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GOOD PRACTICES FOR WORKING WITH SECTOR UNITS

- The Nucleus Approach -

**A Manual for Business Membership
Organizations**



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Foreword

Small and medium enterprises (SME) in developing countries find it more and more difficult to survive in globalization. There is a growing demand for Business Membership Organizations (BMO) to provide efficient support and services. The new approach of working with Sector Units or Nuclei that is introduced in this handbook offers an effective instrument for BMOs as well as donors to cope with this challenge.

This new approach is based on the creation and work with formalized groups of entrepreneurs. It is a very powerful tool for SME promotion. Positive impact on a large number of SMEs in various sectors can be achieved in a relatively short period of project intervention. Additionally, the approach accelerates a change process in the BMO towards participation and modernisation.

Characteristic elements and results of the approach include:

- a functioning and sustainable network of formalized groups of entrepreneurs, defining their needs and planning joint actions,
- a BMO that actively supports the groups of entrepreneurs and provides services and lobbying for local economic development,
- a network of support organizations linked to the entrepreneurial groups and the BMO, supporting them according to their needs and
- a number of trained professionals working as group consultants, project managers and coordinators.

Since the beginning of the 90s, this project approach has been adopted and further developed in projects of SEQUA. Initially, it was developed within a partnership project between the Munich Chamber of Skilled Crafts and business associations in Santa Catarina, Brazil. The instruments were transferred to other projects of SEQUA and adapted to more difficult conditions in less developed regions of the country. Additional elements for financial sustainability as well as training for representatives and staff of BMOs were introduced. Results are impressive. Today, there are about 5.000 groups of entrepreneurs with more than 40.000 member companies.

However, not all the initiatives transferring the methodology have been successful. Working with "Sector Units" or "Nuclei", as the groups of entrepreneurs are called, is more than just cooperating with groups instead of individuals. Beside a careful selection of personnel and sectors, it is important to establish formalization and financial commitment in order to achieve sustainable results. This manual describes good practices and case studies from 10 years of experience with implementing the approach, especially in Brazil. It gives BMO representatives and staff as well as project managers of national and international donors a thorough overview of the methodology. It enables them to decide when and how to implement the instrument, how to select sectors and group consultants, how to set up a network of support organizations and how to monitor and evaluate project progress.

Working with Sector Units has proved to be a powerful tool in SME promotion. We thank all our partner organizations and their staff who have contributed to the methodology and shared their good practices. There are no property rights attached to the Nucleus Approach. SEQUA encourages all its partners to disseminate and further develop the approach in their projects!

1. Introduction

In 2006, the Professional Training Centres of the Bavarian Employers' Associations (bfz), Germany, published the "Good Practices for Working with Sector Units" manual in order to contribute to the dissemination of this powerful tool of strengthening BMOs and supporting small and medium sized enterprises (SMEs). It is largely based on a program successfully introduced by the Confederation of Associations of Entrepreneurs of Brazil (CACB) within the framework of Technical Cooperation between Brazil and Germany coordinated by SEQUA gGmbH. As part of this program, the Federation of Associations of Commerce, Industry, Agriculture and Services of the Federal State of Minas Gerais (Federaminas, Brazil) and the Local Association of Skilled Crafts of Essen (Germany) developed a manual that has served as an inspiration for this guide.

This manual describes the importance of properly deciding which Sector Units are to be established and refers to the usual problems consultants face in their day-to-day tasks as well as the precautions and possible measures taken to overcome such obstacles. Also presented is a collection of documents and formal records supporting the work with Sector Units, among these instruments for the mobilization of entrepreneurial and community resources, such as forums and workshops aimed at regional development. Good practices and so-called "golden rules" are included as a source of inspiration for overcoming the usual challenges faced in the establishment and management of Sector Units.

The manual also comprises documents such as a sample of bylaws, an invitation for meetings, a registration form for unit members, guidelines for unit members and other instruments applicable to Sector Units. Bibliographical references and complementary sources are included for referral.

2. What Are Sector Units and How Do They Operate?

The key elements of the work with Sector Units are the following:

- Business membership organizations (BMOs) initiate and support the creation of groups of businesses in a defined area (e.g. city or municipality).
- These groups called "Sector Units" or "Nuclei" are formally constituted and are affiliated to the BMO.
- In general, the entrepreneurs of a group belong to the same sector, such as carpenters, tourist operators, retailers and garment producers, experiencing common problems.
- The work of the Sector Units is accompanied and facilitated by an especially trained professional called "group consultant" on a permanent basis.
- The self-help potential of the enterprises is mobilized, common problems and needs are identified and joint actions are taken to solve them.
- The BMO offers or facilitates professional services according to the needs of the member enterprises.
- The BMO is strengthened with respect to membership, services, strategic partnerships and lobbying.
- Often the work with Sector Units or Nuclei becomes a dynamic process beyond the limits of the group or the BMO and as such forms part of local or regional economic development.

The systematic approach of working with groups of enterprises called “Nuclei” was developed in Brazil. Nuclei were created in 1991 as a result of a cooperation project involving the Munich and Upper Bavaria Chamber of Skilled Crafts, the *Fundação Empreender* foundation and trade and business associations in the Federal State of Santa Catarina. The model was successfully developed within a Brazilian context, and today, there are around 5.000 Sector Units with more than 40.000 member companies.

Recently, the Confederation of Associations of Entrepreneurs of Brazil (CACB) has started to transfer the know-how on an international level with Brazilian funding.

3. Advantages of Sector Units for Companies and BMOs

The establishment of Sector Units represents one of the most effective forms of organizing businesses operating in the same segment, providing strong input to increase their competitive advantages in the market. It is especially successful in developing countries with a great number of untrained entrepreneurs, weak BMOs and insufficient organization and services for SMEs. It is applicable in urban and also in rural environments. As a result, the BMOs supporting businesses through Sector Units become stronger due to the services they now offer and, consequently, due to the increased representative power on behalf of the business community.

Increased productivity, quality and competitiveness of the enterprises through:

- better access to managerial and technical management expertise,
- the possibility of conducting collective purchases and sales with a positive impact on trading conditions and improved bargaining power with the market,
- more frequent and less costly access to fairs, trade missions and events,
- access to group consulting on specialized topics,
- network marketing,
- technical and technological upgrading of production and management processes and
- promotion of institutional lobbying on behalf of unit members.

Increased professional performance and representation of the BMO through:

- an increase in active members and, consequently, in the BMO’s revenues,
- increased demand for other products and services provided by the organization,
- the introduction of new products and services and consolidation of existing ones,
- a stronger associative concept,
- greater representative power,
- greater awareness and the adoption of a more professional attitude on the part of officials and other supporters of the organization,
- the establishment of favourable conditions for local and regional economic development.

SRI LANKA: Boosting the Development of a Newly Founded Chamber of Handicrafts Using the Nucleus Methodology.

„The staff of the chamber is in touch with the reality of the small businesses. As a consequence, their advice for the businesses has improved and their lobbying is also more persuasive.”

Background:

Handicraft businesses of the Kandy region founded the National Chamber of Handicrafts of Sri Lanka (NHCSL) in 2004. Working with the Nucleus methodology the NHCSL developed rapidly:

- 26 members in 2004, 140 in 2005, 170 in 2006,
- high participation of the members in chamber activities,
- a wide range of services offered (joint sales, training courses, lobbying etc.),
- cooperation with public and international organizations,
- head office with 4 employees.

Introduction of the Nucleus methodology:

The NHCSL cooperates with the Koblenz Chamber of Skilled Crafts, Germany, in a SEQUA-Partnership-Project in the field of institution building. The Nucleus Approach is introduced in cooperation with the ESSP Nucleus program of the GTZ. NHCSL initiated the creation of eleven Nuclei in the fields of batik, brassware, hemp, jewellery, textile based products, recycled paper and woodcarving.

Services for the participating enterprises:

According to the needs assessment, each Nucleus obtained services and support by NCHSL in cooperation with national or international organizations. For example:



- sewing machines for the 2 Nuclei of the textile sector with 75% of the cost covered by ESSP,
- training in technology on stone-setting and plating, stone-setting tools and workshops on new design for the 3 jewellery Nuclei,
- training on new design and electricity for the common group building of the hemp Nucleus,
- factory visit in Colombo and training on the storage of wood for the wood carving Nucleus,
- workshop on packing and a factory visit for the batik Nucleus.

Photo: *The President of NCHSL inaugurates a centre for handmade paper with the Nucleus members*

Benefits for the chamber:

- 50 new members have joined NCHSL through the Nucleus movement,
- a large number of people have become aware of the services provided by NCHSL,
- the chamber is able to maintain closer ties with members, identify their needs and plan and organize services,
- NCHSL generates considerable income by conducting workshops,
- the chamber is able to contribute financially to co-operation projects,
- co-operation between government, private and non-governmental organizations has been initiated,
- NCHSL was asked to be member of a committee responsible for the proposed Handicraft Centre in Kandy.

Contributed by Peter Rechmann, Colombo/Sri Lanka, long-term expert of the Partnership Project between the Koblenz Chamber of Skilled Crafts and the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) supported by the German Ministry for Economic Cooperation and Development (BMZ) through SEQUA.

4. Deciding which Units to Establish

A BMO that wants to initiate Sector Units has to define the objectives it wants to achieve by the approach. This could be, for example, increase in membership, revenues or service delivery to certain sectors.

The decision which units to establish is a key factor for success. In addition, it provides an opportunity for the BMO to involve other relevant players like training institutions, municipal authorities or regional or economic development agencies in the decision-making process. It is of the utmost importance to make a realistic choice of a sector or sectors with high potential for the formation of Sector Units in order to achieve convincing results. These may serve as references for the future to address weaker sectors. For examples of existing Sector Units refer to *appendix I*.

In order to get additional expertise, share responsibilities and attract potential partners, a “Unit Management Committee” can be established by the BMO. Its members should include BMO representatives, the future group consultant, a representative from public authorities and representatives of probable partner organizations (training institutions, development council etc.).

Once the BMO has taken the decision to establish Sector Units, the need arises to define criteria for the selection of the business segment that will serve as the origin of the unit. Below is a list of criteria that can help with the decision-making process:

- **Number of existing businesses from the sector in a certain area** – the number of businesses, in conjunction with the importance such firms have for the local economy, is the initial reference point for deciding which unit should be established. If you manage to motivate a critical mass of businesses to join Sector Unit initiatives, it will be easier to convince sceptical and passive people to come on board as well.
- **Number of businesses from the sector affiliated to the BMO** – BMOs should find out whether there is a demand from a larger segment of its members. If this is the case, it is adequate to answer the demand in order to prevent those already affiliated from being left out. However, biased actions lacking objective justification, such as selecting the sector of the president or of other key people in the organization, should be avoided at all cost.
- **Importance of the sector for local/regional development** – Some sectors of the economy are considered strategic due to their local and/or regional relevance, such as for example: their capacity to create jobs and income. Such indicators by themselves constitute a good motivation for the establishment of a Sector Unit.
- **Capacity to pay membership fees and be self-sustainable** – The establishment of Sector Units of hairdressers, other craftsmen etc. has often come about due to several reasons. One problem is the fact that, in general, these groups face greater difficulties in meeting their commitments to the BMO, such as the payment of membership fees and other fees and often require subsidies. Hence, such units might turn out to be a financial burden for the association. It is necessary to assess the financial capacity of the unit and its members as well as the capacity and interest on the part of the BMO to subsidize the sector. Another option would be to access other sources of finance.

- **History of the segment** – Sectors of the economy that are strongly subsidized by government agencies are generally difficult to organize, because of the dependent relationship that exists with their financiers. Self-employed professionals are also prone to assuming an attitude that is not proactive and look to the partner organizations as sources of endless subsidies without offering any financial benefits in return. It should also be checked whether the segment in question has participated in unsuccessful projects and thus developed a pessimistic attitude towards any new associative initiative. Selecting business segments that are devoid of such preconceptions may be the best bet. Professionals who have never participated in business associations in general feel honoured by the invitation and contribute to a good atmosphere for starting the unit.
- **Potential synergies with other units** – the establishment of units that engage in related activities (horizontally, as productive arrangements or vertically, as productive chains) can represent the basis for the sustainable development of the region. For example: in a typical tourist or resort city, the integration of units covering lodging, restaurants, crafters, waiters and taxi-drivers is welcome in order to strengthen the sector as a whole.
- **Profile of businesspersons from the sector and the existence of leaders** – As a rule, business leaders who have no preconceptions are the most promising at the time a unit is being established and the participation of such people is of utmost importance. It is worth remembering that, due to the associative character of the activities, not all leaders in a given area will have the suitable profile for constructively participating in a unit. It is all right to wish that anyone can participate, regardless of who they are, but it is utopian to think that all entrepreneurs can be gathered in Sector Units in a cohesive and consensual form.
- **Insolvency rate of businesses in the segment** – a high insolvency rate of businesses in a given sector may stimulate a BMO to form a unit for the purpose of addressing the causes of the problem; however, such a decision requires caution. The problem may be macroeconomic in origin and, therefore, outside the operational limits of both the units and the BMO. If this is the case, it is preferable to select other sectors that will not compromise any initial success.
- **Evolutionary trends in the segment** – A few sectors of the economy, due to macroeconomic or technological reasons, may be on a rising or declining curve. For example, tourism and information technologies are growing activities in many countries and Sector Units linked to such segments have a greater chance of success.
- **Receptiveness and commitment of businesspersons** – The most important item concerning character is the level of commitment to and affinity for the associative work demonstrated by the unit members. Especially in view of the fact that the beginning is always more difficult and requires a larger input of optimism. It is not recommendable to propose the formation of a unit when the potential members are reluctant to commit themselves to unit work.

Note that the isolated analysis of any of the elements described above may lead to an error in judgement regarding the sector or the sectors to be selected for the constitution of a unit or units. The decision should be based on an integrative analysis of all of these factors. As a complementary tool, a questionnaire related to the local economic environment is enclosed in this manual, to assist with making a decision regarding the segment that will be selected for establishing the Sector Unit (see *appendix II*).

5. Choosing and Training the Group Consultant

Apart from the selection of the sectors in which to establish Sector Units or Nuclei, the choice and training of the group consultant is the most important factor for the success of the Sector Units. The group consultant acts as facilitator and moderator. He or she helps the group to identify their common problems, prioritize them and develop a joint action plan. The group consultant operates as a link to other advisory agents outside the unit. For example, if the group identifies a need to prepare business plans, the group consultant will refer such demands to a specialized consultant and monitor the consultant's work with the unit members. Usually, the group consultant is employed by the BMO. When identifying possible candidates, the Unit Management Committee can be addressed for contacts and personal referrals in addition to publishing a job advertisement.

5.1 Selection Criteria and Process

Considering that the group consultant is a relatively new type of professional in the market, the recruitment and selection process requires close attention on the part of the BMO. In order to ensure the continuance and proper performance of the consultant, the search should concentrate on people living in the area of the BMO, which helps to reduce costs and has the added advantage of the consultant knowing the local situation.

The profile of the candidate should meet the following requirements:

- Age: between 25 and 35 years. This ensures a certain maturity and credibility and at the same time enables the BMO to pay the consultant's salary,
- career: preferably business administrator, accountant, economist, psychologist and other related professions,
- note: it is not recommended to hire students, since it may be very difficult to reconcile the academic commitments with the work to be performed by the consultant,
- possession of a driver's license and, preferably, vehicle ownership,
- sensitivity and availability: a consultant who is absent loses the capacity to interact with the group members, making them unable to reach their own conclusions regarding the work to be performed,
- pro-activity: the consultant must assume a dynamic behaviour while setting the standards for his work and promoting the interests of the unit members,
- the consultant should be active in social and/or community development projects,
- he/she must have experience and knowledge about SMEs.

Specific competencies needed are:

- Generalist vision: given the complexity involved in rendering services to several clients at the same time, the consultant must have a general knowledge of the economy and of business management,
- good command of information technology,
- knowledge about the organizations supporting the SMEs and its principal products and services,
- experienced team worker.

The selection and recruitment process by the BMO can be supported by recruitment professionals, if available, or by qualified members of the Unit Management Committee. But do not downplay personal referrals and your feelings when making decisions.

Recommendations for personal interviews for the selection of group consultants are included in *appendix III*.

Upon closing the interview, clarify any doubts the candidate may have and provide an overview of the subsequent phases of the selection process. Applicants who performed best at the interview should participate in a group dynamics session. When the consultant is identified, formulate the objectives and indicators that allow a pragmatic evaluation of the work developed with the units to be established.

5.2 Training the Group Consultant

Since group consultancies directed at Sector Units are a new service in most developing countries, training the consultants is a prerequisite for their success. The training should consist of the following elements:

- Objectives and structure of the BMOs,
- profile of the SMEs,
- promotion agents from the SMEs,
- methodologies and tools for working with business groups,
- preparation of work plans,
- formal aspects in the work with Sector Units,
- monitoring and evaluation of Sector Units.

AN AFRICAN SUCCESS STORY - Working with Sector Units in Mozambique

The background:

Since 2001 the Association of Industry, Commerce and Agriculture of the province of Nampula (ACIANA) has been engaged in a SEQUA Partnership Project with the Training and Development Centres of the Bavarian Employers' Associations (bfz) financed by the German Ministry for Economic Cooperation and Development (BMZ). The project aims at strengthening the institutional capacities of ACIANA in order to enhance the competitiveness of the SMEs in the province of Nampula.

FORTALECER - the program:

In May 2006 ACIANA and BFZ started to initiate Sector Units in Nampula according to the Nucleus methodology beginning with the automobile sector. By introducing the approach the project partners wanted to increase the number of SMEs reached by the projects' activities within the framework of the existing budget and to find a way to actively involve more SMEs as members of ACIANA thus reorienting the association towards a more member-driven and demand-oriented policy.



Photo: *The group consultant Alfredo Magaia hands over the invitation to the 3rd Sector Unit meeting of "garages" to the unit member, Arlindo Raposo. Nampula, 2006*

The impact of FORTALECER:

A year after starting to work with Sector Units it is early to measure significant impacts on the SMEs involved. However, the results so far suggest that the development takes the right direction: ten Nuclei have meanwhile been founded with a total of 240 new SME members having joined ACIANA. At the last general assembly of the association the new members actively participated directing the discussion towards the particular needs of SMEs. As to the enterprises themselves, they have mainly profited from an increase in communication and exchange with other enterprises of the same sector, know-how transfer (technical courses, accounting), marketing support and collective purchases. As a result some of the members have already extended their commercialization or have been integrated in national support programmes helping them obtain credits and tools. The fact that the members can feel a tangible benefit from participating in a Sector Unit is reflected by their willingness to pay membership fees as well as additional fees for attending technical courses offered by ACIANA.

The key factors for success and the challenges:

A direct know-how transfer from Brazil has guaranteed a successful start of the approach in Mozambique. The professional input of Brazilian short-term experts speaking the same language and the selection of adequate, non-academic group consultants are two decisive factors that have ensured a trustful basis for communication with local businessmen. However, the approach has also met with challenges: difficulties in the integration of leaders of the sector, the high costs and time necessary to visit the enterprises, which are sometimes situated as far as 80 km from Nampula city, and the costs involved in rooms and equipment for the nucleus-meetings. The remaining challenge now is to ensure the sustainability of the approach. More Sector Units will have to be established to reach the breakeven point for financing the groups' consultants and activities on a long-term basis.

Contributed by Martin Wahl, Training and Development Centres of the Bavarian Employers' Associations (bfz gGmbH), International Division Hof.

6. Sector Unit Sustainability

It is important for a BMO to think about the sustainability of a Sector Unit from the very beginning. In some countries, BMOs may have the advantage of obtaining support from an international or national program strengthening business associations. The duration of such programs, however, is usually limited. In terms of financial sustainability, it is therefore of utmost importance to use these funds to develop income generating services that will guarantee the continuation of activities after the withdrawal of this external support.

In this context, it is worth calculating the costs involved in the establishment of units. The following table shows monthly expenses of a BMO engaged in Sector Unit activities in Brazil:

Description	Amount in USD
Fixed costs (salaries) of the group consultant	250.00
Variable costs of the group consultant (6 units at USD 25.00)	150.00
Social contributions	40.00
Communications costs (fax, mail, phone bills)	50.00
Travel costs (consultant and others)	75.00
Office supplies	25.00
Refreshments	25.00
Electricity	15.00
total	630.00

Note:

- The amounts shown above are based on the operation of six Sector Units and, therefore, different costs may be encountered depending on the realities of each unit and BMO.
- Item 2 refers to extras paid to the consultant in accordance with the number of Sector Units he/she takes care of.

From the beginning, the BMO should encourage the unit participants to become members. Assuming the creation of 6 units with at least 10 participants each and with average monthly fees of USD 10.00, the revenues from the new members will be USD 600.00.

Naturally, the work with Sector Units will generate demand in the areas of training, trade missions, lectures, etc., which may be met by the BMO itself. These services may serve as additional sources of income for the BMO, provided the participants actually pay for them. If there are at least 2 monthly events involving all of the units with an average return of USD 100.00, the Sector Units will already be profitable.

It should be emphasized that the form of financing, the amounts of the monthly fees, profits from the managed activities etc. may vary from one BMO to another. It is important for each association to define its own model of financing and make sure that this model is implemented. For example, the members of the Maceió Painters Unit in Brazil have made an agreement with the Tintas Coral and Casas Jardim companies, stipulating, among other benefits, the payment of the salary of the Group Consultant. Advances in the implementation should be monitored and constantly evaluated by the organization's officials.

7. Establishment of a Unit - Step by Step Procedures

- **Analysis of the sector** – The first step is the careful analysis of the business segment in question. It will identify the demands of the segment as well as possible ways of meeting these demands. It also minimizes the danger of choosing a sector in which businesspeople do not have the willingness and energy to make the Sector Unit function properly. Such a choice would lead to a lot of energy and resources being wasted. In addition to creating a data base for the initial activities, the analysis may clarify misconceptions such as: the sector creates few jobs, the businesspeople in this sector are not interested in such initiatives, etc..
- **Selection and approval by the BMO** – After the analysis is completed, the validation of the choice should be made by the Management Committee. This paves the way for promoting and consolidating the work and prevents possible conflicts within the organization.
- **Invitation to the first meeting** – Once the segment to be dealt with has been defined, the field work of the consultant can start. The invitation for the first meeting (refer to *appendix IV*) must, necessarily, be made in person and, if possible, the consultant should be accompanied by the BMO President and a director or a member of the Management Committee. The invitation should be clear, objective and should raise the interest and curiosity of the business community regarding the work to be performed.

Preferably, the identification of a businessperson who can take over the leading role in the sector can provide invaluable help during the initial contacts, paving the way for an informal working atmosphere. This occasion should be used to its full advantage as a first point of contact for the potential unit member and to take in expectations. Do not forget to repeat the invitation by a phone call to the prospective member on the day before the meeting.

- **Holding the first meeting** – During the first meeting it is common practice to introduce the philosophy of the Sector Units. In order to do this, if possible, members from other units should be invited to attend and contribute their personal experience to underline the strengths of the Nucleus Approach. Problems of the sector and expectations regarding the work to be developed should be identified using the Metaplan method. It must be made clear that the work is participative and that problems that are easily resolved will be discussed first. The consultant should, in a subtle fashion, lead the group to a future vision of the work to be performed. If attendance is low during the first meeting, the mistakes in the mobilization for this meeting should be identified and used as lessons learned for preparing the next session. Good results have been achieved by asking each participant to bring along two other businesspersons of the same sector, thus multiplying the number of participants.
- **Identification of problems and expectations** – If the analysis of problems and expectations has not been undertaken at the 1st meeting, this task is to be performed during the subsequent meeting. As indicated above, the consultant should avoid complex problems from receiving undue attention in the initial phase of the work. A good hierarchy of the objectives of the unit prevents future complications. Among butchers e.g. it is common to immediately raise the need to construct a slaughter house or meat-packing plant. The problem with this suggestion is that it is costly and complicated. In the end the unit members will become worn out and will drop out of the movement, while simpler matters such as an improvement of the sanitary conditions of their establishments or a good training program on the cutting and preparation of meat are not even touched. The following may be listed as possible areas for improvement: development of

relations with suppliers, human resources, marketing and promotion, production, management.

- **Preparation of the annual plan** – If the consultant does not have a clear focus, he/she may go into the wrong direction or nowhere at all. To avoid this, the annual planning outlines the important milestones and lays down a chronological line of the activities, including the long-term ones, reducing the level of stress resulting from the attempt to do everything at once. The plan will also highlight the activities that demand financing and intensive monitoring. Parallel, institutional or social issues may be approached, such as social activities and volunteer campaigns.
- **Formalization of the unit** – The formalization of the unit requires the preparation of a memorandum of understanding and, later, of bylaws (refer to *appendix V*). Thus, the members who show outstanding performances will be commended, whereas uncommitted participants are registered or even excluded. With a clear definition of the rules, conflicts are diminished and the participants are shown that the initiative is formally governed by the unit members, which creates an institutional identity for the group.

Golden Rules

- Choose business sectors with high potential for success for setting up units!
- Involve major stakeholders in the selection of sectors to avoid future discontent and motivate them to support the Sector Units.
- Invite the business people and high profile representatives of the BMO to the first Sector Unit meeting with great care in order to get the desired attendance.
- If possible, invite members of existing, successful Nuclei from other sectors or areas for the first meeting of a Sector Unit.
- Observe the following rule: a large number of easily solved problems is more quickly dealt with than a small number of problems with a high degree of complexity. In the beginning, credibility is established with fast and effective actions.
- For the purpose of avoiding “flash-in-the-pan” ideas, a unit is set up only after three meetings have been held with a minimum number of five businesspeople involved.
- Make sure a systematic analysis of problems and expectations, an annual plan and a memo of understanding/bylaws are prepared not later than in the third meeting of the Nucleus.

8. Operation of a Sector Unit

The operation of a Sector Unit is characterized by three important aspects:

- Day-to-day routine of the unit,
- annual planning of the Sector Unit,
- events and other activities.

The group consultants who are responsible for the facilitation of Sector Unit activities should be aware of the wide range of possibilities as well as of certain errors to be avoided in their work.

8.1 The Day-to-Day Routine of a Unit

8.1.1 Calling Meetings

The meetings constitute the basis for sustaining the work of the Units and should be held at least twice every month in order to ensure adherence of the group to the BMO. In the event that demand is more substantial, more frequent meetings might be held. The following aspects should be observed by the group consultant:

- a clear definition of the agenda, target audience, time and location,
- convocation of the meeting well in advance,
- personal delivery of the invitation, by the consultant, to the prospective participant,
- a telephone call on the day before the meeting,
- strict adherence to schedules and punctuality,
- preparation of all material required for conducting the meeting (cards, stationary, equipment, relevant information, coffee, water and decorations, etc.). When convenient, post notes on the wall, as a form of providing orientation during the meeting.

Golden Rules

For the group consultant:

- Make sure the key people will attend the meeting.
- Draw up a clear agenda of the meeting and determine tasks to be performed and decisions to be made.
- Prepare in advance all material required for conducting the meeting (cards, stationary, equipment, relevant information, coffee, water and decorations, etc.). When convenient, post notes on the wall, as a form of providing orientation during the meeting.
- Avoid unproductive meetings lacking a clear focus.

8.1.2 Holding Meetings

Before the meeting, inspect the conditions of the venue where the meeting is to be held (noise, lighting, ventilation, etc.).

Use of the Metaplan¹ tool is recommended as a form of making the meetings objective, dynamic, participative, and easy to be conducted and documented. Keep in mind the following considerations:

- Stick to the meeting agenda previously announced,
- apply the Metaplan tool correctly,
- avoid unnecessarily adjourning decisions to future meetings,
- prepare an action plan based on the results of the meeting,
- establish a climate of participation and interactivity between the group members, but avoid distractions and digressions from the topic,

¹ A visualization tool for conducting meetings based on cards.

- avoid lengthy meetings: the usual time for a productive meeting is a maximum of 90 minutes. Thereafter, people become distracted, which may lead to a lower number of participants at subsequent meetings. Stress punctuality,
- use group dynamics to make the participants feel at ease and foster integration,
- use alternative visualization tools, such as notes on the flip chart and other audio-visual aids,
- observe the gestures, posture and facial reactions of people in the meetings. Acceptance or rejection of certain opinions and comments may be noted by non-verbal signals. Read between the lines.

Golden Rules

For the group consultant:

- Prepare the meeting well and make it productive.
- Generally speaking, two meetings per month with a max. length of 90 minutes are productive and ensure further participation of the members.
- Fix a regular time and place of the meetings, for example every first and third Tuesday of the month at the BMO headquarters.
- Strictly stick to the agenda, schedules and visualization techniques. Otherwise the quality of the meetings will decline rapidly.
- Prepare and distribute reports of the meetings and of activities to BMO board members and staff responsible for the Sector Units.
- Organize informal meetings, different venues for the meetings or special guests as variations of the routine for consolidated Sector Units.

Social aspects of meetings

For many of the unit members, the day of the meeting represents an important social appointment. For this reason, it is not uncommon to see instances where businesspeople who previously saw each other with reservation and distrust, become friends and fellow professionals after participating in the units. Being aware of this situation, the consultant should create relaxed moments for the group, such as get-togethers, informal meetings and non-committal chatting, where the focus of the attention is informal conversation and social contact.

Special guests

Eventually, special guests can be invited to the meetings for the purpose of providing insight into topics of interest for the unit members. A good choice may allow an exchange of experience and even the clarification of issues beyond the expertise of the consultant.

It is recommended that a fixed day, time and location for holding meetings with the unit members be established, e.g. on the last Tuesday of every month at 7:00 p.m., at the BMO headquarters. To a large extent, this simple standardization minimizes eventual communication problems and lack of information regarding the convocation of meetings.

8.1.3 Formal Record of the Meetings and the Activities of the Sector Units

The documentation and recording of the information during a meeting seem to have a bureaucratic character. However, they constitute solid instruments for monitoring and evaluation of the units. For proper documentation, observe the following:

- Adequate use of the Metaplan technique,
- proper completion of the attendance list,
- inclusion of pictures, film, interviews, (etc.),
- preparation of summarized reports right after the meeting,
- completion and adequate filing of monthly reports to be submitted to the supporting BMO and other partners,
- submission of copies of the minutes and other relevant unit reports to the BMO board and co-workers. This enables proper monitoring of the work by the BMO. Eventually, a brief presentation of the work can be made to the board, at the time of the regular meetings,
- file the Q-cards in an orderly manner and use them during the subsequent meetings, thus creating a true leading thread for the day-to-day routine of a unit.

Golden Rules

Any action is only as impressive as its documentation. A large number of professionals regularly perform their jobs well, but due to document shortcomings, their work and the results are hardly noticed. It is suggested that a copy of the documents produced be filed with the BMO.

The reports conventionally produced by the consultant and subsequently submitted to the institutional partners constitute a source of research and an indicative element of the tasks performed. Completing them in a careful and orderly manner assists with the formal registration of the activities of the unit and in the planning of actions in the short, medium and long term. At the same time, such procedures allow the activities of the unit to be monitored by the institutional partners, employees, manager, board and other persons linked to the BMO.

8.2 Annual Planning and Evaluation

8.2.1 Conducting the Planning and Evaluation Event

The annual planning is a key element of the work of a Sector Unit. It is the guideline for the work to be done in the following year. It is also the basis for coordinating the efforts of the group consultant, the BMO, the unit members and supporting partners. It is important to ensure the participation of all important members and representatives of organizations during the planning session. A good preparation of the contents and methodology of the planning event, productive discussions and exact documentation lay the basis for a successful operation of the unit in the year to come.

The planning event for a Sector Unit starts with the evaluation of the accomplishment of the previous year's plan. Preferably, the annual planning should be held in January. In addition to mobilizing the group for challenges to come, it provides the following benefits:

- Evaluation of the accomplishment of the previous year's plan,
- determination of expectations and goals to be achieved,
- definition of a schedule of activities, such as training, lectures, trade missions, participation in exhibitions, social events and the respective individuals responsible for them,
- guidelines for high priority activities,

- advanced request of subsidies and identification of the activities requiring financing,
- prior scheduling and input of other resources needed to implement the proposed activities,
- creation of an organizational culture of participation and collectivism,
- establishment of comparative references about the current status and proposed future of the unit.

The following aspects should be considered during the preparation and implementation of the plan:

- Create awareness in unit members of the relevance of the planning event.
- Beforehand, identify the information and areas of interest to unit members, e.g. starting with the following referential themes: lectures, training, trade missions, administrative activities, promotional and marketing activities, development of suppliers, special projects, social and charitable actions.
- Collect material such as calendars of exhibitions and fairs etc..
- Contact support organizations involved in economic development, labour unions, trade associations, professional councils, cooperatives, event promoters and other similar institutions to obtain more detailed information on specific events.
- Prepare the questions guiding the discussions, so that more time and speed is gained for elaborating the plan.
- Create a participative atmosphere during the planning workshop, allowing room for a minimum consensus among the unit members.
- Submit copies of the plan to the unit members and Management Committee.
- Leave open the possibility of adding new information and reorienting the work to be developed.

The consultant should resort to his sensibility to identify potential demands of the groups well ahead of time to try to raise funds from possible donors when these prepare their budgets. For a more effective handling of the planning process, the strictly operational aspects, which require further input, should be left for later.

It is important for the consultant to review the coherence of the plan being proposed. In this way, unrealistic activities can be avoided and, on the other hand, the group can be made aware of activities that are important, yet not provided for in the plan.

Golden Rules

The annual planning workshop and the evaluation of achievements of the previous year's plan should take place in January.

The group consultant together with BMO staff should take great care to prepare invitations, schedules, contents and methodology of the event.

Make sure important persons of the Sector Unit, the BMO and the support-network attend the workshop.

The group consultant should participate actively in the formulation of the plan to make it realistic and complete with all the important results, tasks and responsibilities.

Strictly operational aspects can and should be defined later.

BRAZIL: Association of Entrepreneurs of Caicó, Rio Grande do Norte: Nuclei Are Good - Additional Support for the Association Is Better

The background:

In 2004 the Association of Entrepreneurs of Caicó (ACEC) had a dynamic president, some active members of the board of directors, 143 member enterprises, no strategic or action plan and no projects. Service provision, income and budget were low. A reconstruction of the headquarters was attempted and stopped because of lack of funds.

CAPACITAR – the program:

Besides using the Nucleus-methodology, this program of the Confederation of Associations of Entrepreneurs of Brazil (CACB) gives weak associations or chambers instruments to strengthen its capacities according to the demands of the Nuclei it initiates. This is especially important in poorer regions.

The first activity was a diagnosis of the ACEC regarding strengths and weaknesses, management, services, participation in the local development and promotion of the organizational culture. Based on this analysis, a plan with 40 activities to be implemented within 18 months was set up, including the support of Nuclei. Within the next 16 months the Association was helped with specialized training and consulting for the directors' board, for the executives, for the group consultant and other employees.



The training of the representatives and staff of the ACEC led to an immediate improvement of the work with the Nuclei. This was the key factor in the accomplishment of the associations' goals. **The biggest success in the relatively short time was the "Entrepreneur House"**. The new building of the ACEC unites the offices and services of the various BMOs in the city, a modern auditorium with capacity for 400 people, meeting rooms, a small shopping mall for renting stores and a bar for informal meetings of directors, members and entrepreneurs of the city.

Photo: Opening of the "House of Entrepreneurs" with the leading representatives of the region, government and most entrepreneurs of the city attending.

Further achievements:

- Increase in the participation of board members and member enterprises in the respective events from 10 to 75 %; The increased participation is due to nuclei-members,
- increase in board members from 7 to 9, the new members coming from the Nuclei,
- participation of 90 % of the board of directors in the weekly meetings,
- 2/3 of the board of directors are women from Nuclei,
- increase in membership of ACEC from 143 to 190 (43 %),
- 94% of the activities of the initial strategic plan are completed,
- increase in the service offered, based on a demand analysis carried out in the Nuclei,
- organization of the biggest meeting of Nuclei in the Northeast of Brazil with 600 participants.

After 18 months of support by CAPACITAR, the Association of Entrepreneurs of Caicó was elected as one with the best results within the program. CAPACITAR was implemented by CACB, SEBRAE, the Local Association of Skilled Crafts of Essen, Germany and supported by the Federal Ministry for Economic Cooperation and Development (BMZ) through SEQUA from 2005 to 2007.

Contributed by Andreas Dohle, long-term expert of the Partnership Project between the Local Association of Skilled Crafts of Essen, Germany, and the Confederation of Associations of Entrepreneurs of Brazil (CACB).

8.2.2 A Vision for the Future

The work of a Sector Unit might be put at risk if there is no clear definition of a long-term prospect. Thus, it is necessary to draw up a vision for the future. An example: a unit of joiners or cabinetmakers may be satisfied with short training sessions and an increase in credibility, in a friendly and comfortable environment of joint actions. But this is not enough! The consultant is responsible for pushing the group towards higher goals, such as the conquest of wider markets and even the design of a range of their own, exclusive products. Such intervention will help to constantly renew the unit members' interest and, above all, will help in the search for more elaborate competitive levels, with clear economic and social impacts. A Chinese proverb, written more than three thousand years ago, is worth remembering: "A fair wind will blow only for those who have a destination".

8.3 Promotion of Events and Similar Activities

The unit members may assume a proactive stance within the BMO in terms of finding ways of improving the market and marketing activities of their members. Some tools for achieving this are described below:

8.3.1 Trade Missions

Trade missions include visits to exhibitions, suppliers, support organizations, etc. and the main objective is to gain information on the state-of-the-art of technological developments, new products, institutional support and potential purchasers. For planning and conducting trade missions, the following rules should be observed:

- **Identification of events with real interest** – Some events are packed with a large number of activities, so that priority activities need to be selected. The experience of the consultant is invaluable in selecting the activities that are most relevant and, at the same time, will meet the interests of the majority of the group.
- **Preparatory activities** – First, make sure that you gather as much information on previous events of that particular kind as possible, e.g. by talking with someone who has participated in the event in question. Map out the potential problems and prepare a check-list. Aspects such as departure and return times, luggage, accommodation, documentation of the participants, sharing of expenses, are only some of the aspects to be considered. The most important thing, however, is the route to be followed during the mission, making appointments with people and key contacts and early enrolment in events. Information on the events to be attended by the group, should be prepared well in advance.
- **Financing** – the earlier the mission is prepared, the greater the chance of obtaining financing. Make full use of any subsidies available from support organizations, but do not abandon self-financing by the unit and contributions from suppliers. Sponsors will welcome an offer from the unit members to act as financial counterparts, as the sponsors will feel more confident about the investment when there is reciprocity in the sharing of expenses. This also helps the development of a "no free lunch" culture and a spirit of entrepreneurial independence.
- **Conduct of the group during the mission** – large groups are difficult to control and, as a rule, there are great differences in the degree to which the various participants benefit. Establish short periods for the group to get acquainted and make note of significant questions, submitting them in writing to every member of the mission. Do not exaggerate formalities or the duration of each activity.

Golden Rules

Remember to invite key people, who can be important for the group, to participate in the missions. Take advantage of the event for integrating potential unit members. Depending on the circumstances, family members can be involved.

After the mission, make an evaluation of the activity along with the participants and use the occasion to analyse mistakes to prevent them from recurring.

A large number of suppliers have already consolidated a culture of sponsorship of trade missions. It pays to check with those who represent greater interests and have repercussions on the unit members.

8.3.2 Promotion of Exhibitions and Events by the Unit – Collective Sales

The promotion of fairs and exhibitions are activities that require greater efforts in terms of planning and group integration. Due to the complexity of the issue, the Exhibitor Procedures Manual – a document made available by the responsible organization – is indispensable. Each sponsor of an event and/or convention centre or exhibition complex has their own specific requirements regarding the utilization of their grounds. The unit should also prepare a document listing the main routines associated with the event, in order to prevent last-minute problems.

Golden Rules

It pays to be cautious and not raise unjustified expectations concerning an event that may or may not be a great success in terms of sales. In addition, slow sales are not always a synonym of failure. Other positive effects should be considered, such as the contacts made, the impact on the public attending the event, the interaction of the group and the experience acquired.

In all cases it is necessary to document or record the event in some form, thereby creating references for future initiatives.

8.3.3 Collective Purchases

Another striking advantage of Sector Units is their bargaining power when dealing with various suppliers. By gathering a substantial number of businesspeople, one can achieve benefits such as:

- Discounts and lower prices,
- more favourable terms of payment (time, instalments, etc.),
- personal and more frequent attention,
- improved delivery condition,
- access to information, state-of-the-art technology and technical support,
- subsidies and sponsorship for various unit activities,
- benefit from merchandising,
- sharing of expenses among the unit members or
- gains in productivity and competitiveness.

Carry out a survey of the main input, products and raw materials required by the enterprises represented in the unit. Try and set up a database of suppliers and schedule a workshop on the subject of “Supplier Development“ in agreement with the unit members.

Use the results of the workshop to develop an action plan. If possible, promote a supplier exhibition, which could become a scheduled event and in the medium term, could serve as the basis for holding “Business Roundtables”.

A “Supplier’s Day“ can be organized on a monthly basis. One advantage is the formulation of a joint agenda for dealing with commercial representatives, dealers, salesmen, etc. in addition to other benefits resulting from the possibility of making collective purchases. Also, such an initiative will help to reduce daily calls from suppliers of products and/or services to the unit members at their respective companies.

Do not forget that banks, public agencies, health insurance operators, telephone and electric power companies are also suppliers and, as such, they may be called upon for the concession of preferential benefits to the unit or assembly of unit members under the auspices of the BMO.

8.3.4 Creation of Technical Databases

Collective purchases can also give rise to the creation of databases on various subjects of concern to unit members. For example, one might set up a library of videos and/or specialized publications from suppliers’ donations or resulting from negotiations for lower prices in connection with larger-scale purchasing or acquisitions of materials. This library can be used by the whole group, on a rotating basis.

8.3.5 Access to Specialized Consulting

Another benefit of working in Sector Units is that the group can reduce costs related to specialized technical consulting, which in general is expensive considering the financial situation of the unit members. In addition, the assistance of a technical consultant may create new synergistic effects among the unit members.

8.3.6 Institutional Lobbying

Generally, institutional lobbying work demands a lot of time and energy in order to get results. It is important to conduct other simultaneous activities, such as training and supplier development, so that the unit members will not be worried by a lack of progress.

8.3.7 Socializing

Whenever convenient, promote social events for unit members. Occasions such as Christmas, the inauguration of a new administration, birthdays, the end of missions and the closing of exhibitions give reason to socializing. Such events will strengthen the links between members, the consultant and the BMO. Exchanging gifts at get-togethers and surprise parties are also good ways to celebrate. If members from other units are invited to social events, this might lead to a cooperative environment and mutual respect for the members. Make a critical evaluation of the timing and the adequate conditions for promoting such activities.

8.3.8 Training and Lectures

A survey of the main training demands should be carried out during the preparation of the annual plan. For greater effectiveness of the activity, a few matters should be taken into consideration:

- First, the demand should be verified. It may happen that the members will become over-enthusiastic and demand trainings that have little value or importance for the sector.
- A clear definition concerning content, duration and timing of the training as well as the physical conditions for conducting the training/lecture is essential.
- Keep a clear focus on the financing of training activities, considering the possibilities of getting subsidies and receiving offers from the members to act as financial counterparts.
- Evaluate the instructor(s) you plan to hire by requesting that they submit their CVs and training schedule in advance. Check whatever references they provide and obtain proposals from more than one supplier to better evaluate the respective cost/benefit ratios.
- Enrol people for the training by collecting at least 50% of the cost in advance. Make sure that a percentage of the registration fees be reserved for the BMO to help it to remain self-sustainable.
- It is desirable that the consultant participates in the whole training. If this is not possible, he/she should at least attend the opening and closing session of the event. The presence of a BMO representative is welcome when the certificates are handed over to the participants.
- Proceed with the evaluation of the training using a suitable questionnaire and promote a discussion of the results during the subsequent meeting of the unit.

Golden Rules

Negotiate with the training organizers and try to arrange free trainings for key unit collaborators.

Lay down different enrolment fees for unit members and non-members, BMO associates and non-associates. This may stimulate reluctant businesspeople to join the unit.

As far as possible, use the resources of the unit itself for the development of internal expertise and exchange of know-how. This creates an atmosphere of appreciation of your in-house resources and a climate of mutual cooperation among members.

9. Promoting the Sector Unit

Growth in the number of unit members is a natural process arising from the successful performance of a Sector Unit. This includes the precise definition of demands, the ways of meeting these demands and the effective communication of results. There are various ways of marketing and promoting the unit, which will be presented below.

9.1 Logo

In addition to its formal purposes, the logo personalizes the unit's work, conferring visibility and credibility upon it. In addition, uniforms, sweat shirts and other promotional materials help to create a corporate identity for the unit and promote interest in the success of the initiative and the benefits of associative work. Create logos that maintain the visual identity of the institutional partners of the unit.

9.2 Newsletters and Other Publications

In most cases, a BMO has some sort of internal communication vehicle to report on the activities of the organization to their members and to the business community in general. In such regular publications, space can be secured to publish information on the day-to-day activities of the units, preferably in the form of easily readable and vivid articles that arouse interest in the unit's work. The independent production of newsletters by unit members themselves could give rise to internal conflicts with all their inevitable consequences. In the case of publications with a more specific purpose, e.g. leaflets or questionnaires, all graphic material produced should include logos of the BMO and of its partners.

9.3 On-Site Bulletin Boards

On-site bulletin boards are a management tool widely used by large companies. The purpose is to communicate the main results of certain projects to different target audiences. For Sector Units this instrument, which is actually very similar to a large bulletin board, can be used to post information on the names and contact details of members, agreements, birthdays, events and other important aspects. Also, these bulletin boards can serve as panels for photos, announcements made by members, newspaper articles of general interest and other information of a public nature. This tool has the ability to make information available for everybody and encourage greater involvement of units, associate members as well as staff and board of the BMO. It may be turned into an important business card for the Sector Units.

9.4 Breakfast and Roundtables with Legislators

Roundtables and breakfasts with legislators can be a platform for discussing political matters of concern to the members. Usually, such initiatives allow the participants to step out of the usual formality of meetings and have more relaxed and practice-oriented discussions. This is the adequate climate for forming strategic alliances and discussing subjects that require intensive institutional lobbying. Breakfasts and roundtables are usually led by the BMO President, but can also be organized by units with guidance from the board of the association. Another advantage of this kind of meetings is that the costs are much lower than those involved in cocktail parties or festive events.

9.5 Promotional Campaigns

One of the mechanisms of network marketing is the promotion of commercial campaigns (Valentines Day, Children's Day, Mother's Days, Father's Day, Christmas, etc.), as these directly contribute to raising the sales of participating businesses. These campaigns should be prepared in a major planning effort, so that the actions reach the desired target audiences and achieve good results for the unit's marketing activities and promotions.

Golden Rules

Conducting a promotional campaign usually entails substantial costs. It is necessary to interact with suppliers to try to obtain subsidies.

Another relevant aspect is the question of legal issues. Campaigns that involve the awarding of prizes need to be registered with the public authorities. This might raise the cost of the campaign.

It is also necessary to be very strict about the advertising material produced for communicating the campaign. Such an initiative, if properly executed, might lead to more permanent results with the consumer public.

9.6 Exhibitions and Shows

One of the most straight-forward mechanisms of presenting the work of a Sector Unit is an event held exclusively for promoting its products and/or services. Shows and exhibitions are excellent occasions for achieving this goal. There are a number of advantages that result from the proactive nature of such an activity, but at the same time the typical implications of organizing such an event must be considered: infrastructure requirements, promotion, standards for the exhibition, the time-consuming character, in addition to the natural risks of failing to realize substantial sales.

Golden Rules

Depending on the size of the exhibition, it is recommended that a firm specialized in the promotion of events be hired.

Draw up a chronology of the event, in order to establish a better basis for evaluation of the initiative and of subsequent events.

9.7 Billboards and Banners

Units should always try to reach the largest audience possible within the shortest time span and at prices that are reconcilable with the finances of the groups. Billboard advertisements are an excellent option; however, they should be carefully planned with regard to timing and the target-audience, with special emphasis on the potential buyers, e.g. parents and grandparents for Children's Day.

Billboards may be replaced by banners, which also have a positive impact and incur costs well below those of the first option. In addition to the costs, the target-audience, the quality of the material produced and the nature of the intended event should be considered.

9.8 Visual Identity of Unit-Affiliated Companies

Other marketing devices contribute towards creating a corporate identity, e.g.: unified business cards, stickers, banners, ID stamps. The inclusion of the logos on all marketing material is recommended. Finally, such actions may come to be a reference for the clientele.

9.9 Charitable Activities

In addition to their social benefits, campaigns involving the collection of clothing and food for donation are powerful in terms of calling attention to the social actions of the unit. The same applies to campaigns for the collection of school materials and emergency support to people affected by natural catastrophes. The offering of internships or scholarships to students and discounts for needy people on services and/or products marketed by the unit members also shows the concern of the group regarding issues of a humanitarian nature.

9.10 Establishment of E-Groups and Websites

With the era of information technology in full swing, nothing is more practical than exchanging information online. Although not all unit members have access to the internet, it is recommended that this culture of communication be incorporated as early as possible. In addition to the practical value of e-groups, the cost is low and in the medium term the initiative may lead to the creation of websites or the dissemination of virtual information on the unit.

9.11 BMO or Sector Unit Credentials

Especially with self-employed professionals, the existence of credentials for identification may represent a means of legitimising the profession of the unit member. This requirement is quite common among craftsmen like auto mechanics, hair stylists, etc. In addition, a set of credentials linking the person to the BMO may provide access to contractual agreements and services delivered by third parties. The unit also becomes more attractive to its members, thus gaining an increased level of participation in its services.

9.12 Participation in Local Radio and TV-Programs

Reserving time on local radio stations or even participating in programs through commercials is one of the most effective means of reaching out to the public, considering that radio and TV are heard and seen by the vast majority of the population. Whenever possible, events or campaigns should be linked to this sort of marketing, as costs will be shared and a larger audience will be reached.

Having a good relationship with the local TV network is another important aspect of marketing the unit, considering the possibility of free and spontaneous coverage on municipal and regional newscasts.

BRAZIL: From the First Nuclei to Business Membership Organizations Stimulating Local and Regional Economic Development in Santa Catarina

In 1991 a partnership project was launched which involved the Chamber of Skilled Crafts for Munich and Upper Bavaria (HWK) and three Chambers of Commerce and Industry (ACIs) in the northeast of the federal state of Santa Catarina (SC). The starting point was the idea of the president of one of the ACIs that such a project might help in upgrading local small firms. However, it soon became obvious to the German expert in charge of coordinating the project and his Brazilian colleagues that lack of technical and managerial capacity of small firms was only part of the problem. In their view, the main problem was the inadequate functioning of the ACIs. They offered hardly any services and their lobby work was basically ad-hoc.



Car mechanic workshop changed successfully by nucleus activities.

So in the initial phase the goal of the partnership project was re-defined – from strengthening small firms to stimulating organizational development in ACIs (Müller-Glodde 1993). This is not to say that small firms were no longer the target of activities. Far from it: pulling small firms into the ACIs became the main instrument to leverage organizational development. The ACIs began to organize *Núcleos Setoriais*, working groups of about ten to twelve owners of small firms, organized at branch-level so that there are now working groups of car repair shops, bakeries, carpenters, restaurants, furniture, supermarkets, and many others. The ACIs trained professionals (“consultants”) to work as moderators and facilitators, preparing the reunions, conducting them, and doing the follow-up. Actually, their existence is a key issue for two reasons. First, the meetings of the working group are organized in a way which is quite different from normal

meetings. The consultant moderates and uses the “Metaplan” visualization technique to make the group’s work process and progress is clearly visible. Second, the ACIs usually did not have something like a consultant before. In fact, they had hardly any professionals at all. So hiring a qualified professional to work as a consultant with Nucleos was quite a jump ahead.

The work with the Nuclei unlocked a profound change in the ACIs. They expanded the number of employees, creating new demands on the management of the executive secretary. They expanded the number of member firms, creating new demands on the elected directors who all of a sudden found it necessary to justify their actions (or rather the lack of it). In some cases, small business owners actually became presidents of ACIs. They had to work out a PR strategy to keep the enlarged membership base informed. And they had to launch a more systematic lobbying effort, based on complaints and proposals from the enlarged membership base. Overall, the ACIs moved from the club model to the service & lobby-model – offering services to member firms (most notably the work of the consultants) and organizing lobbying; the latter in several cases led to ACIs professionals changing into the city administration, being in charge of economic development, and in one case to nominating an ACI president for the mayor election, which he actually won. In the end, 20 ACIs were affiliated with the project. They altogether had more than 120 Nuclei with more than 1,600 participating firms.

When the first phase of funding from the German side came to its end in 1996 and it was time to define whether to continue the partnership project (in the way it had started, i.e. with manpower input from HWK and financial support from the Ministry for Economic Cooperation and Development), it was decided to expand the effort. The 20 ACIs involved in the project created a separate organization, Fundação Empreendedor (FE), which hired the project workers. FE started a joint venture with SEBRAE, the parastatal support organization for micro and small enterprises to disseminate the work methodologies developed in the project to other ACIs in SC. 20 ACIs in larger cities (i.e. between 30,000 and 200,000 inhabitants) were selected for what was called Projeto Empreendedor. Within the first 30 months, 138 Nuclei with 1,762 firms were created in these ACIs. It is important to note that the traditional orientation of ACIs, the commitment with the social and cultural development of the community, not only survived all the changes but was probably reinforced. This commitment is an important factor in motivating ACIs to get 14 involved in local economic development policy.

Contributed by Dr. Jörg Meyer-Stamer

10. Formal Aspects of a Sector Unit

10.1 Memorandum of Understanding

It is important to define a code of conduct that will allow Sector Unit members to enter into a friendly, constructive and participatory relationship. Such an instrument is called “Memorandum of Understanding” (see *appendix VI*). This allows the members to establish the criteria for cooperation in the unit, the resolution of internal conflicts, the duties and rights of the members, as well as other relevant issues in a democratic manner. As the work moves on and the unit grows to become a mature entity, the unit may draw up bylaws, which will assume a more formal character than the Memorandum of Understanding.

10.2 Bylaws

The operation of a unit, as previously described, may also be governed by means of bylaws. Like the Memorandum of Understanding, the bylaws determine the rules for admitting or, if necessary, excluding a member. They also define the rights and duties of the members, constitute the board of the unit and any possible commissions, fees to be paid (finances), etc. Altogether, the bylaws are a formal document that regulates the operation of the unit. Bylaws should not contain rules or regulations that conflict with those of the BMO’s statutes. The option of a bylaw or a Memorandum of Understanding should be determined by the Committee of Units in common agreement with the interests of the members in question.

Golden Rules

The denominations ‘statute’, ‘articles of incorporation’ or ‘social contract’ would not be adequate for a Sector Unit, as this kind of document needs to be registered with the Authorities. In addition, the BMO itself has its own “Statute”, which is, after all, a sovereign governing document. Therefore, the correct procedure is to produce a set of bylaws.

One must not exclude from the bylaws the possibility of affiliation of non-effective unit members, namely those who at times participate only in isolated activities of the unit because their profile and/or concerns are, for various reasons, different from those of the group. In this case, there must be a distinction regarding the different fees to be paid by such a membership category. The payment of fines or other penalties for non-compliant or negligent members may answer for the lack of commitment on the part of some members.

10.3 Unit Members Registry

A good file on a unit member will provide conventional data, such as name, address, contact, a small CV etc. and will give the consultant information on the type of product/service marketed by the member, the number of employees, suppliers, clients, etc. Such a database can serve various purposes when performing the day-to-day tasks at the unit and the BMO (refer to *appendix VII*).

10.4 Sector Unit Council

As the units consolidate and start to make collective demands on the BMO, there arises a need to unite them in a comprehensive body: the Sector Unit Council. This body is responsible for common interests and actions of the various units instituted by the organization. This prevents common interests from being treated separately and fosters the joint growth of the units, improving bargaining power in the market and society as a whole as well as fostering empowerment. Another positive aspect of the Council is the increased representative power of the units within the BMO regarding strategic decisions. At this stage, it is common and desirable for each unit to have its own representative legitimately assigned to the organization's board. For the composition of the council, the starting point can be the Units' Management Committee. A participant from each constituted unit can be appointed to it, excluding, when thought necessary, those Council representatives that are not affiliated with the BMO.

10.5 Formal Membership of Unit Members in a BMO

The admission of unit members into the BMO membership normally occurs following an evaluation by the board, which may approve or reject the enrolment of a new affiliate based on various criteria. This problem is not of any great significance in relation to formally established firms, however when it involves self-employed professionals there may be statutory restrictions on the admission of new members. This may lessen the interest of unit members in becoming a member of the organization, as they may be denied the same benefits as a conventional member. In this case, the following action is recommended:

10.5.1 Amendment of the Statutes

An amendment of the BMO internal regulations can be proposed, in order to allow the unrestricted admission of self-employed professionals into the affiliate body including the right to assume elected positions within the board. In some cases, it has been laid down that only those who hold a position in the unit's board be conceded this privilege.

10.5.2 Sliding Scale of Membership Fees

Even though the membership fees may be relatively low, many associates or potential new associates, who do not earn a lot, end up failing to pay them due to their poor finances. In this case, the BMO has to adopt a policy of a sliding scale for membership fees. Charging different rates of fees may increase the attractiveness of membership to unit members from the various low-income segments, such as craftsmen, seamstresses, etc., and thus enable them to become members, without the monthly fees representing a heavy financial burden. Every BMO may establish its own criteria for ranking their associates. Below, some of the criteria that may be used are given:

- Number of employees,
- segment (commerce, industry and services),
- size of the business based on revenue/turnover,
- single location or multiple outlets,
- equity capital.

11. Support Network and Financial Agents of a Sector Unit

It is important for the consultant to be informed of the instruments and organizations that are in a position to provide support to the various Sector Units to which they are related. For this purpose, some references are provided below.

11.1 Suppliers

One of the invaluable advantages of a Sector Units is the enhanced bargaining power the unit members gain in dealing with their suppliers. In addition to discounts and special payment terms (extended terms, less demanding requirements for registering as a customer), there are other attractive aspects to consider:

- Sponsorships (events, transportation, uniforms, provision of infrastructure, etc.),
- distribution of promotional gifts,
- technical and technological support (lectures, consulting, introduction of new materials, development of processes and products),
- merchandising,
- preparation of advertising material for the unit,
- contact with manufacturers,
- provision of voluntary staff, for example, individuals serving coffee at supermarkets and
- training of employees.

11.2 Agreements

One of the formal mechanisms through which Unit members can enjoy special conditions is the negotiation of agreements of various sorts. Agreements might or not be related to financial issues of the parties involved, might be institutional or merely civil in character and are entered into by individuals, corporations and institutions (refer to *appendices VIII and IX*). In general, they define the mutual responsibilities of the parties and might focus on:

- Technical and/or scientific cooperation and exchange of know-how,
- concession of discounts and other benefits,
- authorization for and access to locations and/or preferential treatment,
- provision of labour and
- granting of scholarships.

Agreements are more flexible than contracts, but they may have the same effect as contracts. Additional advantages are: they can be easily amended, they can be formalized very quickly, any clauses can be included or removed and they can be terminated following prior notice by the parties.

An example may be an agreement of a carpenters' unit with a university with the purpose of undertaking scientific and technological research applicable to wood and other raw materials for the furniture industry. Another example is the cooperation of a Sector Unit of the garment industry with professional and technical colleges to re-orient trainings towards the specific needs of micro and small enterprises. Such an agreement may also include the placement of interns from the colleges in member companies of the Sector Unit, thus creating a win-win situation for both parties.

INTERVIEW WITH JORDI CASTAN, Brazilian Entrepreneur, about Nuclei, Business Chambers, Entrepreneurs and the Transfer of the Approach to Other Countries



Jordi Castan, cut foliage producer and landscaper, and his wife Juliana run the "Jardinagem Boa Vista" enterprise with 18 employees at Joinville in the South of Brazil. He is the President of the Foundation Entrepreneur; a member of the board of Directors of the Association of Commerce and Industry of Joinville; a member of the Cut Foliage Nucleus since 1991; he participated in the development and dissemination of the Nucleus Approach in Brazil, Argentina, Uruguay, Paraguay and Chile.

How did your Cut Foliage Nucleus start?

"Our Nucleus? In the beginning it seemed strange to be sitting together with my competitors, all of us full of mistrust, and suddenly we were going to talk openly about our businesses, our difficulties, and to exchange ideas and experiences - but surprisingly, it worked. In the second year, we started to buy and sell our products among ourselves in order to expand the variety of plants offered to our individual clients. There was no need any more for all of us to produce all the varieties, which considering the small quantities, had been a relatively expensive affair. Six years later, some of us were ready to invest in a joint enterprise; we started the MERCAFLOR, which is now one of the most important cut foliage markets in southern Brazil.



First, we visited each other at the local level. Then we went to São Paulo and other regions in Brazil together. And later, we travelled as a group to Argentina, Germany, Spain, Costa Rica and other countries. Today, we know where we stand with our enterprises - and what we still have to do!"

How did the 'Nucleus Approach' develop?

"We learnt from our partner, the Munich Chamber, how to decide on services to be offered to the members and how to provide them, how to professionalize a chamber and how to run a chamber as a proper enterprise. From German Technical Cooperation we learnt methodologies of planning, organization and communication as well as inter-cultural cooperation. In addition, we used ideas and experiences of chambers and international projects from other Latin American countries. All this we combined with our own Brazilian traditions and ways of managing a chamber. And, of course, we used our brains, discussed, disputed, changed, faced a lot of frustrating experiences and celebrated our successes. Thus, step-by-step, we developed something that was later called the 'Nucleus Approach'."

...

Why did it work in Brazil?

In 1991, the partnership of the business association with the Munich Chamber started. At approximately the same time, globalization set in. Brazil opened its borders. It was an opportune moment. More and more entrepreneurs, owners of small, medium and big enterprises became aware that things had to change. We needed other forms of cooperation. The Nucleus is not a German or another industrialized country's invention. We, Latin American entrepreneurs, developed it ourselves in cooperation with others here in Brazil. It is our own product!

What changed in the enterprises?

"Oh, quite a lot. To start with my own enterprise, in the beginning, my wife and I owned a small piece of land, we had four employees, and we produced what we liked - hoping that some local people would pass by and buy it. From time to time, I got a contract to design a garden. - Today, we have four times as much land and employ 18 persons. Together with my Nucleus colleagues we watch the market and concentrate on the production of plants which the market demands. Our geographical market expanded. Due to MERCAFLOR our products now go 600 km north to São Paulo as well as 800 km south and west. And I design the landscapes of gardens in many more Brazilian regions. Now I really am in business!

I could tell many similar stories, about architects, bakers, hairdressers, light engineers, hotels and restaurants and many, many more.

What changed in the business associations?

"That is easy to say, just by comparison: In 1990, our Association of Commerce and Industry had about 250 members, perhaps 40 of them active ones. It was dominated by a couple of owners of big enterprises, doing a little bit of what they called 'lobbying', running after the authorities and asking for personal favours. There was a CEO, who served as assistant to the president. There were some employees in the administration, most of them, from today's perspective, were more or less useless. For us, SMEs, this association served for absolutely nothing.



Today, things are different. Today, we have a real mission: 'Promotion, development, representation, defence, and increase of our member enterprises' competitiveness, in order to contribute to improving the quality of life in our community.' Now we have 1,200 members. 80% of them are SMEs. The association, the ACIJ, maintains a professional team of employees who run the association rather like an enterprise. We offer a wide range of services to the members, more than 20 Nuclei, training, trade fairs, and many others. We are actively involved in the development of the town of Joinville, contributing to its economic and social improvement.

Everyone pays membership fees according to the company size, which is by no means low - a minimum of about 20 US\$ per month, a maximum of 2,000 US\$ per month - not per year! For many enterprises this is a real burden. But they pay nonetheless, because they all get a satisfactory return. Today almost 900 Brazilian Associations of Commerce and Industry run Nuclei, they started along the same road."

What would you like to tell chambers and Nucleus entrepreneurs in other countries?

The point is not just to copy and to transfer the Brazilian Nucleus Approach to another country. This does not work. In every country the entrepreneurs and their chambers have to define their own Nucleus program! I can explain how we did it, what we did wrong, what worked, and why. But in the end, the entrepreneurs in every country have to undergo their own experiences, define their own objectives, start their own activities and take some risks.

Contributed by Rainer Müller-Glodde, advisor for the Enterprise Service Systems Promotion (ESSP) Project – Kandy of the German Technical Cooperation (GTZ), who transferred the Nucleus Approach to Sri Lanka.

12. Monitoring, Evaluation and Benchmarking

12.1 Monitoring and Evaluation of the Performance

Monitoring means information and communication about the development or performance of a given project and any related effects. Particularly, in this instance, the performance indicators refer to the unit being constituted or the group of units already established under the auspices of the BMO. Therefore, the basic work for monitoring consists of a clear formulation of the actual indicators of the objectives and the results expected from the unit/project and from the instruments that will maintain communication between the main players. At the beginning of the establishment of Sector Units it is necessary to define a clear matrix of objectives, results and corresponding indicators that measure the degree of achievement. The annual planning event is a good occasion for defining and adapting the set of objectives/results, the indicators and who, how and when they are monitored.

The indicators may refer to tangible aspects, such as the growth in sales of the enterprises participating in the unit or the increase in the number of associates affiliated to the BMO in charge of managing the project. Other, less tangible indicators might refer to people's perceptions concerning local development, leadership development and even the building of an overall environment of optimism, which facilitates change processes and institution building.

In principle, objective or tangible indicators are preferable, as they are more easily measurable. However, certain objectives do not provide "hard" evidence. In such cases, qualitative indicators have to be used.

Typically, monitoring systems have different functions at the same time:

- They serve reporting purposes to higher management levels, which have decision-making power within the BMO, or to a funding organization.
- They help activities of the Sector Unit stay in line with the results and objectives defined within the scope of the program.
- They establish a timeline between the program's present, future and past.
- They ensure a transparent flow of information among BMO staff and other stakeholders, so they can contribute to developing an open and democratic organizational culture.

It is advisable to involve all or the major stakeholders in the process of defining indicators and choosing methods of data collection. This requires intense communication between the various parties involved in the BMO and Sector Unit and takes some time, but is necessary to ensure high quality implementation. It is also part of this consensus building to reach an agreement on the scope and depth of the monitoring process. In this respect, it is important not to develop an overly complex system with too many indicators. If too much time is required to collect the information for measuring the indicators, the quality of the data and the reports based on them suffer. One or two indicators for each major field of activity are enough to report on a project's progress.

The accurate identification of the aspects to be monitored constitutes the basis for the proper evaluation of the unit/project within the program's scope. Below, are a few indicators that may be used to verify the performance of a Sector Unit:

12.1.1 Number of Members

There are examples of Sector Units that operate with five or six members and, in extreme cases, other with more than thirty businesspeople. The ideal number of members is higher than eight and lower than thirty.

12.1.2 Percentage of Participating Companies

The proportion of the total number of businesses from a given segment in the municipality that participate as members of the unit represents a powerful indicator of the adherence of local businesspeople to the unit. How can such a number be identified? All that needs to be done is to divide the number of unit-affiliated businesses (EN) by the number of firms in the segment found in the municipality and then multiply by 100. For example, in the Brazilian city of Ouro Preto, 16 of the 32 local cabinet-maker shops participate in the unit, therefore, $16 / 32 \times 100 = 50\%$.

12.1.3 Growth Curve

One should keep an eye on the growth curve of the unit in terms of membership. Sudden variations or seasonal variations may give a hint that the work of the units is attractive only during certain times of the year or when specific activities are being performed. In such a case, the consultant should evaluate the elements that may have caused these variations and then take the necessary steps to stabilise or increase participation.

12.1.4 Number of Unit Members Joining the BMO

Consideration must be given to the number of unit members who become an affiliate of the BMO after the unit has been established. In addition to serving as recognition of the unit's performance as a whole, the more companies affiliate, the better the financial situation of the unit will be. In addition to this, it might increase the representative power of a BMO and, thus, facilitate access to new sources of finance.

12.1.5 Degree of Participation in Events

The degree of participation of the unit members in events such as meetings, lectures, training sessions and other activities carried out by the unit is another option for defining indicators. The reason is that many unit members are usually fond of 'passing the buck', excusing themselves from attending meetings and other formal events and choosing to participate only in those events they feel are more attractive to them. A high degree of attendance would thus reflect an active and dynamic Sector Unit. The attendance itself could be measured by the number of participants per event and, in the case of trainings, the overall training hours (duration of a given training in hours x number of participants).

12.1.6 Intangible Elements

Very often, one cannot accurately measure the results achieved by the establishment of a unit. However, it is possible to list a few of the elements that can be evaluated:

- A change in the attitude of the unit members in the face of competition and the market in general,

- improvements regarding the unit-affiliated businesses and their human resources (e.g. turnover, development of staff numbers),
- improvements in the enabling environment (e.g. easier access to government institutions),
- increased frequency, target-orientation and degree of participation in meetings,
- intensity of contact amongst unit members,
- availability of material resources for the unit's activities or
- establishment of the BMO as a local reference centre.

12.1.7 Credibility and Social Perception of the Unit

Through the consolidation of the unit's work, local stakeholders and the local population alike will gradually feel the impact of its activities. At this stage, the members start to enjoy the fruits of exposure and local credibility, which will ultimately lead to the acknowledgement of the unit for the good job it has performed.

12.1.8 Benefits Incorporated by the BMO

In a number of situations, the success achieved by the units leads to a higher level of expertise of the BMO employees and an improvement in the physical structure of the organization, due to the altered profile of the associates and increased internal demands.

12.1.9 Measuring Performance Indicators

Some of these parameters can be easily measured, such as the number of participants and their frequency of attendance, the activities performed, the participants' level of satisfaction, improvement of the locations, etc. There is a variety of methods that can be used to collect the information or document the achievement of indicators. These include pictures, statements, videos and opinion polls. It is important to note that the instrument for collecting the information depends on the definition of the indicator. For instance, if the indicator is *"Between 2006 and 2008 the auto-mechanics Sector Unit has increased the number of affiliate members in region x from 12 to 23"* the membership files are an adequate tool for coming up with the necessary data. However, if the indicator is formulated like this *"60% of all auto-mechanic companies in region x stated that the regulatory environment improved in 2008 as compared to 2006"* representative opinion polls complemented by a few in-depth interviews documented on video tape are appropriate ways of collecting the information.

12.2 Promotion of Benchmarking

Benchmarking means that companies, public or private institutions, development programs etc. engage in self-assessment and compare themselves with the leaders in their field so they can identify, adapt, and apply significantly better practices and more efficient use of resources. Initially used as a practical tool to improve performance in business, it has nowadays become a widespread instrument in all kind of organizations and programs. Benchmarking can also be described as looking for inspiration from other successful or failed practices to avoid mistakes, improve performance and achieve tangible results for the members of the unit.

To make participatory benchmarking successful, special attention should be given to linking benchmarks and indicators in an appropriate way. As a traveller needs both a map and a compass, a Sector Unit needs to know where they it is going (the benchmarks or the map) and where it is now (the indicators or the compass).

- **Self-assessment:** Document the Sector Unit's own vision and practices. Decide what to benchmark. It is recommended to focus on the most important aspects.
- **Comparison:** Select whom to benchmark. For example, one may consider the establishment of a benchmarking partnership with other Sector Units. Study and assess the partners by identifying differences and performance gaps. Determine whether practices are adaptable to other situations.
- **Analysis and Adaptation:** Ask why you are getting your results and why others are getting better results.
- **Implementation:** Think carefully about what kind of enabling factors (e.g., resources, schedule changes) are needed. Create and implement an action plan to apply identified best practices.
- **Feedback:** Carefully monitor and measure the results of your innovation and reorient your activities if necessary.

Experience suggests that benchmarking visits to other Sector Units can really boost morale of the Sector Unit's members and provide a strong motivation to improve performance. Other tools for exchanging know-how relevant for benchmarking are questionnaires, lectures, research (including the internet), seminars, workshops, telephone contacts, etc.

13. Common Errors in the Establishment of a Sector Unit

There are several errors often committed by group consultants and Sector Unit representatives. Some of these are mentioned as follows in order to make readers aware of what *not* to do in the field of Sector Unit promotion.

13.1 Inadequate Analysis of Demands

It is common for the consultant and the BMO to be too enthusiastic about the real demand for a certain BMO. In making such an assessment, the capacity to produce quick results for the Unit's members and for the BMO should receive special attention.

Golden Rules

Carefully complete the questionnaire included in *appendix II* and be careful while processing the information contained in the document.

Establish an internal instrument at the BMO, such as the Unit Managerial Committee with the participation of representatives from the institutional partners for the purpose of selecting the Sector Units that are finally established.

13.2 Ineffective Persuasiveness

The task of creating interest among potential unit members demands intensive field work and, above all, a proper approach. Otherwise, contacts may, at times, remain superficial or even distort the aims proposed by the associative work. Negativism and mistrust are common elements in the people's lives and they need to be considered by the consultant when making initial contacts.

Golden Rules

Calls on potential unit members should be made in the company of some businessperson of the same trade who enjoys a good reputation and is admired by the others. Let the initiative have an informal, but at the same time professional character, as you invite the businessperson to participate and show that you know about some of the main problems and the potential of the segment in question. The consultant should convey an associative spirit and be a good listener.

13.3 Lack of Participation from the Leadership

During the initial phase of the work, identifying and getting the true leaders of the business segment involved is indispensable. This assures that the other businesspeople of the trade will feel confident about the initiative.

Golden Rules

By means of contacts and information gathered in the field, attempt to identify the true leaders. Then, establish a personal working relationship with them and present the general proposal of the project. Define, in common agreement, the best method of approaching the other businesspeople. Generally speaking, the leaders identified should not be from among the strongest or the weakest businesspeople in the trade in order to prevent any mistrust on the part of potential unit members.

13.4 Inefficiency in Achieving Fast Results

Many times, a unit will begin its activities by attempting to deal with complex and difficult problems, thus losing the opportunity of tackling the day-to-day issues that have a strong initial impact. The consultant is responsible for containing the anxieties of the group by stressing the need to establish participative work, which is directed towards the continual solving of problems and the permanent creation of opportunities.

Golden Rules

Together with the members perform a participatory survey of the problems and divide them into categories, such as: short, medium and long term. For example: short information-gathering trips usually function as an excellent catalyst for group formation. On the other hand, institutional lobbying actions that lead to legislative bills may require a long time and undermine the confidence of the unit members. The execution of the annual plan may assist in providing guidance for the group as to its objectives.

13.5 Sector Units Do Not Follow Their Original Objectives

Unfortunately, it happens that Sector Units do not follow the objectives they were originally established for. Some entrepreneurs might wrongly think that defending the interests of a certain branch of businesses justifies the formation of cartels. Another common error is that of wishing to establish cooperatives and similar organizations under the name or umbrella of a Sector Unit.

Golden Rules

From the very beginning of the constitution of a unit, their real objectives – namely the creation of services for their members and advocacy activities favouring the sector as a whole - have to be made explicit and a consensus regarding the observation of the unit member guidelines must be reached (refer to *appendix X*).

13.6 Ineffective Consultant

Although acting formally as an advisor and not as an executive, the consultant plays a vital role for the success of a Sector Unit. It is especially his or her communication, coordination and organization skills that count in this respect. If consultants are not sufficiently skilled or are personally not prepared for this challenging job, the unit might not develop to its full potential or even degenerate. More specifically, some of these factors are:

- technical limitations of the consultant,
- behavioural and interpersonal problems,
- lack of commitment (delays and absences),
- lack of ethics or
- self-sufficiency and isolation.

Another common trap is the holding of frequent and endless meetings with no content or an ineffective character.

Golden Rules

Group consultants should seek technical and operational support for coordination of the program and the permanent exchange of information with other consultants. The tools and methodologies made available by institutional partners for the operation of Sector Units have to be applied correctly.

13.7 Improper Timing for Establishing a Sector Unit

Trying to mobilize entrepreneurs at the wrong time might jeopardize the creation of a new Sector Unit. For example, public elections on national, regional or local levels are often times of great concern for business people, limiting their willingness to enter into new ventures. The same relates to elections held at the BMO itself. The consultant, together with the managing body of the organization, should take care of deciding upon a politically suitable moment for the action. In addition, seasonal and localized factors such as periods between harvests, the high season (tourism), the collective bargaining season, may cause difficulties. At the end of the year or on the eve of big holidays, it will be nearly impossible to mobilize people for new projects.

Golden Rules

Perform a thorough analysis of the dates and situations listed above and, together with the managing body of the organization and with leaders of the respective branch, find the proper time to approach the unit members.

13.8 Disassociation of Unit Members and Behavioural Problems

In all voluntary membership organizations interpersonal relations shape the dynamics of the group. Almost inevitably, there will be times of conflict among the unit members. Conflicts of interest and personal differences can lead to tensions and obstruct the actions of the unit. A technical and balanced interference is then expected from the consultant.

Golden Rules

First, one should avoid having polemic people participate in the unit. The bylaws should contain provisions for the exclusion of people whose profiles do not fit the associative character of the unit. Team building activities may attenuate internal conflicts, however some experience in conducting such exercises is necessary to be able to control the group and achieve the goal.

13.9 Macroeconomic Environment

Some Units may be unsuccessful due to external factors that are beyond the control of the consultant and unit members (exchange rate variations, interest rate fluctuations, contract breaches, natural disasters, etc.). Because of the magnitude of such events, there is not a lot that can be done immediately.

Golden Rules

Foster anticipatory action with part of the unit members by making a SWOT²-analysis of the sector at the beginning of the Sector Unit. Try to analyse the probability of the negative, external factors (threats) becoming real. In case there are highly realistic threats, the group may decide to take some preventive actions. For instance, these might consist in sensitizing politicians, top-level bureaucrats and the media.

13.10 Lack of Support from the BMO

There may be a lack of comprehension involving the management and the board of directors of the BMO with regards to the objectives of a Sector Unit. The worst consequence of this would be a boycott of the initiative. One should make a careful examination of the causes for such an attitude.

² SWOT: Strengths, weaknesses, opportunities and threats

Golden Rules

Present the general work proposal to the BMO officers and employees from the very beginning, keeping them informed and promoting a consensual decision-making process. It may also be valuable to formally assign one of the directors to oversee the activities of the unit (a prerogative of the BMO president) and if possible, arrange for the participation of a BMO employee in unit meetings and annual planning events. The consultant should also prepare reports disclosing the results of the unit work. It would surely be helpful to formulate indicators demonstrating the success in terms of financial sustainability and affiliation of new members to the BMO.

APPENDICES

Appendix I	Overview of Existing Nuclei
Appendix II	Diagnostic of the Potential Segment from which a Sector Unit May Be Established
Appendix III	Interviews for the Selection of Group Consultants
Appendix IV	Invitation to a Meeting of the Sector Unit
Appendix V	Bylaws of the Butchers Unit of Acimon
Appendix VI	Memorandum of Understanding
Appendix VII	Sample of Enrolment Questionnaire Filled out by New Associates
Appendix VIII	Model of Agreement between the BMO and a Non-Business Organization
Appendix IX	Model of Agreement between BMO and Business
Appendix X.	Guidelines for the Work with Sector Units
Appendix XI	Model for Classification of Sector Units
Appendix XII	Statement Regarding the Nucleus Approach and its Dissemination
Appendix XIII	Status of Implementation of the Nucleus Approach – August 2007

Appendix I. Overview of Existing Nuclei

This is a list (not complete) of some of the Nuclei which exist in the countries mentioned in the manual. Others are in the process of being created.

<p>Sector Nuclei = "Vertical Nuclei": The participants are from the same sector and offer similar products and services</p> <ul style="list-style-type: none"> • Agriculture <ul style="list-style-type: none"> - Afforestation - Banana cultivation - Cut Foliage - Farmers / Agribusiness - Garden Maintenance - Mushrooms Production - Ornamental Fish - Pig-breeding - Protected Agriculture • Auto <ul style="list-style-type: none"> - Automobile Electrician - Automobile Workshops - Gas Stations - Motorbike Workshops - Truck Workshops • Building Construction <ul style="list-style-type: none"> - Architects - Brickworks - Building Contractors - Suppliers of Building Materials - Construction of Swimming Pools - Real Estate Agents • Business Services <ul style="list-style-type: none"> - Accounting Offices - Enterprise Consulting - Environment Consulting - Insurance Brokers - Legal Advisers - Security Companies 	<ul style="list-style-type: none"> • Food <ul style="list-style-type: none"> - Bakery - Butcheries - Canned Food Product. - Catering - Confectionaries - Food Industries - Grain Grinding - Ice-Cream Parlours - Yoghurt Production - Restaurants • Beauty Culture • Brassware • Freight companies • Commerce <ul style="list-style-type: none"> - Textiles and Shoes (sales outlets / retail stores) - Supermarkets - • Communication & Advertising • Data Processing <ul style="list-style-type: none"> - Hardware - Software • Electricians • Fire-brigades • Florists • Founding • Gem & Jewellery • Hairdressers • Handicraft • Handloom Weavers • Hotels and Guesthouses • Leather Production • Light Engineering • Lime Production • Pharmacies • Photo Laboratories • Photographers (profess) • Plumbers • Printing 	<ul style="list-style-type: none"> • Schools & Academies <ul style="list-style-type: none"> - Computer Schools - Gymnastic Academies - Language Schools - Private Schools - Sport Academies - Swimming Academies - Vocational Schools • Shoe Production • Stonemasons • Tailoring & Dressmaking • Textile Production • Toolmaker & Model Builder • Tourist Transport • Watchmaker • Wood <ul style="list-style-type: none"> - Carpentries - Furniture Industries - Plywood Industries - Saw Mills <p>1.1 Topic Nuclei = "Horizontal Nuclei": The participants are from different sectors, produce different products and services but share common topics, interests and problems</p> <ul style="list-style-type: none"> • Commercial Shops in Shopping Centre xyz • Electrical Energy Supply (Consuming enterprises) • Environment • Human Resources • Public Market (owners of sales outlets) • Technology and Quality • Total Quality • Women <ul style="list-style-type: none"> - Company Secretaries - Entrepreneurs Wives (working actively in the husbands' enterprise) - Women Entrepreneurs • Young Entrepreneurs
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Source:

ESSP/GTZ: Manual for the Nucleus; Kandy, 02/2002, Page 12

Appendix II. Diagnostic of the Potential Segment from which a Sector Unit May Be Established

(To be completed by consultant)

1. Economic aspects of the Sector Unit
Sector to which the Sector Unit belongs:

What is the importance of the Sector Unit for local or regional economy (in terms of job creation, tax collection, generation of income, etc.)?

How many businesses of the subject sector exist in the municipality? How many are informal businesses?

Business	Formal	Informal
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- List the main goods produced by the businesses of the Sector Unit and the main places to which they are sold:
- List the main raw materials and inputs used by the Sector Unit and the respective origins of such inputs:
- From where are the main inputs, raw materials, machinery and equipment used by the unit businesses purchased?
- Are there any anchor-companies in this sector? Which one(s)? Give names, location and specialization.
- Assuming that a productive chain consists of various links, including the companies building machinery and equipment, companies supplying raw materials, and ranging all the way to the companies producing consumer goods, indicate the links of the productive chain of this sector that are located in this region, specifying in sequential order³ the type of good produced by the companies in each link of this chain:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

- Is there some type of interaction/cooperation between the companies located in distinct points of the productive chain of this unit? How does it manifest itself?
- Do other sectors indirectly benefit from the existence of such Sector Unit? What ones and how does the arrangement favour them?

³ From the initial point of the chain through to the end

- Does the Sector Unit provide any type of training to its labour force? What kind? It is permanent or sporadic? What is the number of employees (formal and informal) in the Sector Unit?
- Is there any kind of cooperation/association between the firms of the Sector Unit in the fields of marketing, training, design or technology? If so, how is such integration achieved?
- What are the infrastructure conditions (electric power, transportation, telecommunications, sanitation, etc.) in the region where the Sector Unit is located?
- What are the main difficulties faced by the Sector Unit? Specify the main factors that hinder a better performance of the Arrangement (in terms of labour, technology, marketing, interaction between the firms, infrastructure, etc.).

2. Institutional aspects of the Sector Unit.

What are the local institutions with some kind of link, either effective or potential, with the Sector Unit?

- Associations of businesses that participate in the Sector Unit (indicate the name, location, profile of the association⁴ and the type of service it provides to the Sector Unit):
- Public organizations having some sort of relationship with the sector (provide names, location, profile of the institution⁵ and the type of service that it effectively provides and/or could provide to the Arrangement):
- Labour entities or associations having any relationship with the sector (indicate the name, location, profile of the organization⁶ and the type of service it provides):
- Community associations (indicate the name, location, profile of the association⁷ and the type of service it offers and/or could provide to the Sector Unit):
- Teaching and research institutions (indicate the name, location, profile of the organization⁸ and the type of service it currently provides and/or could provide to the arrangement):
- Financing organizations/micro-credit institutions/credit cooperatives (indicate the names, location, profile of the organization⁹ and the type of service it provides):
- What are the forms of operation of the institutions that have a positive impact on the Sector Unit? Mention the institution involved, the type of action and the impact(s) of such action.
- Are any such organizations making or has any organization made some study about this Sector Unit or about local or regional development? What kind of study?
- Are any of such institutions distinguished by exercising some type of leadership in the development process of the Sector Unit? Which ones? What type of action have such institutions developed?
- Are there forms of interaction/cooperation between firms of the Sector Unit, between the institutions or between the firms and the institutions? Which ones?
- Is there any kind of incentive/support program for the Sector Unit?
- Fiscal incentives – of what nature and promoted by what section of the government?

⁴ Specify the type of businesses that make up part of the association

⁵ Specify the focus of the activities of the organization

⁶ Specify the scope of the institution (what group of workers it includes)

⁷ Specify the focus of the activities of the organization

⁸ Specify the focus of the activities of the organization

⁹ Specify the focus of the activities of the organization

- Industrial Districts – having what characteristics?
- Plans for local or regional development / specific programs for the sector – what is the focus and in what stage of implementation are they?
- Is there any business and political will in the area of this Sector Unit geared towards its development? How has it manifested itself?
- Does Sebrae perform some kind of activity in the area that has any type of link with this Sector Unit? Specify the action, its nature, territorial scope and the entities involved.

Appendix III. Interviews for the Selection of Group Consultants

Recommendations for the holding of personal interviews for the selection of group consultants	
Holding of interviews	<ul style="list-style-type: none"> • If possible, have two people available for holding the interview. For example: the BMO President and some other member of the Managerial Committee. Concentrate on aligning the ideas and the way in which the conversation is to be conducted by both interviewers. • Read the curriculum and make advance notes on the prospective candidate. • Create a relaxed environment that is favourable for the interview. • Formulate questions that preclude simple replies such as “yes” or “no”, or replies that may make it difficult to establish a flowing dialogue between the interviewers and the candidate. • Maintain the focus on questions that are relevant for the selection process. • Be punctual and friendly. • Don’t raise false expectations for the candidate. • Try to evaluate topics such as: physical appearance and personal attire; disposition, initiative, interest, maturity, emotional control and a straightforward attitude.
Suggestions of questions by area	<p><i>Professional life</i></p> <ul style="list-style-type: none"> • Last employer and position • Reason for leaving; • Relationship with superiors and co-workers • Experience in the position • Has completed or is attending a course • What are your professional plans? • How do you react to unforeseen events? • How do you prioritise your activities? • What is your experience with SMEs? • What is your view about the Associative concept? • What do you know about this work proposal? • Are you available for travel and possible activities over the weekend? <p><i>Personal life</i></p> <ul style="list-style-type: none"> • Schooling and present situation regarding continuing education • Do you read newspapers, magazines, and books, which ones? • What do you dislike in people? • What is your religion and does it create any impediments? • How do you react to situations of tension and discord? • What are your best and worst qualities? • What do you consider to be the most important attribute in people? • What is your personal dream and what are your plans for the future? <p><i>Family life</i></p> <ul style="list-style-type: none"> • Say a little about your family life (marital status. relationship, children, etc.) • Family dreams. What are your plans for your family? • Something else you would like to add? • What are your prospects for the next five years?

Appendix IV. Invitation to a Meeting of the Sector Unit

Ouro Preto, January 25, 2003

Dear Sir (Ms.),

The Commercial, Industrial and Agricultural Association of Ouro Preto, the CACB, the Essen Chamber of Arts and Trade and Sebrae have the pleasure of inviting you to attend a meeting to be convened on Tuesday, April 14, at 5:00 p.m., at the Aciop head office, in connection with the continuation of the work carried out by the Agribusiness and Homemade Products Industry Sector Unit of Ouro Preto.

The Agribusiness Unit is part of the Capacitate Program, which is directed towards conducting joint training at lower costs, visits and participation in exhibits, rendering of services on large scales, purchasing under special conditions and many other activities of interest to its members.

We hope we may count on your presence this Monday, at 5:00 p.m., at the Trade Association of Ouro Preto, at Rua São José, 132 – Phone: 3551-1469. Join in and invite other professionals of the trade to attend this meeting as this initiative means a lot in terms of making a contribution towards the development of the agribusiness and homemade products industry sector in our region.

Best regards,

BMO President

Appendix V. Bylaws of the Butchers Unit of Acimon

Art. 1

Private instrument of internal institution of the Butchers Unit of João Monlevade, located on Rua Floresta, 100 – Carneirinhos, city of Monlevade, State of Minas Gerais, in accordance with the terms described below.

Art. 2

The Unit associates hereby deliberate to regulate the rights and obligations of its members, for all legal purposes.

Art. 3

The internal regulation of the BUTCHERS UNIT is duly accepted by all and has become an integral part of the institution. The regulation shall be strictly observed and followed by all persons participating in the Unit.

Art. 4 - Of Institution

The butchers unit is established under the Capacitate Program, by means of a partnership enacted between the Commercial and Industrial Association of João Monlevade (ACIMON), the Federation of Trade Associations of the State of Minas Gerais (FEDERAMINAS), SEBRAE-MG and the Chamber of Arts and Trade of Essen – Germany. However, the institution has no legal status of its own and shall be represented in its deeds by the Commercial and Industrial Association of João Monlevade (ACIMON).

Art. 5 - Of its composition

The members who shall answer for the Unit, on behalf of the other members, shall be elected by direct and secret votes cast by all participants and the members receiving the highest number of votes shall be installed.

First § Initially, for its first composition, the following group of members is hereby designated, as they are considered to be the founding members, for a term of 1 (one) year: Mr. Aloísio Martins de Araújo, Mr. Pedro Rosa da Silva Filho and Mr. Renato Vieira.

Art. 6 – Of the attributions of the unit

- The *butchers' unit* shall utilize a previously designated physical space provided by ACIMON, provided that it does not interfere with the operations of the latter.
- The *unit* may enjoy the benefits and services of ACIMON, when there is a cost, in the capacity of a partner of the organization, having the same privileges, rights and obligations.
- The *unit* shall designate one Representative who shall attend the regular meetings of ACIMON with the purpose of reporting on the activities of the UNIT and vice-versa.
- The *unit* itself shall be the director of its own activities while ACIMON shall play a supporting role in the conduction of such activities. Under no circumstances shall ACIMON interfere or make decisions for the Unit.

Art. 7 – Of Participation

Any business operating in the trade may participate in the BUTCHERS UNIT, the essential condition being its affiliation with ACIMON, and the signature of an agreement of convenience between the parties.

Art. 8 –Of funds

The unit members shall contribute funds to the unit. These funds must be defined in a meeting and approved by a majority of the UNIT members, with the proceedings being totally invested in the unit.

First § The businesses which are to become UNIT members shall invest in the unit an amount equivalent to the portion of the cash balance prorated between the participants.

Second § Unit members wishing to quit their affiliation shall be entitled to the return of 80% of the portion of the cash balance prorated between the participants, provided that a notice is submitted at least 30 days in advance stating that he/she shall not participate in future meetings.

Third § Unit members who quit affiliation without prior notice shall not be entitled to receive the investments made in the Unit.

Art. 9 – Of the election of the members

The representative members shall be elected by direct and secret vote, and the candidates receiving a majority of the votes from the members shall be elected. Alternate members shall occupy elected positions that become vacant.

First § Only unit members who are in good standing with their obligations, in relation to this bylaw, shall be eligible for participation in the election process.

Art. 10 – Of penalties and suspension of rights

➤ *To the Members:*

- For failing to pay the monthly fees to the *unit*, or to ACIMON, for a period equal to or greater than 90 days.
- For failing to attend 3 consecutive or 5 non-consecutive meetings of the *unit*, without prior reasonable justification.
- For failing to comply with this bylaw and with the Statutes of ACIMON.
- For the improper use of the name and logo of the UNIT and for actions that may compromise the proper development of its activities

Art. 11 – Cases not covered by this bylaw shall be resolved during a Meeting of the Unit through a vote by the majority of the members, subject to one single appeal.

João Monlevade, April 15, 2002.

Carlos Roberto de Freitas
President of ACIMON

Aloísio Martins de Araújo
Representative of the Butchers Unit

Pedro Rosa da Silva Filho
Representative of the Butchers Unit

Renato Vieira
Representative of the Butchers Unit

Bernadete de Lourdes Furtado
1st. Secretary – Butchers Unit

Idelfonso Verli Júnior
2nd. Secretary – Butchers Unit

José dos Santos
Treasurer – Butchers' Unit

Appendix VI. Memorandum of Understanding

Code of Conduct

<p>In order to enable an agreeable coexistence among the unit members, these are the characteristics and behaviour that are expected to be maintained:</p>	<p>What should be avoided:</p>
<ul style="list-style-type: none"> • Punctuality 	<ul style="list-style-type: none"> • Distortion of the subject
<ul style="list-style-type: none"> • Focus on the solution of problems 	<ul style="list-style-type: none"> • Criticism (waste of time, arguments)
<ul style="list-style-type: none"> • Perseverance 	<ul style="list-style-type: none"> • Parallel conversations
<ul style="list-style-type: none"> • Stimulate the debate 	<ul style="list-style-type: none"> • Answering cell phones in meeting rooms
<ul style="list-style-type: none"> • Commitment 	<ul style="list-style-type: none"> • Individualism
<ul style="list-style-type: none"> • Respect opinions of others 	<ul style="list-style-type: none"> • Unnecessary absences
<ul style="list-style-type: none"> • Spirit of collectivism 	

Appendix VII. Sample of Enrolment Questionnaire Filled out by New Associates

..... TRADE ASSOCIATION		Date:
I – Basic information on the business		
1. Corporate name:	5. Legal status:	
2. Address:	6. Year of incorporation:	
3. Phone/fax: ()	7. E-mail	
4. Internet: www		
II – Contact persons		
Name	Position	Phone
1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
III – Line of business		
Production of	Sales of	Servicing of
1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
IV – Size of business – by no. of employees		
Self-employed	11 to 20	
1 to 5	21 to 50	
6 to 10	More than 50	
V – Expectations of the Trade Association		

Appendix VIII. Model of Agreement between the BMO and a Non-Business Organization

Agreement entered into by and between the federal university of xxxxx and the commercial, industrial and agricultural association of xxxxx providing for internships, research and the execution of extension projects

By this agreement, between the **FEDERAL UNIVERSITY XXXXX**, a public federal foundation, instituted by Government Decree no. 778, of August 21, 1969, headquartered at Rua D 1, in Ouro Preto/MG, registered with the CNPJ/MF under number 00.000.000/0001-00, hereafter named **XXXXX**, herein represented by its Headmaster, ABCD, of Brazilian nationality, married, a university professor by profession, bearer of Identity Card no. 1.111.111, issued by the Department of Public Security, CIC no. 999.999.999-99, resident and domiciled at rua B no. 1, Municipality of JKK, and the Commercial, Industrial and Agricultural Association of YYYYY – YYYYY, with headquarters located at Rua S, 2, Downtown, in the city of JKK, Minas Gerais, registered with the CNPJ/MF under number 0000000/001-00, hereafter named **YYYYY**, and herein represented by its President, EFGH, of Brazilian nationality, single, businessman, residing and domiciled at rua B , no.3, in the city of JKK, bearer of Identity card no. M 3.311.111, issued by the Dept. of Public Security of the State of Minas Gerais, CIC no. 000.010.000-00, in consideration of the provisions of Law no. 6.494, of December 7, 1977; Government Decree no. 87.497, of August 18, 1982, as amended by Government Decrees no. 89.467, of March 21, 1984 and 2.080, of November 26, 1996 and, also, of Law no. 8.666, of June 21, 1993; now resolve to enter into this Agreement, based on the provisions of the following clauses:

First clause

This Agreement provides for reciprocal cooperation between the parties, aiming at the development of joint actions capable of enabling full operationalization of the specific legislation in force, as applies to the internship of students, the research and execution of extension projects of educational interest, in which such internships, research and extensions shall be understood to be professionalization strategies that complement the teaching-learning process.

- 1st. § The internship described in this clause represents an opportunity extended by **YYYYY** to the student, so that, he/she may receive practical training on its premises, along the lines of his/her professional training, under actual working situations.
- 2nd. § The opportunity thus being granted is translated by the set of facilities that, during the period while the internship lasts, is made available to the student, not only in the form of time and physical and operational space, but also of human, technical and instrumental resources.

Second clause

The students shall be selected and designated by **XXXXX**, subject to the areas of interest of **YYYYY**, in order to dedicate themselves to the activities related to the respective courses.

Third clause

YYYYY may request the removal and/or replacement of the intern under the assumptions stipulated in the legislation in force.

Fourth Clause

The internship does not create any employment link of any kind, in accordance with the prescriptions of Governmental Decree no. 87.497, of August 18, 1982, and shall be made effective by means of a Term of Commitment entered into between the student and **YYYYY**, with **XXXXX** acting as an intermediary party.

Fifth clause

The parties shall reach an accord establishing the term of the internship, while the working schedule of the intern shall vary between 12 (twelve) and 20 (twenty) hours per week, within the regular working hours of **YYYYY**, without prejudice to the learning activities.

Sole Paragraph

During the period of school holidays, the working hours of the intern shall be established through common agreement between the intern and the party granting the internship, with **XXXXX** always acting as an intermediary party.

Sixth clause

The intern hereby undertakes, by signing the Term of Commitment, to adhere to the conditions established for the internship, as well as to the working standards applicable to **YYYYY** employees, especially those that regard the secrecy and the disclosure of information to which he/she may have access as a result of the internship work.

Seventh clause

The intern may receive a scholarship or any other form of compensation as may be agreed upon, in the form described in the legislation in force, subject to the provisions of the social security legislation.

Eighth clause

In order to comply with the prescriptions established in Clause One, **XXXXX** shall be responsible for:

- 8.1. Selecting the students for the internship, subject to the areas of interest for **YYYYY**, so that they may engage themselves in the activities related to the respective courses;
- 8.2. obtaining from **YYYYY** the quantification of opportunities for internships that may possibly be offered, including the identification of the areas of interest;
- 8.3. the establishment of standards, such as educational-pedagogic procedures, for the accomplishment of the internship;
- 8.4. providing **YYYYY** with the guidelines and the formalities required by the regulatory norms of internships;
- 8.5. referring the intern by means of an introductory letter, without which the intern shall not be able to begin his internship, indicating the course and the curricular period, the area where the internship shall be spent and the respective number of hours.

Ninth clause

For accomplishment of the provisions of Clause One, **YYYYY** shall be responsible for:

- 9.1. the formalization of the opportunities for internships, scheduling them jointly with **XXXXX**;
- 9.2. receiving the students referred by **XXXXX**, discussing with them the conditions regarding the conduction of the Internship;

- 9.3. providing the intern with adequate conditions to execute the internship;
- 9.4. entering into the respective Internship Terms of Commitment with the students, with consent from **XXXXX**;
- 9.5. officially reporting on all types of information regarding the development of the internship and the activities the intern, as may be required by **XXXXX**;
- 9.6. submitting a monthly report to **XXXXX**, on the attendance of the students during the internship, as well as perform a systematic supervision of the execution of his/her practical work, producing evaluations of his/her performance throughout the period, and notifying **XXXXX** of any improper conduct that may compromise the normal progress of the work;
- 9.7. providing personal injury insurance coverage for any accident that may occur involving the intern during the internship period.
- 9.8. proceeding with a monthly progress evaluation of the intern's performance.

Tenth clause

Once the course is completed, the internship cannot be continued, under any circumstances.

Eleventh clause

The Parties to this Agreement shall carry out, through their representatives or the properly designated persons, all the acts that may be necessary for the effective execution of these stipulations.

Twelfth clause

This Agreement shall be in force for a term of 2 (two) years, beginning on the date of signature.

Thirteenth clause

With exception of its object, this instrument may be amended or extended, at any time following a full agreement by the parties, by means of the Terms of Addition.

Fourteenth clause

This Agreement may be terminated at any time, provided that notice is submitted 30 (thirty) days in advance by one of the parties to the other, without such termination giving rise to any penalty, fine or financial charges to any of the parties.

Fifteenth clause

No later than the 5th business day of the month following the month the Contract was signed, **XXXXX** shall arrange for the abstract of this instrument to be published in the Official Gazette DIARIO OFICIAL of the Union, as provided for in the Sole Paragraph of Article 61, of Law no. 8.666/93.

Sixteenth clause

In order to settle any questions arising from the execution and interpretation of this Agreement, which has not been solved by the Parties, the Parties hereby elect the court of Federal Justice in Belo Horizonte, with the exclusion of any other venue, no matter how privileged it may be.

And for being in full agreement, the Parties have caused the 3 (three) counterparts, with the same tenor and form and for a single effect, to be signed in the presence of the witnesses indicated below

JKK, January 29, 2003

**Federal University of XXXXX
ABCD
Principal**

**Commercial, Industrial and Agricultural Association of YYYYY
EFGH
President**

Witnesses:

CPF:

CPF:

Appendix IX. Model of Agreement between BMO and Business

Private convention instrument

First Conventioneer: Companhia das Línguas Ltda, doing business under the name of Bits & Bytes Ltda registered with the CGC under no. 01.111.000/0001-00, acting herein through Ms. Thais Brandão Azevedo Gama da Silva, established at Praça Tiradentes, 52 B – Ouro Preto – MG, CEP: 35400-000.

SECOND CONVENTIONEER: Associação Commercial Industrial e Agropecuária de Ouro Preto, CGC number 10.001.001/0001-00, established at Rua São José, no. 132 – Ouro Preto – MG, CEP 35400-000, acting herein through its President, Mr. Antônio Carlos de Oliveira.

Clauses and Stipulations

Through this private convention instrument, the parties identified and qualified as **First Conventioneer** and **Second Conventioneer** have jointly agreed on the provisions contained in the clauses and terms described below:

Clause one: Objective of this Convention

The objective of this convention is to provide the unit members of the **second Conventioneer**, within the scope of the CAPACITATE Program, the enjoinder under special conditions of service provided by the **First Conventioneer**, so as to reduce costs, foster professional expertise and promote associability.

Clause two: Obligations of the first Conventioneer

To provide services from its portfolio at a discount price and under preferential conditions to the public referred to above.

Whenever possible, the personalisation of the groups and contents of the training, having as a focus the vocabulary, the linguistic expressions and day-to-day situations applicable to the public referred to above within the context of tourism.

Furnish forms for registration of the conventioneers.

Notify the **Second Conventioneer** about the affiliation of new unit members who are to enjoy the services being provided.

To disclose this convention in such a way as to guarantee the continuous growth of the group belonging to the subject Sector Units within the Capacitate Program.

To notify the **Second Conventioneer** about the removal of any unit member, as a result of any of the statutory requirements of the **First Conventioneer**.

Clause three: Obligations of the second conventioneer

3.1 Submit to the **first Conventioneer** a listing of both corporations and individuals registered as unit members.

3.2 Maintain such listing current.

3.3 Disclose this convention to the whole affiliated community, on this date and at all future opportunities, in order to guarantee the continuous growth of the group.

3.4 Notify the **first Conventioneer** about the removal of participants from the units.

3.5 In the case of members who are behind in their fees owed to the **first Conventioneer**, the **second Conventioneer** shall make its best efforts in order to facilitate the payment of such amounts, by subjecting the defaulting member to the penalty of suspension from affiliation with the two Conventioneers, without prejudice of the other actions that the **first Conventioneer** shall take in order to recover its credits.

Clause four: Term and Termination

5.1 This Convention shall be effective during an indeterminate period, beginning on January 10, 2004.

5.2 This Convention may be terminated by any of the parties, by submitting express notice at least 30 (thirty) days in advance.

Clause five: General Conditions

6.1 The companies and/or natural persons included in the listing to be submitted by the **SECOND CONVENTIONEER** shall be affiliated under this convention.

Clause six: Venue

The parties select the court of this administrative region of Ouro Preto as the venue for settlement of any questions arising from this convention.

And now, therefore, the parties have signed the three counterparts of equal content and form of this instrument, in the presence of two witnesses indicated below.

Ouro Preto, January 10, 2004

First Conventioneer:

Companhia das Línguas Ltda.

SecondConventioneer:

Associação Comercial, Industrial e Agropecuária

Witnesses:

Appendix X. Guidelines for the Work with Sector Units

- In its events and activities, the *Sector Unit* should always promote and publicize the Association to which it belongs, as well as support the events promoted by it.
- The *Sector Unit* should be formed *exclusively* by firms conducting legal activities (do not mistake with informal).
- The *Sector Unit* shall not make decisions and/or perform activities of an illegal nature (forming of cartels, unfair competition, prejudice, etc.) under penalty of compromising the image of its members, the unit itself and of the very Association to which it belongs.
- The information related to the members of the *Sector Unit*, which is discussed during the meetings, should not be commented on in circles outside the scope of the Sector Unit.
- The participants of the *Sector Unit* should always seek to abide by the existing legislation in regards to their business, thus avoiding damaging their own reputation and the image of the Association to which it belongs by sponsoring any illegal actions.
- The *Sector Unit*, through its coordinator and to the extent possible, shall keep the Association informed about its activities.
- The *Sector Unit* shall not refuse the enrolment of new participants, but rather, it may, establish criteria and times jointly with the Association for new affiliations provided that all unit member firms are properly in compliance with such criteria.
- The *Sector Unit* shall be transparent in relation to its purposes and activities, establishing *professional ethics* as the main guidelines of its actions.
- Whenever possible, the meetings held by the *Sector Unit* shall rely on the presence of the Association's consultant and be under its orientation.
- The *Sector Unit* does not have one single owner, but belongs to everyone, especially, to the Association to which it belongs.
- The *Sector Unit* is a space for professional and personal improvement of the participants in an associative manner and, as such, good use should be made of it, and a major portion of its strength directed towards expertise-developing training.
- The *Sector Unit* shall elect one coordinator to represent it in and out of the Association who shall be accepted by the majority of the participants, as well as be replaced from time to time.
- All participants of the *Sector Unit* shall become affiliated with the Association by which they are hosted in such a way as to make it ever stronger and more representative of the business class.
- The *Sector Unit* shall not assume any political or partisan banner, nor express opinions of such nature, under penalty of introducing disassociation among the participants.
- The *Sector Unit* shall always strive to consolidate the partnerships and its financial self-sustainability, to avoid becoming a burden to the Association while developing its activities.
- Whenever possible, the *Sector Unit* shall transfer to the Association a portion of the earnings obtained from the actions performed (example: joint purchases), thus contributing to the creation of other units and the strengthening of the Association to which it belongs.
- The nature of a *Sector Unit* causes it to be a forum for *debates* in the search for solutions and opportunities; therefore, opinions are often conflicting, but its members should exercise mutual respect even in the face of opposing opinions.

Appendix XI. Model for Classification of Sector Units

Incipient Characteristics of the Sector Unit Environment	In Development Characteristics of the Sector Unit Environment	Developed Characteristics of the Sector Unit Environment
<p>Social Unit members get together regularly. However, the discussion of formal subjects prevails. There is a certain climate of superficiality among the participants.</p> <p>Cooperation The collective actions of the Unit are restricted to activities outside the businesses, there is no direct exchange of know-how. The focus of the work is restricted to solving immediate problems and does not extend to achieving common goals.</p> <p>Institutional Society and formal organizations can barely perceive the Unit's work. In some cases, there is no clear identity of the group and the job. Therefore, there is no direct correlation between the actions of the Unit and the benefits that could be attributed to it.</p> <p>Leadership The local leaders are known, but are not legitimate. They lack a more ample entrepreneurial vision and positive and constructive behaviour. In general, they are not ready for bolder steps. They operate individually and locally, concentrating on the development of their own businesses instead of that of the sector as a whole.</p>	<p>Social In addition to discussing formal themes, the group gets together for social events. A climate of mutual confidence and relaxation prevails.</p> <p>Cooperation The Unit enjoys a favourable climate for the exchange of know-how and the focus of the work is balanced between efforts to solve problems and achieve common goals.</p> <p>Institutional The perception of the community and formal organizations of the job of the Unit is visible, and the group is constantly given preferential invitations to participate in social and technical events. There is explicit confidence in the Unit's capacity to organize and mobilize itself.</p> <p>Leadership The leaders are more legitimate and trained; they operate through trade associations, but with greater emphasis on sector work; Relationships, in general informal (consultative in nature and without any decision-making power) appear between the leaders in forums, task groups and committees, seeking common goals. Initiatives involving collective buying and selling and access to conventional technology production equipment are developed.</p>	<p>Social The activities of the Unit members transcend the formal horizons, and convivial and social gatherings become regular. There is strong cohesion and affinity in the group and solid and friendly links of conviviality are formed between the Unit members. The dimension of the job becomes larger and extends into the family environment of the members.</p> <p>Cooperation An atmosphere conducive to constant exchange of know-how is created in the Unit and the focus of the work is directed towards the resolution of problems and common solutions. The lending of employees and equipment, the making of joint purchases and sales are seen in a systematic form. There is a strong growth in the sector driven by the sharing of collective information and strategies of development.</p> <p>Institutional The Unit's work has gained notoriety among society and formal organizations. Unit members are invited to play an elevated role in the decision-making process involving the interests of the segment and have a proactive attitude at this decision-making level.</p> <p>Leadership Leaderships act through trade associations, municipal and regional councils and are concerned with regional development. There are formal rules of relationship between leaders. Unit leaders are not only consulted, but also involved in decision-making of public organs.</p>

<p>Technology</p> <p>The Unit members' businesses have technology at an incipient level and generate little added value in their operations.</p>	<p>Technology</p> <p>The firms owned by Unit members have mid-level technology and one can perceive an improved level of process optimisation through the actions undertaken by the Unit. In general, the group is moving from conventional training towards medium and long-term activities for the development of expertise.</p>	<p>Technology</p> <p>The firms owned by Unit members pursue growing levels of quality and productivity. Regularly, the group takes part in activities involving medium and long-term training, which are extended to the employees and create access to specialized services with a high added value.</p>
<p>Market and competitiveness</p> <p>The Unit members operate in a reactive fashion in face of the market (clientele, competition and suppliers), and in general, merely locally.</p>	<p>Market and competitiveness</p> <p>Unit members have a proactive stance in face of the market (clientele, competition and suppliers), reaching out to the region in general.</p>	<p>Market and competitiveness</p> <p>Unit members now reach across regional, even national, borders as in the case of the establishment of export consortiums and force the market to be more attentive in dealing with the group.</p>
<p>Actions</p> <p>Activities featuring a single event, such as: Lectures, training, joint purchasing, occasional consulting and trade missions.</p>	<p>Actions</p> <p>Strategic planning of the Unit Sector diagnostic Implementation of quality and productivity programs Development of programs for creation of sector expertise Performing market research Realizing joint sales</p>	<p>Actions</p> <p>Supplier development Joint sales promotion within sector exhibits Search for Certification Promotion of post-sales services Sector lobbying Interaction with and participation in other trade organizations</p>

Appendix XII. Statement Regarding the Nucleus Approach and its Dissemination

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Statement Regarding the Nucleus Approach and its Dissemination

1. Core elements of the Nucleus Approach

The so called Nucleus Approach (Portuguese: Metologia Empreender; Spanish: Metologia Núcleos Empresariales; German: Nukleus Ansatz; French: Approche Nucleus) consists of the following interlinked elements:

- Formation of working groups of entrepreneurs (=Nuclei) within business associations or business chambers or other enterprise self help organisations (NGOs) organized per enterprise sector or subject.
- A Nucleus is moderated, organised and accompanied by a counsellor employed by the chamber/ association.
- A Nucleus takes effect in three directions:
 - It changes the Nucleus institutions as service providers to its members by
 - providing group counselling (entrepreneurs counsel entrepreneurs) for Nucleus members,
 - identifying Nucleus entrepreneurs' subjectively perceived problems; look for solutions within the group and start common activities in order to arrive at far reaching ideas and solutions.

The aim is to stimulate the Nucleus entrepreneurs' own ideas to improve their businesses. The methodology is based upon Action Learning.
 - It changes the Nucleus institutions into lobbyists by operationalizing Nucleus suggestions and requirements in order to improve the economic framework conditions affecting the Nucleus institution members.

It changes the Nucleus institutions from within because the Nuclei are part of the Nucleus institution. It stimulates organisational development processes. The target is to improve the efficiency of the Nucleus institution to be professionally managed by honorary and employed staff. This will lead to qualified Nucleus institution contributions to the economic and social development of its region. This organisational development process needs additional interventions and support from external actors (donors, SME promoting organisations and others).

2. Development of the Nucleus Approach

The Nucleus Approach has been designed and developed since 1991 within the framework of the partnership project between the Chamber of Crafts and Small Industries for Munich and Upper Bavaria, Germany, and several Brazilian chambers of commerce and industry in the federal state of Santa Catarina (ACE) by the project team, honorary and full time staff of the involved business associations and chambers and some entrepreneurs through learning by doing.

The German Federal Ministry for Economic Cooperation and Development (BMZ) supported the partnership project financially from 1991 until 2001. Between 1991 and 1994 it was supported by the German Technical Cooperation (GTZ) and afterwards by SEQUA gGmbH – Partner of the Industry, Foundation for Development and Qualification, Bonn.

In 1996, the involved partnership project ACEs founded the Fundação Empreender (FE) in order to institutionalize the cooperation between the business chambers and to disseminate the Nucleus Approach from Santa Catarina to all over Brazil and other countries. The FE took over the project team as its own staff.

Since then FE has acted as contract and cooperation partner of the Chamber of Crafts and Small Industries for Munich and Upper Bavaria to date.

The development of the Nucleus Approach was accurately documented. All documents developed since 1991 are available¹⁰.

The Nucleus Approach is an original Brazilian approach to promote business chambers / associations and SMEs.

It is not a copy of a German exercised model.

3. The Nucleus Approach 2006

The Nucleus Approach is being implemented in Brazil (FE, Confederação de Associações Comerciais e Empresariais do Brasil), Uruguay (Red ProPymes) and Sri Lanka (GTZ). For further details see attached list. Several GTZ and other donor funded projects in Latin America, Asia and Africa are in preparation.

4. The signing parties' statement regarding the legal property of the Nucleus Approach and its dissemination

All signing parties have a core interest in the Nucleus Approach being disseminated in developing countries by as many business chambers, business associations and NGOs as possible.

¹⁰ The description about the beginning of the partnership project and the development of the Nucleus Approach was documented by Rainer Müller-Glodde: „Organisationsentwicklung in brasilianischen Unternehmensverbänden, Fallstudie des Partnerschaftsprojektes zwischen brasilianischen Handels- und Industrieverbänden in Santa Catarina und der Handwerkskammer für München und Oberbayern“, published by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH, Organisations-, Kommunikations- und Managementberatung, Aus der Arbeit der Abteilung 403, Nr. 16/d, Eschborn, Juli 1993

- The signing parties have so far not defined any legal property rights. They do not intend to do so in future.
- Also any other institution or person is kindly requested not to claim any property rights in order to ease the dissemination of the Nucleus Approach.
- Every other institution or person is authorized to adopt, further develop and implement the Nucleus Approach worldwide without consultation.
- Each institution or person implementing the Nucleus Approach should indicate the following in terms of the approach's origin:
 - The Nucleus Approach was developed by the Fundação Empreender, Joinville, Brazil, within the partnership project with the Chamber of Crafts and Small Industries for Munich and Upper Bavaria, Germany.
 - The partnership project was financially supported by the German Federal Government.
 - The Nucleus Approach is primarily a Brazilian approach.
- Each institution or person is requested to make available to all other institutions all ideas, developed materials (concepts, statistics, reports, impact analysis) and experiences regarding the further development of the Nucleus Approach free of charge.

Signed on 14.02.2007

Signed on 07.08.2006

Hans Dieter Didjurgeit,
President of the Trusteeship Council
of Fundação Empreender

Heinrich Traublinger, Member of Parliament,
President

Adriano Marcel Zimmermann
Executive President of Fundação
Empreender

Bernd Lenze, Secretary General
Chamber of Crafts and Small Industries for
Munich and Upper Bavaria

Luiz Carlos Furtado Neves
Federação das Associações
Empresariais
de Santa Catarina (FACISC)

Signed on 08.08.2006

Signed on 20.07.2006

Dr. Ralf Meier
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SEQUA gGmbH, Partner of the Industry

Jochem Lange, Head of Department 41 –
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German Technical Cooperation (GTZ) GmbH

Appendix XIII. Status of Implementation of the Nucleus Approach – August 2007

Country, applying and promoting institutions	Starting year	Observations
Brazil Foundation Entrepreneur (FE), Joinville, Santa Catarina, created in 1996 by 18 Associations of Commerce and Industry (ACE) in the northeast of Santa Catarina. Chamber of Crafts and Small Industries for Munich and Upper Bavaria (HWK Munich) – GTZ – SEQUA	1991	Start of the development of the Nucleus Approach in the context of the partnership project between the three ACEs of Joinville, Brusque and Blumenau and the Munich chamber. In the year 2000 18 ACEs ran 140 Nuclei with more than 2,000 participating entrepreneurs. Elaboration of training and consulting material about all aspects of organizational development of business associations: service, lobby, public relations, financing, membership fee systems
Argentina, Bolivia, Brazil, Chile, Ecuador, Guatemala, Nicaragua, Paraguay, Peru Different business chambers and associations Foundation Entrepreneur – HWK Munich – GTZ – SEQUA	1996	Due to four international workshops organised by the Foundation Entrepreneur in Santa Catarina SME and chamber promotion projects started to experiment with the Nucleus Approach.
Brazil FACISC (Federation of ACEs of Santa Catarina), Florianopolis, and SEBRAE Santa Catarina (Brazilian Small and Medium Enterprises Development Agency) Foundation Entrepreneur – HWK Munich – SEQUA	1996	The federation defined the “Project Entrepreneur” in order to disseminate the Nucleus Approach in the whole state. SEBRAE financed the Project Entrepreneur and started to change its strategy by promoting SMEs indirectly through entrepreneurs’ associations.
Brazil CACB (Confederation of ACEs of Brazil) and SEBRAE Foundation Entrepreneur – HWK Munich – SEQUA	1999	The confederation made the “Project Entrepreneur” to a national one in order to disseminate the Nucleus Approach in all 27 states in Brazil with support from SEBRAE. In 2004 more than 800 ACEs run 4,200 Nuclei with close to 50,000 entrepreneurs.
Uruguay Red ProPymes, a network of six SME promotion institutions and chambers Foundation Entrepreneur – GTZ	1999	Six chambers with 100 Nuclei and 1,000 participants. Elaboration of training material in Spanish.
Sri Lanka Six chambers, associations and NGOs ESSP (Sri Lankan – German Economic Strategy Support Programme), Kandy – GTZ	2002	Creation of 180 Nuclei with 2,750 entrepreneurs until 2007. Concerning the impact in the chambers and enterprises see Rainer Müller-Glodde and Simone Lehmann: Impact Analysis 2005 and 2006 of the Application of the Nucleus Approach, May 2007, Kandy – Sri Lanka, Bonn – Germany; Dakar – Senegal. After the end of the project promotion the federation of chambers of commerce and industry FCCISL entered in order to continue the support of its member chambers in cooperation with the NEF (Nucleus Enterprise Foundation), Kandy.

<p>Brazil FEDERAMINAS (Federation of Associations of Commerce, Industry and Agriculture), Belo Horizonte, Minas Gerais Chamber of Skilled Crafts of Essen / Germany – SEQUA</p>	<p>2003</p>	<p>22 Associations of Commerce and Industry created and worked with 90 Nuclei with more than 1,200 member enterprises in the state of Minas Gerais, Brazil. This so-called “Capacitar-Program” developed additional instruments to the Nucleus Approach for an intensified training of BMO staff and representatives and financial sustainability through income-generating service delivery by the associations.</p>
<p>Brazil FIEPE (Federation of Industry of Pernambuco) BFZ (Training and Development Centres of the Bavarian Employers’ Associations) – SEQUA</p>	<p>2004</p>	<p>Creation of 14 Nuclei (280 companies) to improve small and medium enterprises of nine industry sectors in this state. The potential of the methodology was recognized by other federations and the methodology will now also be used in the State of Bahia.</p>
<p>Brazil CACB (Confederation of ACEs of Brazil) Chamber of Skilled Crafts of Essen, Germany – SEQUA</p>	<p>2005</p>	<p>In eight north eastern states of Brazil, particularly affected by poverty, 26 ACEs initiated more than 70 Nuclei comprising 1.450 enterprises. In two years the Capacitar-Instruments (see above) were transferred successfully from the state of Minas Gerais to eight states in the Northeast of Brazil.</p>
<p>Sri Lanka PMSME (Lankan – German Promotion of Micro, Small and Medium Enterprises Project) GTZ</p>	<p>2005</p>	<p>Dissemination of the Nucleus Approach in districts affected by the tsunami in December 2004. Six chambers and one NGO created until 2007 140 Nuclei with 1,300 entrepreneurs.</p>
<p>Algeria 14 chambers of crafts and chambers of commerce and industry AAPOP – Appui aux Associations Professionnelles et Organisations Patronales, Coopération Technique Algéro – Allemande – GTZ</p>	<p>2006</p>	<p>The chambers contracted Nucleus counsellors, whose training started in 2007. For 2009 are planned 200 Nuclei with more than 2,000 participating entrepreneurs.</p>
<p>Mozambique ACIANA (Association for Commerce, Industry and Agriculture of the Province Nampula) BFZ (Training and Development Centers of the Bavarian Employers’ Associations) – SEQUA</p>	<p>2007</p>	<p>Direct know-how transfer by Brazilian experts. Creation of ten Nuclei with 240 member enterprises in the districts of Nampula, Angoche, Mecuburi and Lichinga. Close cooperation with the GTZ-project for Private Sector Support in Central-Mozambique that is introducing the Nucleus Approach with support of BFZ.</p>
<p>South Africa, Chile, Mozambique, Mexico, El Salvador CACB (Confederation of ACEs of Brazil) and SEBRAE</p>	<p>2007</p>	<p>CACB in cooperation with SEBRAE is transferring the knowledge to South-Africa, Chile, Mozambique, Mexico, and El Salvador. The know-how transfer to Mozambique and Mexico is being realized in cooperation with BFZ. The train-the-trainer was realized in May 2007 and the partners expect to implement 36 Nuclei with 360 enterprises in the following months.</p>

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