

Article for Turkey in Europe – May 2010

EU sponsored business centres across Turkey

While the diplomats and statesmen debate, discuss and negotiate the process of Turkey joining the European Union, behind the scenes, thousands of specialists are beavering away to help many aspects of Turkey's ways of life harmonise with the way things work in EU Member States.

The EU's pre-accession programme for Turkey is funding hundreds of environmental, transport, regional competitiveness, human resource development and rural development projects, often using outside specialists from EU Countries, to train their opposite numbers. Just one of these is the project to establish and support ABiGEMs – regional business advisory centres - to help small and medium sized enterprises (SMEs) across Turkey.

Countries such as the UK, France, Germany and the Netherlands all have regionally based centres which offer help to businessmen who want to develop the skills and gain the knowledge they need to expand their businesses and deal with issues they face.

There are up to two million SMEs in Turkey, mainly family owned and, as in many parts of the world, they provide much of the drive for economic growth and development.

There is little or no history of business centres in Turkey to which SME owners can turn for advice. As a consequence, many Turkish businessmen have been left to their own devices when facing new opportunities or problems. When the Pre-Accession programme for Turkey was designed, this area of developing the business skills of SMEs was seen as an excellent way of helping develop business efficiency and professionalism in Turkey. The outcome was the ABiGEM programme where the EU and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) agreed to set up business centres across the country. The first were in 2002 in Izmir, Kocaeli and Gaziantep and a second project, in 2008, established twelve further ABiGEMs in Denizli, Eskisehir, Kayseri, Konya, Adana, Trabzon, Afyonkarahisar, Corum, Erzurum, Malatya, Tekirdag and Usak.

The format of each of these centres is much the same: a Business Centre Director, supported by three or four Business Service Managers depending on the location of the ABiGEM, who are responsible for the development of business support services and their effective delivery to local SMEs to help them improve their competitiveness. The ABiGEM also provides a first regional port of call for people wishing to start a new business, as well as for established business owners who want to develop their businesses or take on fresh challenges.

The ABiGEM in Kayseri is a good example. Kayseri is a central Anatolian city with a population of 800,000; 1.2m when the total metropolitan area is included.



Mount Erciyes Kayseri

On the ancient Silk Road and with a history going back more than 6,000 years, it is known today as an important commercial centre. Its inhabitants are renowned for their alertness, entrepreneurial spirit and a strict understanding of the management of economies, the last point having been the subject of more than a few legends in Turkey. The city itself is a blend of wealth, modernity and provincial conservatism and is often cited in the first rank among Turkey's cities that fit the definition of Anatolian Tigers.



Kayseri by night

There are more than 25.000 SMEs in the Kayseri area and 99% of all local companies are SMEs. The Kayseri ABIGEM was established in January 2009, since when it has delivered 66 consultancy, training, technical support projects for 2,780 participants from 313 client companies. In addition, it has organised trade missions and corporate match-making on a national and international basis.

Much of the local industry in the Kayseri region concentrates on textiles and furniture; in addition, there are tourism related businesses attracted by the Cappadocia Region and the local ski resorts. One of the Kayseri ABIGEM's projects has been to establish a Tourism Cluster in the Cappadocia Region which has brought together a broad group of small businesses such as balloon companies, carpet shops, tour guides and boutique hotels and is helping them to work together to develop a Cappadocia Brand

Other activities include the establishment of a food analysis laboratory to deliver services to food sector SMEs, a really successful “Ex-Point” scheme to help companies learn how to export and Lean Management Programmes for SMEs which have increased productivity for participating companies by between 9% to 13%.

One of the latest activities currently being rolled out is a training programme to help the ABiGEM's team assist their SME clients in the writing of comprehensive business plans. This venture calls on all the skills and experience of the Business Service Managers who need to be able to demonstrate to smaller, often family owned businesses, that involving second tier management in the process of determining the future of their business can be really worthwhile.

I first visited Arif Ergin, the Business Centre Director of the Kayseri ABiGEM, in February 2010 as a specialist from the UK, appointed to run the business plan part of the EU programme for two ABiGEMs.



Arif Ergin, Business Centre Director, ABiGEM, Kayseri and Ambassador Marc Pierini, Head of the Turkish Delegation to the EC

When I met his committed team of professionals, I was struck by their infectious enthusiasm for helping their clients. We called on some selected client companies and talked to them about why we felt they would benefit from the process of writing a business plan. We found them to be positively responsive to the idea, despite it often being at odds with the somewhat naturally autocratic way they had been running their businesses up until then. For some, the management meetings called to talk about the company and the way in which it might progress in the future were the first meetings of management ever held. As can be imagined, the first birth pangs of corporate democracy can be as painful in their own way as those of political democracy in another context.

The business owners we saw were however fully aware of the need for professional planning in a business environment which they could see was changing through competitive pressures from China and elsewhere and because of new EU market opportunities which had opened up to them. They realise that to compete in this new environment means

massive changes in most aspects of their businesses requiring investment in production and operational activities and the raising of product and service standards to world levels.

As a city with an ancient past of international trading, Kayserians have a long tradition of being ready and willing to accommodate change, especially when it facilitates commercial success. The ABiGEM in Kayseri is helping that process of change in a highly practical way that many thousands of local business owners and managers are certain to grasp with both hands.

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