



European Bank
for Reconstruction and Development

TAM/BAS Programme

March 2011

Micro, small and medium-sized enterprises (MSMEs) form the backbone of a dynamic market economy and the EBRD fosters entrepreneurship in its countries of operations not only through capital funding, but also by providing business expertise. As one of the main pillars of the EBRD's MSME strategy, the TurnAround Management (TAM) and Business Advisory Services (BAS) Programme is an essential component of the EBRD transition toolkit, as well as of the donor programmes which support them. The two programmes promote good management in the small and medium-sized enterprise (SME) sector in the EBRD region, by providing direct support to individual enterprises, helping them to grow their businesses. Both programmes are run on a not-for-profit basis.

TurnAround Management Programme (TAM)

TAM focuses on substantial managerial and structural changes and supports the introduction of international best practice to SMEs by engaging experienced international executives and industry experts as advisers. The advisers work directly with the enterprise management and help introduce better management skills as well as sharing their technical and commercial know-how. A TAM project can involve extensive restructuring, encompassing all aspects of a business, and facilitate changes that enable the enterprise to grow into a strong, creditworthy company that can be a leader in its sector. The changes suggested by TAM experts include improvements to production and design, financial management, sales and marketing, human resources, organisational restructuring, meeting international standards and obtaining certifications (accounting, environmental and so on), exploring export opportunities and energy efficiency. TAM projects typically last 18 months. TAM clients tend to be small and mid-sized corporates with an average turnover of around US\$ 14 million.

Since its inception in 1993 TAM has assisted more than 1,850 companies, committing €117 million across 30 countries. Of projects, 85 per cent have been rated "successful" or higher by independent evaluations based on overall results, such as

improved management skills, increased productivity, turnover, business planning and improved capability in marketing and design. The impact of the intervention is apparent and on average the assisted companies experience nearly 20 per cent increase in turnover and 30 per cent increase in productivity following the TAM projects.

For example in Albania in 2009-10 a TAM project helped local entrepreneur Nesti Tarusha to turn his nascent meat-processing business, Fix Pro, into a significant player that supplies 50 different products to the Albanian market, with increased profit of 12 per cent in 2009-10. The TAM team has helped the company develop new products, improve marketing and management structure and help take hygiene and sanitation to the highest possible standards. It is currently helping Fix Pro meet the challenge of acquiring an EU license.

Looking ahead the new strategy will see TAM work only with clients approved by the EBRD's banking teams, assuring that TAM's activities are consistent with EBRD sectoral and regional priorities, meaning a smaller number of clients but allowing a more intense focus on quality and results. There will also be efforts to make greater use of local advisers and to disseminate best practice at a local and sectoral level.

At a glance

Number of projects to date
(TAM and BAS combined)

12,000+

TAM projects

1,870

BAS projects

10,200

BAS market development activities

595

Total project value
(investment in client companies)

€1.45 billion

Contact

European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN
United Kingdom
Tel: +44 20 7338 6000
Fax: +44 20 7338 6100

The TAM/BAS Programme management team is based at the London Headquarters of the EBRD.

TAM/BAS Programme
Tel: +44 20 7338 7356
Fax: +44 20 7338 7742
Email: tam@ebrd.com
Director: Charlotte Ruhe



TAM/BAS web site
www.ebrd.com/tambas

Business Advisory Services (BAS)

EBRD Business Advisory Services (BAS) enables MSMEs to access a diverse range of consulting services by facilitating projects with local consultants on a cost-sharing basis. Direct assistance to enhance enterprise performance is combined with systemic market development activities to create sustainable and commercially viable infrastructures of MSME support in the Bank's countries of operations.

Since its inception in 1995 BAS has assisted over 10,200 projects, committing €53 million of donor funds to assist MSMEs, matched by €50 million in client contributions. BAS-supported projects typically last around four months and result in an average increase in turnover of 33 per cent and an average increase in productivity of around 15 per cent in the client companies. In addition, 20 per cent of enterprises assisted receive external financing after a BAS project.

The main activity of BAS is to give grants to individual MSMEs to engage local consultants in specific projects in the Bank's countries of operations. BAS typically funds 50 per cent of the consulting project cost, up to a maximum of €10,000. Examples of services provided by local consultants include feasibility studies, computerising management information systems and market analysis. These projects stimulate the demand and understanding for the potential benefits of using external consultants and help develop a more sustainable infrastructure for business advisory services in the Bank's region. The BAS programme has also helped to increase the supply and quality of local advisory services through targeted market development projects.

The EBRD's Business Advisory Services (BAS) Programme is helping Square One, one of the most popular restaurants in Armenia, to improve the quality of its services by introducing modern management practices.

Square One is a chain of deluxe fast-food restaurants in Armenia, owned by Central Station Ltd. Since its establishment in 2004, Square One grew into a network of three outlets. The company is planning to set-up two new restaurants in Yerevan

and Dilijan, and a patisserie café by 2011, as well as to prepare the business for franchising both locally and regionally.

The EBRD's BAS Programme is supporting the growth strategy of Central Station by helping the company to address a number of challenges related to business operations monitoring, customer satisfaction, staff turnover, performance evaluation, managing growth and ensuring profitability.

BAS cost-sharing approach to technical cooperation has enabled the programme to develop a true partnership approach with clients that ensures a focus on achieving results over the project lifecycle and maximising impact in the long term. BAS country priorities and work-plans reflect the maturity of the local market and seek to minimise market distortion. Local BAS teams develop grant guideline matrices to reflect the local business advisory services' market conditions. As the interventions additionality in a specific market segment decreases, BAS will phase out by lowering the grant amount and eventually exiting when the programme has led to the creation of a self-sustaining market for business advisory services.

Looking ahead, BAS will seek to improve its clients' access to finance by working more closely with the Bank's partner financial intermediaries. It will also develop a comparative framework to prioritise interventions and measure the Programme's impact on the consolidation of the local consultancy market.



Close cooperation with EBRD banking

TAM and BAS aim to prepare enterprises for future investment, including potential EBRD-financed projects. In 2010, 23 TAM/BAS clients received €106 million from EBRD investments and a further 18 reached concept review stage. Also in 2010 a new strategy was agreed for these programmes that will bring them fully in line with the EBRD's Banking operations and its objectives as stated in the fourth Capital Resources Review (CRR4).

Cross-cutting objectives

As well as helping individual companies in each country, TAM/BAS also seeks to improve progress on cross-cutting objectives, such as energy efficiency, environmental protection and gender equality. For example, the TAM/BAS Women in Business initiative supports women entrepreneurs and women-run and women-owned enterprises and over 15 per cent of TAM/BAS projects have been specifically targeted at supporting enterprises owned and/or managed by women. More information on each specific cross-cutting theme is available from www.ebrd.com/tambas.

Donors

TAM/BAS benefits from the development experience and expertise of donors. More than 20 bilateral and institutional donors have supported TAM/BAS with €226 million in funding to date. The biggest single donor is the European Union which has provided nearly €80 million in funding. Both programmes work closely with donors to respond to specific needs in line with each donor's strategy. Donor funding has enabled the programmes to contribute to the EBRD's transition mandate, while donor involvement with local stakeholders and policy-makers has facilitated policy dialogue and transition impact in the countries of operations.
