes and confectionery and one for breads and frozen products.

The close collaboration between **Krajina Klas's** senior management and the advisers resulted in real changes that have taken place in the bakery with new equipment installed, an optimisation of the existing and introduction of new products. Following the success of the first project, the company extended the cooperation in a second project in order to introduce sour dough products and become a pioneer in this specific segment in the country. The company has been referred to the EBRD banking team who is currently negotiating the financing in order to support the continuous double digit growth of the company.

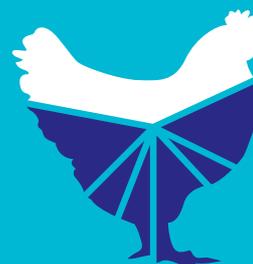
Working hand in hand with our advisers, the management of **Krajina Klas** has materialised their ambitious development strategy and has put the company on track for a bright future.

Following the introduction of semi-baked products, **Krajina Klas** has optimized its production processes, increased the products' shelf life, and reduced distribution cost, while at the same time increasing its distribution radius.

Turnover
+55%

Employment
+19%

Debt/equity ratio improved by
26%



Industrial energy efficiency training for consultants and engineers



03-06 November 2015 This 4-day training module has been delivered by LDK Consultants Engineers and Planners, an experienced Greek consulting company, designed to explore and practice a range of technologies, tools and methodologies and expose participants to best practices from a number of local and international case studies.

In total 17 participants, local consultants with an engineering background or engineers with experience in energy efficiency projects were present. Their feedback was more than positive as they had a chance to learn about international best practices and to get acquainted with the most advanced energy efficiency technologies in the industrial sector, as well as improving their skills in technical and economic feasibility measures of energy efficiency, identifying the most relevant energy efficiency solutions for local businesses, applying effective measuring and monitoring tools for energy use, as well as many other best practices.

Export Competences Development for SMEs

Hatto Brenner, a managing director of Association of Economical and Industry Consulting (AWI) delivered a seminar on 'Calculation of export prices and distribution in foreign markets'



14-15 December 2015 the seminar, organised in cooperation with the Chamber of Commerce of the Republika Srpska was attended by 21 representatives of export oriented local companies. The participants learned to how to assess and consider all cost factors, including the influence of the INCOTERMS, costs of transportation, costs related to the transaction of credit

businesses, etc. Additionally, the speakers showed the attendants how to promptly find reliable and adequate distribution partners and how to achieve lasting improved performance.

Diagnostic seminar in cooperation with UniCredit Bank Banja Luka

"Develop your business - how to identify business opportunities and make them work for you"

27 November 2015 The first in a series of diagnostics seminars providing women entrepreneurs with an insight into recognising business opportunities around them, how to create them pro-actively, assess investments into identified business opportunities, as well as how to develop and grow their businesses with the support of banks. The participants were also introduced to **"Business Lens"** (<http://www.ebrdwomeninbusiness.com/>), a newly developed tool offering a valuable opportunity to identify every business's strengths and weaknesses, as well as opportunities for further development.

Conferences on 'Support programmes for SMEs – How to increase competitiveness?'

Held in Banja Luka (14.10) and Bijeljina (15.10), the conferences attracted a wide audience interested to hear more about challenges of competitiveness to SMEs from the SBA perspective.

Representatives of Ministry of Energy of RS, Agency for Development of SMEs of RS and the Chamber of Commerce of RS presented their activities supporting SMEs.

The top management of Spektra MG d.o.o, Miltexd.o.o. and Megadrvo d.o.o. shared their experience in their efforts to increase competitiveness.

Keys to financial management

Banja Luka, 08- 09 October and 29-30 October, 2015

The workshop was organised as a four day interactive training. It helped women running their businesses to understand the financial health of their companies and to recognise potential investment opportunities. 11 women entrepreneurs attended the workshop that helped them to develop their leadership and management skills and to use practical tools to support the development of their businesses.



During 2015, the EBRD Small Business Support Bosnia and Herzegovina started 76 projects with local consultants, 19 of it with companies run by women and 8 projects with international industrial experts.