Unlocking the Potential of Small and Medium sized Enterprises
In West Africa: A Path for Reform and Action

By

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Submitted to the MIT Sloan School of Management in Partial
Fulfillment of Requirements for the Degree of

MASTER IN BUSINESS ADMINISTRATION

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ABSTRACT

Small and medium sized enterprises (SMEs) have proven their dynamism in West Africa. They are perceived by policy makers as an important reservoir for growth. The African Development Bank considers they represent over 90% of business and provide about 50% of GDP and employment in Africa. Despite the consensus on the role of SMEs in these emerging markets, West African SMEs still face many constraints in their development, particularly in accessing financial and other types of resources.

This thesis analyses the causes of the constraints faced by small enterprise in countries member of the West Africa Economic and Monetary Union. It also looks at stakeholders engaged in transforming the status of SMEs. After diagnosing the status of SMEs in West Africa and identifying the stakeholder involved in SME development, the research analyses the limitations of top down public policy approaches that prevailed in most attempts to assist SMEs. It explores new approaches for SME development particularly the strategy of business to business linkage which can bring new and more sustainable dynamics to SMEs growth.

Finally the research looks at current trends in the microfinance sector and suggests how a disruptive strategy could position these financial services providers to find new growth opportunity in the SMEs market.

Thesis Supervisor: Professor Alex (Sandy) Pentland
Title: Toshiba Professor of Media Arts and Sciences
RESUME

Les petites et moyennes entreprises (PMEs) ont prouvé leur dynamisme en Afrique de l'Ouest. Elles sont perçues par les décideurs comme un important réservoir de croissance. La Banque Africaine de Développement estime qu’elles représentent plus de 90 % des entreprises et fournissent plus de 50 % du PNB des pays africain et de l’emploi en Afrique. En dépit du consensus sur le rôle des PMEs dans les pays émergeants, les PMEs Ouest Africaines font encore face à de nombreuses contraintes dans leur développement en particulier pour l’accès au capital financier ainsi qu’à d’autre type de ressources.

Ce mémoire analyse les contraintes auxquelles les PMEs sont confrontées dans les pays membres de l’Union Économique et Monétaire Ouest Africaine. Il passe en revue les acteurs engagés dans la transformation des PMEs. Après un diagnostic de la situation des PME et l’identification des acteurs engagés dans leur développement la recherche analyses les limites des approches actuelles dans l’assistance aux PMEs pour la plupart partent d’une approche de politique publique du haut vers le bas. Elle explore ensuite de nouvelles approches notamment les liens direct entre entreprises qui produisent une nouvelle dynamique beaucoup plus durable.

Finalement le mémoire s’ouvre aux tendances actuelles dans le secteur de la microfinance et suggère comment une stratégie fondée sur le concept de perturbation (disruption) pourrait aider les institutions de microfinance à trouver de nouvelles opportunités de croissance dans le marché des PMEs.
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Introduction

For many years policy makers have supported private enterprises in an attempt to build the economies of low income countries. Governments in particular have created or supported the existence of private companies. In the past however this effort was essentially oriented big companies, often national monopolies.

The recent wave of private sector development initiatives however is shifting the policy efforts to small and medium sized enterprises (SMEs). This new orientation has been possible because of poor performances in most state owned companies and the tension introduced by globalization and the increased need for competitiveness. A better awareness of the potential of SMEs in emerging markets is another reason for this renewed interest in SME development.

The West Africa region is a perfect illustration of this tendency. SMEs in the economy have proven their dynamism not only in wealth creation but as well in offering jobs and training to a significant proportion of the population. This new situation raises a relevant question: why given all their recognized potential SMEs still face many constraints that hamper their growth? This research is a contribution to answering this question.

The research started as an inquiry in factors limiting SMEs access to financial capital as a critical factors in their development of this category of business. Our research soon revealed however that constraints faced by SMEs in their search for financial capital were symptoms of deeper structural problems. We then decided to to look at SMEs in a more holistic way as that which is the only way come out with effective recommendations. The research does not pretend to exhaustivity in this area rather it points out at critical aspects and makes proposal for action.
1. Methodology of the Research

This section introduces the methodology used in this research and proposes a definition of SME. It also defines the scope covered by the thesis.

1.1 Methodology

The methodology of this thesis is a combination of three elements: a review of literature, semi-structured interviews with a questionnaire and a stakeholder mapping. The literature review took place in Dakar, Senegal and Boston.

We have visited three libraries in Senegal: two of the Central Bank of West African States (BCEAO\(^1\)), and the one at CESAG, the business school affiliated with the central bank. This helped identify some main authors on the issue and read their work. We also found valuable input from a couple of thesis at CESAG\(^2\). The rest of the literature review was done at Dewey library at MIT.

The goal of addressing issues related to SME development from a practical point of view guided our choice to talk to the main actors as much as possible. We identified three main group of stakeholders: entrepreneurs, financial services providers and government technical services. We then developed three questionnaires that we used to conduct semi-structured interviews with the identified group. We interviewed seven people from four major banks and one person from the microfinance institution (MFI) network. We consulted documents from the government agency dealing with SMEs. We also interviewed five SMEs and three experts including one professor of Dakar Cheikh Anta Diop University who has written on this subject.

---

\(^1\) BCEAO (Banque Centrale des Etats de l’Afrique de l’Ouest)

\(^2\) CESAG (Centre Africain d’Etudes Supérieures en Gestion)
The stakeholder analysis helped to identify major stakeholder whose action or inaction is affecting SME and look at their intervention. Field research was conducted by phone interview in October 2006 and completed later in Senegal in January 2007.

In addition to these sources, data was also collected from diverse web sites of institutions dealing with SMEs.

The research has also benefited from discussions with a group of Sloan Fellow and researchers with similar interests at the development entrepreneurship department of MIT Media Lab.

The main constraint was to find adequate data. The Dewey library had few resources on African SME in francophone countries. The publications of the West Africa central bank were very useful but the bank statistics are not enough desaggregated to capture data related to SMEs. That data could only be found in commercial banks who for obvious reasons were very reluctant to provide reliable figures. Also most people from whom we needed input were not very comfortable working with email or phone which limited the number of people we could work with effectively.

### 1.2 Scope of research

In this thesis we mainly focus on small enterprise as defined below. Our definition includes micro enterprises or what some people might call just individual entrepreneurs.
Some issues may be relevant for the low end of the medium sized enterprises or affect the later category at a different level. We maintain this focus even when we keep using the generic term of SME.

The research covers the geographic area of West Africa Economic and Monetary Union (WAEMU) also called here West Africa Monetary Union (WAMU). This economic and monetary is composed of eight West African countries: Benin, Burkina Faso, Cote D'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. These countries are all francophone except Guinea Bissau. This group of country share one common central bank, (BCEAO) and a couple of other major institutions aimed at building an economically integrated community.

The community’s currency is the Franc CFA. The annual average exchange rate of the Franc CFA to the US dollar in 2005 was: 1 US $ = 527.2542 Francs CFA. Dollar figures in this research were calculated using this rate. Otherwise figures are given in their original Francs CFA amount.

In 2006 the GNP in this economic zone has grown at an average rate of 4.4% with peaks of 2.5% in Cote d'Ivoire and 6% in Senegal (BCEAO, perspectives, 2005).

Table 1 provides general statistics on this zone.
### Table 1: WAMU General Statistics

<table>
<thead>
<tr>
<th>Country</th>
<th>Capital city</th>
<th>Area in Sq Km</th>
<th>Population in 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>Benin</td>
<td>Porto Novo</td>
<td>115,762</td>
<td>7.2</td>
</tr>
<tr>
<td>Burkina</td>
<td>Ouagadougou</td>
<td>274,200</td>
<td>13.3</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>Yamoussoukro</td>
<td>322462</td>
<td>18.7</td>
</tr>
<tr>
<td>Guinea Bissau</td>
<td>Bissau</td>
<td>36125</td>
<td>1.3</td>
</tr>
<tr>
<td>Mali</td>
<td>Bamako</td>
<td>1240192</td>
<td>10.7</td>
</tr>
<tr>
<td>Niger</td>
<td>Niamey</td>
<td>1267000</td>
<td>12.4</td>
</tr>
<tr>
<td>Senegal</td>
<td>Dakar</td>
<td>197000</td>
<td>10.4</td>
</tr>
<tr>
<td>Togo</td>
<td>Lome</td>
<td>56785</td>
<td>5.1</td>
</tr>
<tr>
<td>WAMU</td>
<td></td>
<td>3509526</td>
<td>79.1</td>
</tr>
</tbody>
</table>

Source: BCEAO, Statistics yearbook, 2004

### 1.3 Definition

Addressing any issue on small and medium sized enterprise without starting with a definition is impossible if one wants to avoid confusion. As one looks at the literature or talks to people one realizes there are as much definitions as there are interlocutors. The reason is SME size and reality can vary a lot from one economy to another, or according to the sectors and the timeframe considered. Also different definition use different criteria to distinguish between enterprises. For the same reason it is difficult to create one unifying definition.

It is therefore more important to develop a working definition that can effectively serve the purpose of the given task or institution and support communication needs.

In this thesis we are using a definition that was developed in the Senegalese SME Charter by Senegalese policy makers (Charte des PME, 2003).

The reason is, this definition was reached as a result of the sum of previous experience in finding a relevant identification of SME as well as a large consensus among diverse
stakeholders. This definition is used for all policy intervention and it seems to us that it is also relevant for our subject and its adoption can facilitate communication on the SME debate in West Africa. It also helps clarify target of our proposals and eventual future actions.

The charter adopts four main criteria for its definitions:

- **Staff** as the number of worker in fulltime equivalent per year
- **Annual revenue** without tax
- **Use of formal accounting methods**
- **Net investment**

These criteria are used to distinguish between the categories of small and medium sized enterprises as well as the big companies. The charter defines as an SME “any physical or moral person producing market goods or services” (Charte des PME, 2003 pp. 6)

The category of small enterprise includes micro enterprises and is characterized by the following description:

- **Staff** between 1 and 20 employees
- **Light accounting** or certified accounts by authorized managements centers
- **Annual revenue not exceeding US $ 50,000** for businesses delivering services
- **Annual revenue of US $ 100,000** for businesses delivering goods or mix businesses (delivering goods and services)
The category of medium sized enterprise is characterized by following elements:

- Staff under 250 employees
- Annual revenue between US $100,000 and US $30 millions without tax
- Net investment exceeding US $2 million
- Existence of regular accounting certified by a CPA

Operating a definition in African SME sector can be very difficult as most often this type of business does not keep appropriate records. Therefore capturing a figure like revenue or investment can be really tough. Also because most business use extensively apprentices, an exact count of employees can be hard to obtain; the full time equivalent reduces this difficulty but does not erase it. For all these reasons the merit of the adopted definition is in the fact that it combines a couple of criteria and strives to respond to the flexibility and high variability of SMEs.

Table 2: Definition of SMEs by Senegalese SME Charter

<table>
<thead>
<tr>
<th>Category of enterprise</th>
<th>Definition Criteria</th>
</tr>
</thead>
</table>
| Micro and Small Enterprise | • Staff between 1 and 20 employees  
|                          | • Light accounting or certified accounts by authorized managements centers  
|                          | • Annual revenue not exceeding 50,000 $ for businesses delivering services  
|                          | • Annual revenue of 100,000 $ for businesses delivering goods or mix businesses (delivering goods and services) |
| Medium Sized Enterprise | • Staff under 250 employees  
|                          | • Annual revenue between 100,000 $ and 15 milliard CFA without tax  
|                          | • Net investment exceeding 1 billion CFA  
|                          | Existence of regular accounting certified by a CPA |
2. Diagnosis of SMEs

In the following section we offer a background on West African SMEs. We provide some macroeconomic level data and then give a characterization of SMEs at the triple financial, sociologic and technological level.

2.1 Economic Environment

In general the economies of West African countries are composed of a large number of small and medium sized enterprises including individual entrepreneurs. Most big companies are subsidiaries of transnational companies or national companies in charge of commercialization of some agricultural commodities or the furniture of utilities. Recent privatizations have changed ownership of some the companies but the overall distribution remains almost the same.

The African Development Banks estimates “SMEs have a crucial role to play in stimulating growth, generating employment and contributing to poverty alleviation. They represent over 90 % of private business in the continent and contribute to more than 50% of the employment and of GDP in most African countries” (ADB, 2003)

However in most African countries SMEs have not yet received the proper attention from the policy makers in order to play this crucial role. The WAMU itself shows awareness of this reality and tries to promote appropriate reform. Its 2005 report on economic perspectives of member states recognizes that “the action of government should also aim at injecting dynamism in private sector by measures and policies susceptible of creating an environment favourable for private investors.” (BCEAO, 2005; p5)
In Senegal between 1998 and 2003 about 1,500 enterprises were inventoried from national statistics in an attempt to assess the competitiveness of Senegalese companies. These figures might have not included a portion of small enterprises whose data is not captured by the national statistics used as the basis of the study mentioned. They are however accurate enough to cease a real trend.

The data shows that in this timeframe the number of SMEs in the total population has always been equal at least to 95 % of all enterprises. (Performances des petites et moyennes entreprises au Senegal, Juillet 2005)

This distribution is pretty much common to all sectors. The data shows it is quite constant across years and sectors considered: constructions, industry, services and commerce. It provides a perfect illustration of the importance of small and medium sized enterprises in the national economy.

**Graph1:** Weigh of SME per sector

![Graph showing the weight of SME per sector](image)

Source: Performances des petites et moyennes entreprises au Sénégal, 2003
It is striking that the total contribution of SME to the economy is not proportionate to its weigh in the total number of businesses. In terms of added value they accounts for only 28% of created wealth in 2002. In 2003 they account for 29% and reach one third of the added value only in 1998. The same SME contributed 42% of all jobs on average in the considered timeframe (1998-2003) and 31.7% of total revenue in 2003. These figures clearly show the importance of SME in the economy but reveal their contribution is still small and disproportionate compared to their weigh in the number of companies.

This is an illustration of the low level of productivity within the SME sector and the Senegalese situation is common in West Africa. Indeed the central bank of the West Africa states recognizes: “in all countries, the productivity and performances of manufacturing remained weak. Because of lack of sufficient investment aimed at improving infrastructure supporting business competitiveness (electricity, water, transports, communications, etc…)” (BCEAO 2005, p 3)

### 2.2 Characteristics of WA SMEs

In WA SMEs tend to be closely parented to what is know as the informal sector. The informal sector is a large and diverse body of entrepreneurs and businesses which share the common feature of being hardly structured compared to modern businesses. This sector provides a high number of employments in urban areas. The majority of formal SMEs originated from the informal sector.
In fact most small enterprises in West Africa are still in the informal sector which they tend to compose the high end. For this reason most SMEs still carry some features of the informal sector’s culture and behavior.

These small enterprises are particularly active in the craft industry and food sector in commerce, retail business. The rapid urban growth of West African countries provided them with favorable environment. Urban growth has been constant and significant in WA in the last couple of decades. In three countries of WAMU the population leaving in urban areas is more than 40%. Urbanization is particularly fast in coastal zones. Big cities offer to these SME a stable market that they can tap using informal channels to offer low to medium income families ordinary and inexpensive product.

<table>
<thead>
<tr>
<th></th>
<th>1975</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>21.9</td>
<td>43.8</td>
</tr>
<tr>
<td>Burkina</td>
<td>6.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>32.1</td>
<td>44.4</td>
</tr>
<tr>
<td>Guinea Bissau</td>
<td>16</td>
<td>33.2</td>
</tr>
<tr>
<td>Mali</td>
<td>16.2</td>
<td>31.6</td>
</tr>
<tr>
<td>Niger</td>
<td>10.6</td>
<td>21.6</td>
</tr>
<tr>
<td>Senegal</td>
<td>34.2</td>
<td>48.9</td>
</tr>
<tr>
<td>Togo</td>
<td>16.3</td>
<td>34.5</td>
</tr>
</tbody>
</table>

Source: BCEAO, Perspectives 2005

The competition in this sector is very intense as there are little barrier for new entrants. The easy entry explains why this sector occupies so many people. Margins tend to be low due to high competition and low purchasing power of customers. In general equity is small as owners have little resources to invest in the business. They bring rather their own expertise and manpower.
This low equity is generally viewed by financial institutions as an insufficient commitment of owners to the business and constitutes a strong limitation to relationships between these enterprises and banks. It also explains why this type of business need a particular strategy and not just a variant of what is applied to formal businesses of the modern economy.

2.3 Sociological context

SMEs are generally defined by their low level organization which is a result of their sociological affinity with informal sector. Most small businesses are based on family structure and use in one way or another resource, coming from their family. Entrepreneurs use the family network to launch and build their business. The family can act as a source of capital, workforce or general support. Business is often put up in the family premises. The core business is generally based on personal expertise and the entrepreneurs are most often illiterate. For those who are literate education is generally at the level of primary school. The most common way of acquisition of this expertise is through apprenticeship. Therefore small entrepreneurs will have little personnel and rely more on apprentices.

A lot have been said on the informal sector and many specialists advocate for bringing them into the formal economy. This informality however should not be viewed as a deliberate choice to be out of certain norms; rather it is an efficient way for a vulnerable group to navigate in a highly uncertain environment.
2.4 Technological context

Small enterprises use traditional technology and processes. Raw materials often are product of recycling and sometimes imported. The use of modern technology is marginal. When modern technology is used it is generally obsolete. The technology level of SME is one of the factors limiting seriously its growth and productivity.
3. Stakeholder Analysis

This section looks at critical stakeholders dealing with SME development in diverse interventions. There are many projects and program from various institutions, targeting SMEs in different ways. We have focused on those whose action has a significant impact on SME or on policy orientations. The idea is not to list all institutions or projects but identify important clusters of actors.

Our analysis identifies five major stakeholders whose action is worth mentioning: the government, international institutions, financial institutions, SMEs themselves and non financial services providers.

Most issues related to SMEs were dealt with in the finance ministry until recently. In the last few years the government created a ministry of microfinance and SMEs as recognition of the role of this category of enterprise play in the development process as well as a way to respond to the needs of SMEs in a more specific way.

The ministry of finance supervises the Economic Promotion Fund designed for SME. It also oversees the microfinance institutions on behalf of the central bank. The SME and microfinance ministry has recently developed some initiatives to help SMEs with training and building relationships with the financial sector for credit needs. It also manages an agency offering non financial services to SMEs (ADPME) in particular general information about business creation and training for business owners.
Among international institutions two initiatives can be mentioning. The UNCTAD (United Nations Conference on Trade and Development) has implemented a program that offers business development services to SMEs hosted by the SODIDA an SME facility built by the government in the early nineties. IFC’s Private Enterprise Partnership for Africa started recently developing a new set of actions targeting SMEs.

On the side of financial institutions all major banks serve SMEs but their transaction are mostly oriented towards medium sized enterprises. Three majors MFIs (ACEP, CMS, PAMECAS) opened recently SMEs windows to offer more substantial loans to SMEs and expand their customer base in this segment.

SMEs themselves are not well organized. Major business organizations led by big companies have generally a SMEs sections dealing with the SME category of their memberships. However their agenda is essentially defined by the needs of big companies. There are a couple of purely SMEs organizations. They generally gather a highly heteroclite membership which makes it difficult to develop a coherent common agenda or provide service specifically targeting a particular group. One of them has created an MFI. These organizations are generally not strong enough to influence policy decision.

In the landscape of initiatives aiming at supporting the SME sector, government or government related actions are clearly dominant and shows the critical role government
and policy makers are playing in this area. Interventions are heavily top down and rarely business driven.

The assistance to the growth of SMEs at this point of development needs new innovations. Exploring public-private partnerships and experiences elsewhere together with the involvement of entrepreneurs themselves can help define new strategies.

Table 4: Mapping of Stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>• Finance ministry&lt;br&gt;• SMEs and microfinance ministry&lt;br&gt;• ADPME and bureau de mise a niveau</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>International Institutions</td>
<td>Enterprise Sodida</td>
</tr>
<tr>
<td></td>
<td>• Enterprise Africa&lt;br&gt;• IFC</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>• All major banks except Citigroup&lt;br&gt;• 3 major MFI networks (ACEP, CMS, PAMECAS)</td>
</tr>
<tr>
<td>SMEs</td>
<td>• Not organized or big ineffective organization</td>
</tr>
<tr>
<td></td>
<td>• Business organization&lt;br&gt;• Chamber of commerce</td>
</tr>
</tbody>
</table>
4. The Barriers to SME Development

This section looks at some of the structural barriers that limit the development of SMEs based on the literature and data from our own interviews. The barriers sometime can be more specific to the relationship with a particular stakeholder, but they share the common impact of limiting SMEs development. We do not pretend to exhaustively list all barriers; We rather focused on most critical barriers in five dimensions: policy, finance, organization, culture and information.

4.1 Policy level constraints

The environment in which SME exist and do business and work with other stakeholders including financial service providers, is shaped by government policy. Governments have taken recently many measures aimed at private sector development but there seem to be still a lot to do.

The fiscal environment is cited as the number one problem. The issue here acts in two ways. First the taxation system is very complex for illiterate entrepreneurs to operate with the existence of many different taxes. The government has made some effort to reduce the type of taxes and simplify implementation through synthetic tax. However the small entrepreneurs still feel the system can be more simplified. In designing such a system one should to bear in mind the vast majority of entrepreneurs are illiterate.

The second issue here is the level of taxation. A formal company is first of all taxed on the base of its equity from its creation. This high tax obviously prevents entrepreneurs
form declaring a consequent equity when creating a company. This tax if not removed could be very symbolic.

When the business is up and running the entrepreneurs undergo a double taxation: they pay about \( \frac{1}{4} \) of their profit plus income tax. If you add to this amount all other taxes including value added tax an entrepreneur stays with less than 50 % of her profit.

In the early nineties, investments were eligible for a tax exemption of 40%. This exemption was reduced to 10% as a result of the structural adjustment policies. This policy decision resulted in the cancellation of most of the incentive to invest in addition to dramatically increasing the cost of investment.

The biggest problem this taxation level is creating however lies in the fear of entrepreneurs to disclose information about their business. The result is the lowest possible level of transparency in order to avoid tax and high propensity to cheating. In return this lack of transparency makes it difficult to develop transactions with banks and financial institutions as it undermines trust. In fact all bankers believe every entrepreneur has three types of financial statements: one for the taxman, one for the bank and one for themselves. This fact has defined the way banks precede with SMEs as they tend to be extremely conservative with their assessment and release credit only with full guaranty. In fact information provided by SMEs is heavily discounted
The government of Senegal has had several positive institutional initiatives aimed at supporting SME. In the early nineties a special fund was created in order to facilitate access to credit to SMEs. The fund which is planned to be transformed into an SME bank has mainly supported medium sized firms. Its mechanism has favored this type of company and in some ways it has replicated the norms of the banking sector that precisely the small enterprises are failing to meet.

SMEs and microfinance are dedicated a specific ministry in the current government. More recently an agency (ADPME) was created to provide non financial services to SME and help to implement the charter that was adopted earlier. These initiatives go in the right direction but as institutions increase in number there mission become diluted and conflict of interest and competition appear among them. This is why the government should rationalize these institutions and gain in efficiency and better focus on target groups. In addition to efficiency putting all initiatives institutions serving SMEs under one institution would reduce confusion and skepticism on their impact.

### 4.2 Financial constraints

In assessing the level of access to financial services in the region, the central bank of WA accounts 1 window for 110,000 inhabitants and recognizes that: “the methods and the mechanisms of banks are not very much adapted to the needs of certain businesses in particular the SMEs.” (BCEAO Perspectives 2005, p. 103)

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3 FPE (Fonds de Promotion Economique)
4 ADPME (Agence de Développement de la Petite et Moyenne Entreprise)
The reasons for this particular situation can be found in the regulatory framework and the high risk coming with SMEs. The regulatory framework set by the central bank for refinancing of loans pushes banks into privileging companies with solid financial base. It also allows banks to transform the deposits into medium term loans only up to 25%. In general banks report a lack of sufficient long term resources to make medium to long term loans to SMEs. Given the high cost of such resources banks operate mostly by transforming their short term deposit into short term loans. This limits considerably their ability to make loans that SME need and indicates the need to find appropriate support mechanism.

The lack of development banks which is a consequence of the crisis in the banking sector in the eighties when all development banks went bankrupt intensifies this constraint as there is no particular mechanism designed to deal with SMEs specific needs. The hope was that commercial banks would become universal banks and serve the SMEs: the reality however has shown that the commercial banks are mostly oriented towards the needs of the big companies.

Banks often find SMEs to be a high risk clientele. In addition the cost of doing business with SMEs can be increased by at least two factors correlated with the nature of this type of customer. The first factors relates to information: as few SME keep adequate records it is difficult to get accurate information. Business plans are most often poorly presented with unrealistic goals even when entrepreneurs have a good opportunity. The existing public institution designated to support SMEs to develop business plans or financial
statements suffer from a deep credibility they were not able to fill overtime. Banks have little trust because of the frequent political bias associated with those institutions. The direct consequence is a tendency to systematically discount information these institutions generate regardless of its quality.

The second factor relates to the cost of processing applications and the follow up of loans. As SMEs face a high level of uncertainties they require close monitoring in order to make adjustments as needed. The atomized nature of this type of customer contributes to increasing the cost associated with monitoring.

Given all these reasons bank decisions to lend money to SMEs are made based most often on appreciation of the relationship with the owner and the credibility of the latter. Therefore the banks will require traditional guarantees to cover the entirety of a loan notwithstanding the performances of a business or the quality or a project. This approach has significantly increased the cost of credit as mortgage is widely used and generally expensive to operate. It has also deeply impacted the financial landscape as the whole system is built on collaterals, to the extent that financial institutions have become completely risk averse. Even the special innovation that are though to create a favorable environment for SMEs like certain special credit lines or the Economic Promotion Fund end up falling in this trap.

It has reached a point where many entrepreneurs believe they don’t need a sound business case to get a loan they just have to bring a land title and be willing to give it as collateral.
Banks provide SMEs with short term loans mostly to finance current assets. Small enterprises access hardly medium and long term loans that are needed for investment in transport or equipment. The longest term mentioned by banks was 60 months where investments typically pay back in seven years. Table shows that in the region's economy between the years 2000 and 2004 long term loans never reached more than 4% of total disbursement. For the same period medium term loan peak at 26% while short term loans almost every year gets a 70% share.

Table 5: WAMU Credit to the economy provided by commercial banks in millions of Franc CFA

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term</td>
<td>1729185</td>
<td>1884850.5</td>
<td>2032715.6</td>
<td>2265316</td>
<td>2369429</td>
</tr>
<tr>
<td>Medium Term</td>
<td>656681</td>
<td>650342</td>
<td>649777.9</td>
<td>669032</td>
<td>788291</td>
</tr>
<tr>
<td>Long Term</td>
<td>102415.7</td>
<td>113456.4</td>
<td>120029.4</td>
<td>117118</td>
<td>135286</td>
</tr>
<tr>
<td>Total</td>
<td>2488281.7</td>
<td>2648648.9</td>
<td>2802522.9</td>
<td>3051466</td>
<td>3293006</td>
</tr>
</tbody>
</table>

Source: Computed from data of BCEAO Statistic Yearbook 2004

Table 6: WAMU Credit to the economy in relative value

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term</td>
<td>69.5</td>
<td>71.0</td>
<td>73.0</td>
<td>74.0</td>
<td>72.0</td>
</tr>
<tr>
<td>Medium Term</td>
<td>26.5</td>
<td>25.0</td>
<td>23.0</td>
<td>22.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Long Term</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Source: Computed from data of BCEAO Statistic Yearbook 2004

However even for short term funding banks spend to much time to make a decision and disburse funds. These loans are meant to finance current assets and therefore SMEs are extremely sensitive to a rapid reaction when banks typically will spend between 10 days to 2 weeks to serve such requests.
This situation is largely prejudicial the small enterprises as they are mostly left out while banks tend to serve more the medium sized business who are closer to their requirement.

Recently the microfinance sector has known a rapid growth in the WA region. MFIs are trying to supplement the banking sector in making financial services accessible to traditionally excluded groups of the population and the economy. Table 7 below shows the growth in membership between the years 1995 and 2003. The central bank reports for the same timeframe Franc CFA 204, 7 billions collected in deposit and 200 billions disbursed in loans.

Table 7: WAMU MFI Statistics

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of MFI</th>
<th>Membership</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>25</td>
<td>66</td>
<td>172161</td>
</tr>
<tr>
<td>Burkina</td>
<td>23</td>
<td>39</td>
<td>159103</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>9</td>
<td>22</td>
<td>59206</td>
</tr>
<tr>
<td>Guinea Bissau</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mali</td>
<td>20</td>
<td>49</td>
<td>93283</td>
</tr>
<tr>
<td>Niger</td>
<td>42</td>
<td>75</td>
<td>67100</td>
</tr>
<tr>
<td>Senegal</td>
<td>37</td>
<td>356</td>
<td>48913</td>
</tr>
<tr>
<td>Togo</td>
<td>18</td>
<td>63</td>
<td>87383</td>
</tr>
<tr>
<td>WAMU</td>
<td>174</td>
<td>670</td>
<td>687149</td>
</tr>
</tbody>
</table>

Source: BCEAO, Perspectives économiques, 2005

The central bank estimates these disbursements to represent only 5% of all credit disbursement in the financial system of the region. This proportion is pretty low and indicates that there is still room for growth for the microfinance institutions.
The growth trend continues in the MFI sector. All West African countries account nowadays at least one strong network of MFIs leading the sector with a significant number of branches. Such networks have a decent infrastructure in terms of systems and technology and a high level of professionalism. They are also generally well integrated into the broader international microfinance community which allows them to learn and improve their operations and performances. However, not all MFIs belong to such networks and benefit from these possibilities.

In Senegal, 52% of MFIs are in similar networks while 387 MFI representing 46% of all MFI are still in the form of individual cooperative. These individual institutions cannot afford the investment that professional network requires and this limits their prospect for growth. Moreover, these individual MFIs even if they comply with the regulation will not be able to build financial sustainability.

For the sector to expand and serve a larger customer base and play a more meaningful role, this category of MFI needs to gain in professionalism. That is currently one of the biggest challenges of the MFI sector.

Table 8: MFI Evolution in Senegal

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of MFI</td>
<td>717</td>
<td>833</td>
</tr>
<tr>
<td>Membership</td>
<td>-</td>
<td>686,219</td>
</tr>
<tr>
<td>Savings</td>
<td>49.28</td>
<td>62.17</td>
</tr>
<tr>
<td>Loan disbursed</td>
<td>85</td>
<td>92</td>
</tr>
<tr>
<td>Staff</td>
<td>3200</td>
<td>4000</td>
</tr>
</tbody>
</table>

Source: APIMEC Report, October 2006
Similar growth is noted in most WAMU. Until recently MFIs focused their operations at the level of income generating activities (IGA) and on micro entrepreneurs. Chaze and Traore analyzing the access to financial services and non financial services revealed a strong deficit in the segment of small enterprise.

**Graph 2: Satisfaction of financial needs by sector**

<table>
<thead>
<tr>
<th></th>
<th>Commercial Sector</th>
<th>Services</th>
<th>Productive Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium sized Enterprise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Enterprise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro Enterprise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IGA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bank Financing and private consulting firms
Microfinance interventions
Deficit of intervention

Source: Chaze et Traore

More recently leading MFIs networks in Senegal ACEP, CMS, and PAMECAS are designing special products targeting the SMEs segment of the market. It will be interesting to analyze the size of the loan proposed to see if these products will consolidate some of the traditional clients of MFIS particularly in the small enterprise segment or will they compete with banks in the medium sized business segment. However the major concern is that these MFIs will compete with banks in accessing the medium sized clientele while small enterprises will remain left out. Evidence from the file suggests MFIs should target the small enterprises with customized loans.

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5 ACEP (Agence de Crédit pour l'Entreprise Privé); CMS (Crédit Mutuel du Sénégal); PAMECAS (Programme d'Appui su Mutuelles d'Epargne et de Crédit du Sénégal)
4.3 Organizational barriers

Most SMEs in Senegal still belong to the informal sector or emerged recently from this sector. The small enterprises tend to form the high end of the informal sector. As their business grows they rarely migrate to modern forms of organization and management, rather they stay with the informal methods. Their internal organization is generally very weak. The staff is small and there is generally no professional management staff. For the same reason these companies do not have any sort of management information system. The owner actually tend to do everything related to the management of the business. The low level of literacy of owners often practically prevents from tracking the business’ record.

But the illiteracy should not be viewed as the single reason of the lack of records. Given the high tax levels, small business owners are reluctant to make any information on their business available as it is perceived as a way to be exposed to the tax collector. The lack of management information and appropriate financial statements makes it difficult to accurately evaluate a business for financial service providers who as described earlier will seek maximum guaranty and give little value to the quality of a business or a project.

4.4 Cultural barriers

Government agencies, financial institutions and most actors dealing with small businesses are staffed by people educated and trained in formal schools. This staff has to deal most of the time with entrepreneurs who are illiterate or have little formal education.
generally not beyond primary school. These institutions are not customer oriented and the entrepreneurs are expected to follow the rules established by them.

This situation creates difficulties of communication and generates mistrust. It is particularly sensitive during the negotiation of a loan. Microfinance institutions (MFIs) have innovated a lot in this field in being closer to this type of customer and flexible enough to build trust with the micro entrepreneurs and respond to their needs. This gives to MFI an edge in capturing the clientele of SMEs. But all institutions willing to serve this population have a lot to learn from MFIs experience.

4.5 Information related barriers

SMEs suffer from a lack of systematic information designated for their specific needs. Information on market, technology, financial services or non financial services is hard to obtain and costly as it is dispersed in a variety of institutions. When this information exists it is generally in a form or a language that is not accessible to most small entrepreneurs. The multiplicity of public institutions carrying a similar mission creates confusion.
5. Strategies for Change

In this section we explore some alternatives and make specific proposals of strategies and action able to contribute to the improvements to the SMEs development. We seek what are the new approaches SME development can use and have a close look at opportunities in the financial sector.

5.1 Strategic Approach

In West Africa there have been several attempts to support the SME sector particularly through private sector development programs in more recent days. The national governments, the central bank, international financial institutions, other bilateral or multilateral cooperation have experimented diverse programs. These programs may be different in their geographic location or sector targeted specific problem they were trying to solve. They may vary depending upon what aspect of SME they leverage.

All theses programs however share two main characteristics. Firstly they are led by government administrations that define strategies and implement them; often these programs are heavily top down and integrate very little the perspective of the entrepreneurs themselves.

Secondly these programs generally approach SMEs development from a public policy perspective and put the emphasis on government interventions or the action of similar development agencies. Such approach did achieve some progress but it has clear limitations. One of its limitations is that it is too much centered on its promoters and ignores other stakeholders. It fails to identify what SMEs could gain from other
stakeholders. It does not explore the role business itself or NGOs can play. It ignores the potential of building business relationships between SMEs themselves and between SMEs and big companies. This in return constraints severely the sustainability of these policy led initiatives.

Most SMEs serve people with low income. Involving big companies in their development through profitable ventures can be a way of linking them to the formal economy and creating new markets. Big companies themselves are becoming more and more aware of the market opportunities that lie among low income categories. Recent development in the world offer good examples of such opportunities particularly in the financial and telecommunication services. In areas as diverse as utilities, housing, food chains and retail business there are examples of successful creation of new markets at the level of low income communities in what is now known ad the bottom of the pyramid. Such examples can be found in Asia and Latin America as well as South Africa, Nigeria or Uganda. (Business Solutions, 2007)

Building this new market and therefore creating new opportunities for SMEs will require new forms of collaboration between government private sector and non governmental organizations.

In order to increase growth in the SME sector business to business linkages are critical. That means many companies have to learn to discover how SMEs can become customers and therefore contribute to their growth, or how can they be integrated in their supply chains to increase opportunities. New programs on SME development could innovate in
facilitating these new forms of relationships. They could also help learn from relevant experiences in emerging markets.

5.2 New opportunities in microfinance

The West African microfinance industry has done a groundbreaking work in bringing financial services to low income customers. The region accounts a number of strong networks with relatively large coverage of their national territories. In addition a large number of individual cooperatives and credit unions have emerged from the intervention of diverse NGOs and projects. These facts however should not hide the low still pretty low coverage achieved by the microfinance industry. The highest market penetration rate does not exceed 3% and reveals the existence of large unnerved populations representing a substantial potential for growth.

Table 9: Microfinance Outreach by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Number MFIs</th>
<th>Type of MFI</th>
<th>Market Penetration (Borrowers/Population)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Bank NGO NBFI Rural bank/ Credit Union/ Other</td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>7</td>
<td>0 5 1 1</td>
<td>2.02%</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>1</td>
<td>0 0 1 0</td>
<td>0.40%</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>1</td>
<td>0 0 0 1</td>
<td>0.08%</td>
</tr>
<tr>
<td>Mali</td>
<td>5</td>
<td>0 2 0 3</td>
<td>1.25%</td>
</tr>
<tr>
<td>Niger</td>
<td>1</td>
<td>0 0 0 1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Senegal</td>
<td>4</td>
<td>0 0 0 4</td>
<td>0.89%</td>
</tr>
<tr>
<td>Togo</td>
<td>3</td>
<td>0 1 0 2</td>
<td>1.10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22</strong></td>
<td><strong>0 8 2 12</strong></td>
<td></td>
</tr>
</tbody>
</table>

NBFI: Non bank financial institutions

Source: Adapted from Otero, Rhyne 2007
In order to benefit from the potential growth opportunities the microfinance has to resolve two major challenges. The first challenges concerns the further development of the many stand alone cooperatives. The second challenges reside in the growth strategy of the established institutions in particular the way they approach potential new markets in the SMEs clientele.

a) Scaling up opportunities

There are hundreds of local cooperatives and credit unions serving individual communities. It is however unlikely that most of these individual MFIs will grow into bigger institutions.

The model whereby an individual credit union grows in membership and professionalism up to forming a strong national MFI will hardly work for the current cooperatives. This is due to the fact that now the existing networks bring competition and give to development agencies new option for providing financial services to their constituencies; they also offer a wide choice to customers and cheaper products. This contrasts with the early days of the microfinance industry when credit unions multiple opportunities for growth and transformation into a professional MFI.

As a result of this evolution most credit unions will remain small and inefficient as they can not increase their membership base or invest in the necessary assets that would make their growth possible.

In Senegal alone 387 individual cooperatives have been inventoried in 2006; they represent 46% of all microfinance institutions. These individual cooperatives can not
afford the investment that a professional network requires and this limits their growth prospect in the future. It also implies that, individual cooperatives even if they comply with the regulation will not be able to build financial sustainability.

The new opportunity for this type of institution to remain in the market and grow is in grouping, building new alliances to reach the minimum scale necessary for new investment in growth. A group of credit unions can quickly achieve a national level coverage and more easily invest in professional staff, technology and systems to enable the emergence of larger organization and gaining in efficiency in delivering the services.

Leading MFIs are still using technology mainly in the back office which is important as it gives the possibility of effective management information systems that supports staff productivity in addition to building the credibility of institutions.

The development of new technology for the microfinance industry more recently combined with the decrease in costs offers however new opportunities to redefine a new relationship with clients using ATMs, points of sale, magnetic cards or cell phones.

b) Opportunities for a disruptive strategy

For established MFIs the situation is different. These institutions are now exploring the SME market because they see some new growth opportunities in this segment. Another reason is some of the micro entrepreneur they have worked with have grown significantly and now need bigger loans; MFIs are trying to satisfy their needs to avoid loosing them as these entrepreneurs will migrate to banks of MFIs do not serve them.
To respond to these needs some MFIs have opened windows for SME with relatively big loans size. This choice which imitates what banks are already doing will set them for competition with traditional banks.

Developing new offering for SME needs is a relevant business choice however the strategy can be problematic if it leads to competing with bank in a segment they know well. A more sound approach for MFIS would be to develop a more specific strategy aimed at disrupting the conventional banks' strategy.

The concept of disruption was introduced by Christensen referring to the process by which in the technology area a product with lower performance can compete and displace the incumbent technology. It has since then evolved into strategy and business models.

A disruptive strategy would play on the asymmetry of motivation between MFIs and banks and chose to compete with non consumption. Therefore it would target selectively SMEs left out by banks and design appropriate loans for them. The proximity of MFI with most SME gives them a competitive advantage and can be a strong asset in designing and offering adequate products.

This will open them the possibility to focus on a category of customer that so far has been left behind by banks and MFIs as well.
Table 10: SMEs needs in financial and non financial services

<table>
<thead>
<tr>
<th>Financial Needs</th>
<th>Non Financial Services Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Medium term loan for working capital and equipments: Franc CFA 2-20 millions for 6 - 40 months</td>
<td>• Information</td>
</tr>
<tr>
<td>• Short term loans: Franc CFA 2-10 millions for 1 - 12 months</td>
<td>• Finalizing applications</td>
</tr>
<tr>
<td>• Equity financing Franc CFA 2-10 millions for 1 - 12 months</td>
<td>• Business consulting for start up and development</td>
</tr>
<tr>
<td></td>
<td>• Visits and convening</td>
</tr>
<tr>
<td></td>
<td>• Training on thematic areas related to management and SME-related issues</td>
</tr>
<tr>
<td></td>
<td>• Entrepreneurship training and awareness sessions</td>
</tr>
<tr>
<td></td>
<td>• Business planning</td>
</tr>
<tr>
<td></td>
<td>• Management information systems</td>
</tr>
<tr>
<td></td>
<td>• Diagnostic of training needs and training plans</td>
</tr>
</tbody>
</table>

Source: Adapted from Chaze and Traore

Such positioning would allow an MFI to issue a high volume of loans of a medium size instead of putting themselves to competition for a few big loans. Practitioners experience suggests there are large needs in the loan rage between Franc CFA 2 – 10 millions among SMEs. This segment is actually what some have coined as the missing middle and represents a relatively substantial customer base.

In implementing such strategy MFIs will face the guarantee question. However MFIs have a unique experience that can help cope with this issue. Indeed MFIs have a long history of using groups guarantee schemes which is a strong basis for exploring mutual guarantee associations (MGA).
Research shows that the few experiences of MGA in the region failed because of political bias, size and diversity of membership (De Gobbi, 2003). MFIs can leverage their knowledge of group guarantee and lessons learned from the field to favor the creation of mutual guarantee associations by SMEs and resolve the constraint of collaterals.
CONCLUSION

The dynamism of West African SMEs is well recognized by governments, international and bilateral institutions who implement programs aimed at supporting economic growth in the region. The West African economies however have not yet been lifted by the full potential of SMEs despite all programs.

In order to achieve greater performances, awareness of the limiting factors is not enough. Neither are public policy led efforts alone. In additions to these necessary elements business to business linkages should be explored to enable small enterprises to join global value chains and create new markets.

New strategies that do not only imitate what big companies do but strive to use small enterprises’ distinctive competences to bring disruption in the marketplace should be explored.

West African SMEs and policy makers should also seek what they can learn in some successful experiences in other continents, in India and Latin America in particular.
Appendix 1: List of People Interviewed

Amadou Ba, Account Manager, BICIS
Mamadou Biteye, Regional Director, Oxfam America
Aboubacrine Date, Director, BSIC
Mbaye Dione, Account Manager, SGBS
Mame Demba Diop, Director of Partnership, BRS
Ousmane Fall, Account Manager, BICIS
Moustapha Mane, Director Bus Info
Amakaire Ndiaye, Account Manager, CNCAS
Assane Ndiaye, General Manager, Erepco
Moustapha Ndiaye Director / IT business
Amadou Ouattara, Account Manager, CNCAS
Amady Sall, Deputy Director, SGBS
Mahmoudou Bocar Sall, Director IFACE
Aly Sow, General Manager, Sud 21
Appendix 2: Questionnaires (in French)

Questionnaire 1 : Banques et IMF

Ce questionnaire est destiné à la collecte de données pour la rédaction d’un mémoire de fin d’études sur le financement de la petite et moyenne entreprise (PME) en Afrique. La recherche est réalisée au niveau du département de ‘Developmental Entrepreneurship’ et de la ‘Sloan School of Management’ au Massachusetts Institute of Technology (MIT) à Boston. Elle est conduite par M. Ibrahima Thiam, Sloan Fellow 07 à la Sloan Fellows Program in Innovation and Global Leadership.

1. Présentez SVP le type d’entreprise qui constitue votre clientèle cible. Quel est le nombre de client dans ce segment et l’encours de crédit ?

2. Quelles sont les attentes de ces PME vis-à-vis de votre banque ?

3. Quels sont les produits que vous offrez à cette clientèle pour le financement?
   - Crédit a moyen long terme
   - Crédit a court terme
     - Découvert
     - Escompte
     - Avance sur facture / marche
     - Autres : préciser SVP
• **Crédit par signature**
  - Aval de traite
  - Crédit documentaire
  - Caution sur marche

4. Quelles sont les garanties demandées
   - Garanties réelles (hypothèque, nantissement…)
   - garanties personnelles (cautionnement, aval…)

5. Quelle est la durée moyenne des prêts
   - 0 – 12 mois
   - 12 – 36 mois
   - 36 – 60 mois
   - Plus de 60 mois

6. Quels sont les délais de traitement des dossiers ?
   - 0 – 2 semaines
   - 2 – 4 semaines
   - 4 – 8 semaines

7. Quel est le taux d’impayé / encours des crédits en souffrance ?
8. Existe-t-il selon vous des barrières pour obtenir de meilleures performances dans le financement de la PME ?

9. Dans une situation idéale, pouvez-vous citer 2 ou 3 changements qui pourraient vous permettre d’augmenter vos performances dans le financement des PME ?

10. Quels sont les acteurs qui pourraient apporter ce changement à votre avis ?

11. Pensez-vous qu’il y ait de nouveaux instruments à créer pour financer les PME autrement ? Si oui lesquels ?

12. Dans un avenir immédiat ou proche qu’est-ce que votre banque peuvent faire pour innover dans le financement de la PME ?

13. Y a-t-il un point important non soulevé par que vous aimeriez mentionner ?
Questionnaire 2 : PME

Ce questionnaire est destiné à la collecte d’information pour la rédaction d’un mémoire de fin d’études sur le financement de la petite et moyenne entreprise (PME) en Afrique.

La recherche est réalisée au niveau du département de ‘Developmental Entrepreneurship’ et de la ‘Sloan School of Management au Massachusetts Institute of Technology (MIT)’ à Boston. Elle est conduite par M. Ibrahima Thiam, Sloan Fellow 07 à la Sloan Fellows Program in Innovation and Global Leadership.

1. Présentez SVP votre entreprise.

2. Quelles sont vos attentes vis-à-vis de l’Etat et de votre banque ?

3. Quels sont les problèmes que vous rencontrer dans votre croissance PME ?

4. Quels sont les services spécifiques d’appui auxquels vous avez accès en tant que PME ?

5. Quels sont les produits auxquels vous avez accès pour le financement de votre entreprise.
   - Crédit à moyen long terme

   - Crédit à court terme
     - Découvert
     - Escompte
     - Avance sur facture / marche
     - Autres : préciser SVP
- **Crédit par signature**
  
  i. Aval de traite
  
  ii. Crédit documentaire
  
  iii. Caution sur marche

- **Autres - Préciser**

6. Quelles sont les garanties demandées

  o **Garanties réelles** (hypothèque, nantissement…)

  o **garanties personnelles** (cautionnement, aval…)

7. Quelle est la durée moyenne des prêts

  a. 0 – 12 mois
  
  b. 12 – 36 mois
  
  c. 36 – 60 mois
  
  d. Plus de 60 mois
  
  e. Autres (Préciser)
8. Quels sont les délais de traitement des dossiers ?
   a. 0 – 2 semaines
   b. 2 – 4 semaines
   c. 4 – 8 semaines
   d. Autres (Préciser)

9. Êtes-vous satisfait des performances actuelles dans votre financement ?

10. Existe-t-il des barrières pour obtenir de meilleures performances ?

11. Dans une situation idéale, pouvez-vous citer 2 ou 3 changements qui pourraient permettre d'augmenter les performances dans le financement des PME ?

12. Quels sont les acteurs qui pourraient apporter ce changement ?

13. Pensez-vous qu'il y ait de nouveaux instruments possibles pour financer les PME autrement ? Si oui lesquels ?

14. Y a-t-il un point important non soulevé par que vous aimeriez mentionner ?
### Questionnaire 3 : Service Techniques et Institutions Publiques

Ce questionnaire est destiné à la collecte d'information pour la rédaction d'un mémoire de fin d'études sur le financement de la petite et moyenne entreprise (PME) en Afrique. La recherche est réalisée au niveau du département de ‘Developmental Entrepreneurship’ et de la ‘Sloan School of Management au Massachusetts Institute of Technology (MIT)’ à Boston. Elle est conduite par M. Ibrahima Thiam, Sloan Fellow 07 à la Sloan Fellows Program in Innovation and Global Leadership.

1. Présentez SVP la mission de votre service / direction.
2. Quels sont les services que vous offrez aux PME ?
3. Quels sont les problèmes que vous rencontrer dans votre intervention avec les PME ?
5. Êtes-vous satisfait des performances actuelles ?
6. Existe –t-il des barrières pour obtenir de meilleures performances ?
7. Dans une situation idéale, pouvez-vous citer 2 ou 3 changements qui pourraient permettre d'augmenter les performances dans le financement des PME ?
8. Quels sont les acteurs qui pourraient apporter ce changement ?
9. Pensez-vous qu'il ait de nouveaux mécanismes possibles pour financer les PME autrement? Si oui lesquels ?
10. Y a –t-il un point important non soulevé par que vous aimeriez mentionner ?
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