

# Enterprise Development

## Line of Business



**Incluvest B.V. strongly believes that human development and poverty alleviation can competently and sustainably be achieved through market-based solutions. In this challenge, small and medium-sized enterprises (SMEs) play an important role.**

In most developing countries the biggest part of GDP is generated by SMEs. They are the engine in terms of job creation and wealth at a national level. This leaflet briefly explains why Incluvest implements strategies and business activities that foster development at the different levels of micro, small and medium enterprises. In line with our focus, they should directly or indirectly strengthen the agricultural supply chain.

### Barriers obstructs growth

A healthy and growing private sector is vitally important for poor countries. In practice though, there are a number of barriers that obstruct private sector growth. At a macro

level, many of these countries are either landlocked or have limited access to international marine transport. Moreover they often face high transportation costs due to weak logistics and bad infrastructure. At a local level, business people face multiple barriers due to bureaucratic procedures, inadequate legislation and/or corruption.

### Limited access to finance

In many developing countries the financial sector is still poorly developed. There is little competition between banks, demand is high compared to the product offering and the available financial products do not foster innovation as usually only traditional financial products are implemented.

SME entrepreneurs in productive sectors who need investment for further expansion face many problems, as loans are not tailored to their financial needs. One of the reasons why banks are reluctant to lend to SME's is the banks' inability to manage risk

as they lack reliable information systems. Besides, the lack of a proper and reliable track record puts SMEs at a disadvantage when they apply for a loan.

### Helping promising enterprises

Incluvest through Enterprise Development is focused on the so-called 'missing middle' and larger sized companies with the potential to strongly impact the bottom of the pyramid.

In collaboration with our local partners and through direct financing, Incluvest supports many promising enterprises in different sectors (e.g. transportation, construction, meat processing) to realize their potential and contribute to economic development.

Since 2009 Woord en Daad Enterprise Development, founder of Incluvest, has provided financial products and business development services (e.g. technical support, market research, business planning,

etc.) to thousands of entrepreneurs in developing countries so that they can successfully start or expand their business.

### Service delivery and investment strategy

Incluvest provides three key services:

- Access to finance;
- Business and technical support (BDS);
- Value chain organization & optimization.

Incluvest offers financial services, like:

1. Microfinance: capitalization of MFI's;
2. Small SME: long-term capital 10–75 k€;
3. SME: short-term work-capital (<1.5 yr);
4. Large SME: equity/debt finance 75 – 500 k€;
5. SME: seed capital (high impact / high risk).

Incluvest will obtain grants from partnering NGOs and dedicated funds to limit or control risks and strengthen technical and management capacity at the level of the investee.



### Selection of Incluvest Enterprise Development opportunities 2012

Country	Intervention	Purpose	Amount (k€)	Business Partner
Benin	Equity	Improving/increasing processing capacity of a factory. Secured sourcing from smallholders + farm skills training activities	250	ABC
Benin	Grand + Loan	BDS and loans to SME food businesses/agribusinesses	50 + 200	Eminence + financial institute
Zambia	Fund	Access to finance for small SMEs	160	Zanaco

### Results and impact Enterprise Development 2009 - 2011

Year	Amount of loans (k€)	Number of loans	Entrepreneurs with BDS	Created jobs
2009 ED	1950	700	n.a.	1700
2010 ED	1350	850	800	2850
2011 ED	1250	1600	2000	1950

### Shared Ambition

Incluvest would like to invest in promising enterprises. However, we cannot do this alone. Do you share our ambition? Then we would like to discuss the possibilities of a strategic partnership with you!



### Contact

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