

Good Practices and Lessons Learned from ILO's Entrepreneurship Models and Activities



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Entrepreneurship in Indonesia



Entrepreneurship grows by accident

- Current Indonesia
- Huge potential, endless prove points, little consciousness

Entrepreneurship grows by default

- Not in Indonesia
- Pre-reform period Indonesia was driven by government projects
- Thus employment (public and private) dominates value creation (entrepreneurship)

Entrepreneurship grows by design

- The future for Indonesia
- Needs conscious design, planning and incentives by government, academics, and private sectors
- Family education

Good Practices & Lessons Learned

Category of Intervention	Coverage of Intervention	Number of Initiatives
Improving Chances for Young Entrepreneurs	Skills or entrepreneurship training, access to credit or markets, financial support, etc.	24 initiatives in 18 national institutions (MoNE, MoMT, MoYS, MoCSMEs, MoT, MoA, MoI, MoSA, MoEMR, MoMF, MoCT, MoT, MoSOE, MoHA, MoLDR, MoWE, APINDO, KADIN)



ILO's Entrepreneurship Models

	Models	Target Groups	Purpose
Start and Improve Your Business (SIYB)	Generate Your Business Idea (GYB)	Potential new entrepreneurs with no business idea	To help people generate their business idea
	Start Your Business (SYB)	Potential new entrepreneurs with a business idea	To train individuals who already have a business idea on how to start their business
	Improve Your Business (IYB)	Existing entrepreneurs (micro and small businesses)	To help entrepreneurs to improve their existing business
	Expand Your Business (EYB)	Existing growth-oriented entrepreneurs	To help entrepreneurs expand their existing businesses
	4 in 1 Handbook for Non-Formal Training Providers	Out-of-school youth	To provide disadvantage youth with skills for jobs and business
	Know About Business (KAB)	In school youth	To strengthen students' entrepreneurship culture and entrepreneurial skills
	Gender and Entrepreneurship Together (GET) Ahead	Designed for women with limited education	Provides essential entrepreneurial skills and management training from a gender perspective



ILO Entrepreneurship

Entrepreneurship training versus entrepreneurial skills



Define the target groups → choose the right entrepreneurship training model



Global SIYB



200 Master Trainers

17,000 Trainers

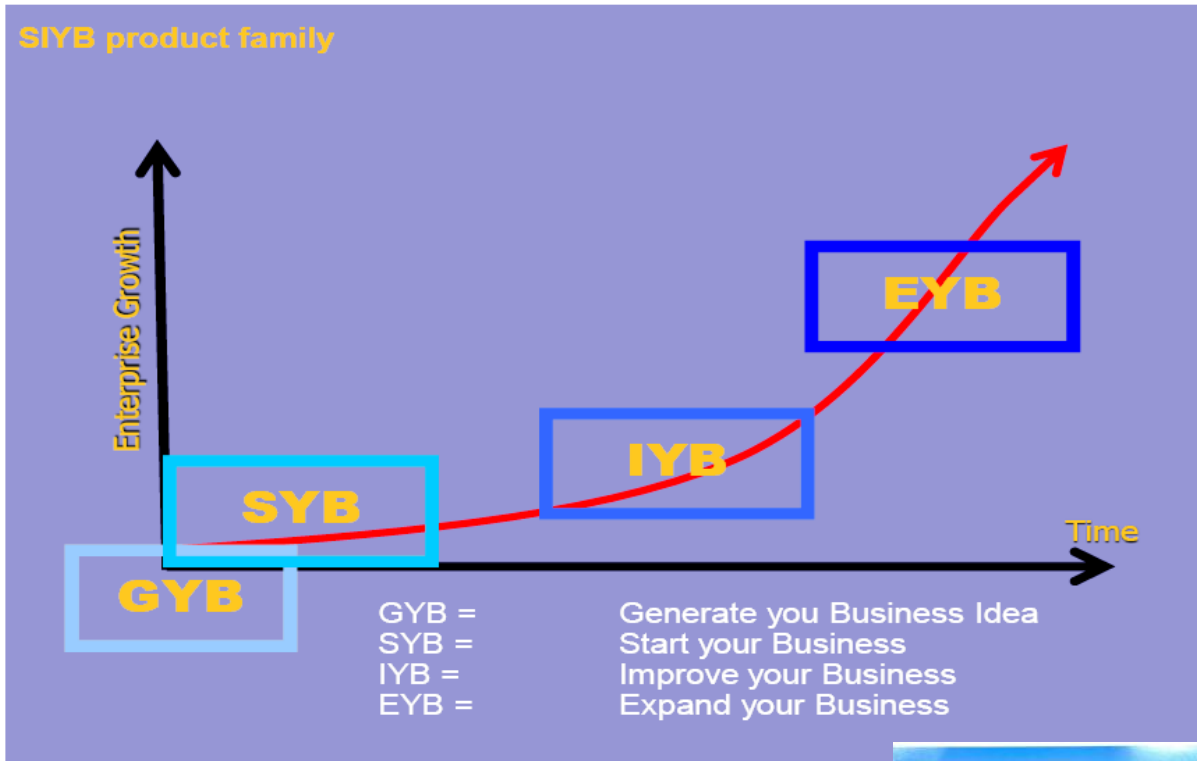
4,500,000 Trainees

500,000 New Businesses

2,700,000 New Jobs

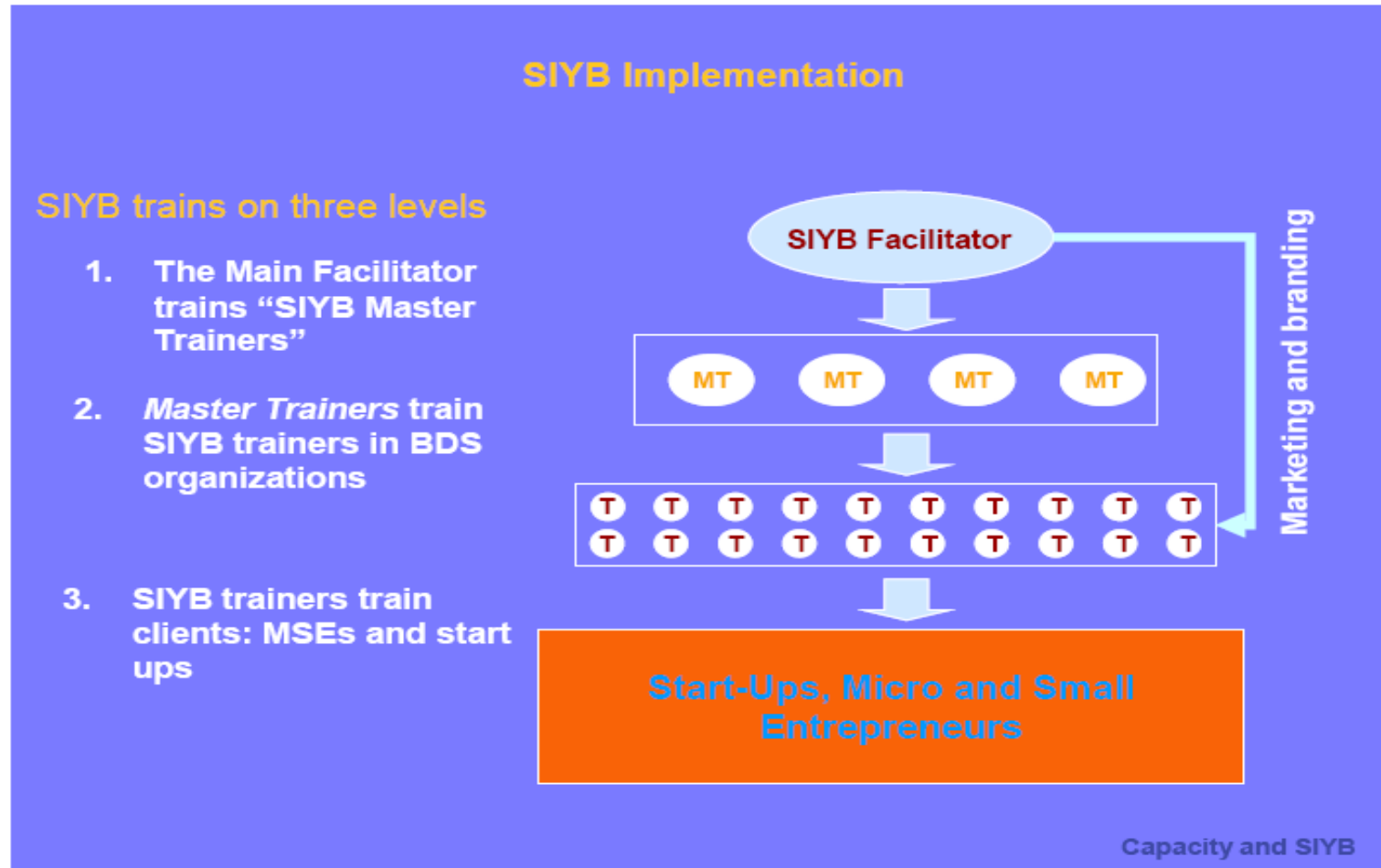


SIYB Intervention Strategy



Implementation of SIYB Methodology

Multiplier Strategy



SIYB Good Practices

- Sustainability
- Quality Assurance System
- Training Needs Assessment
- Selection Process
- After-Training Support



Sustainability

Indonesian SIYB Association

The Government adopts SIYB training into their regular entrepreneurship offerings or integrates with their technical/vocation skills trainings

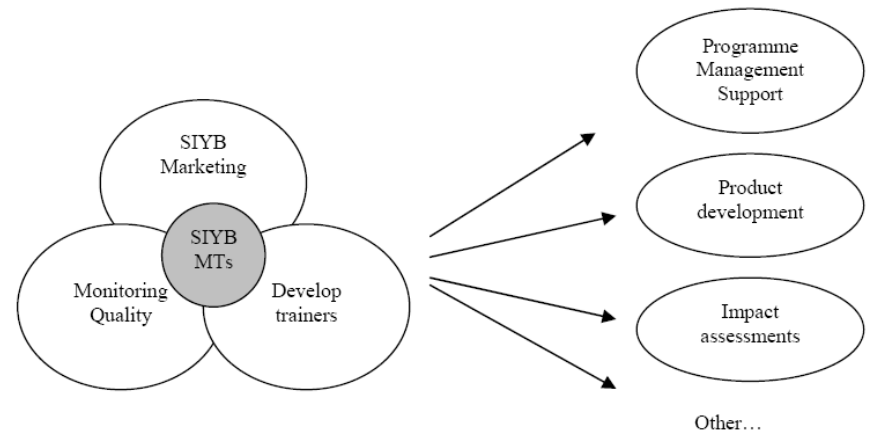
SIYB TRAINERS OFFER TRAINING COMMERCIALY



Quality Assurance System

Step	Year 1	Year 2	Year 3
Trainers...			
5...are issued with a master trainer license			
4...graduate from a TOMT seminar			
3...graduate from a refresher TOT seminar			
2...are issued with a trainer certificate			
1 ...graduate from a TOT seminar			

Training of trainers →
 Training of entrepreneurs →

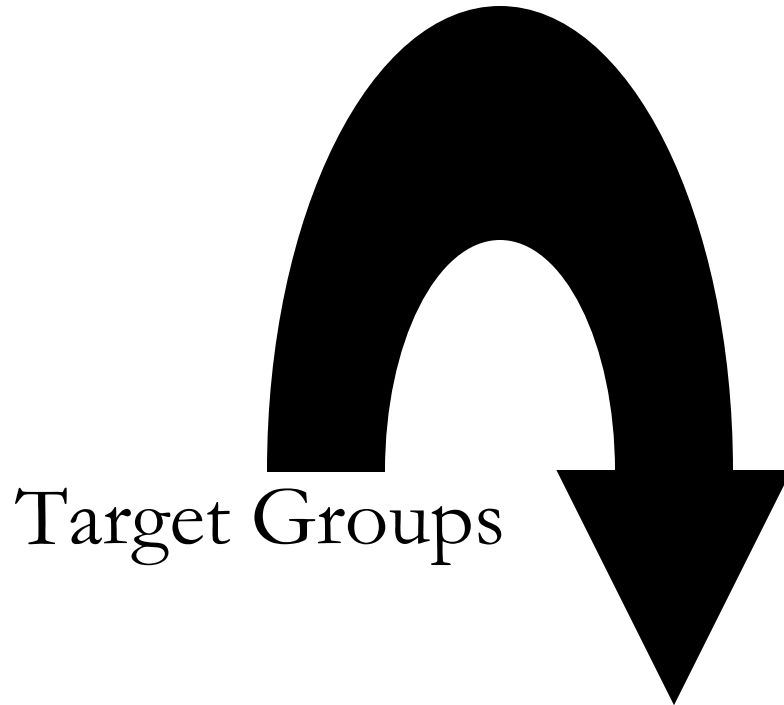


MT Core Tasks

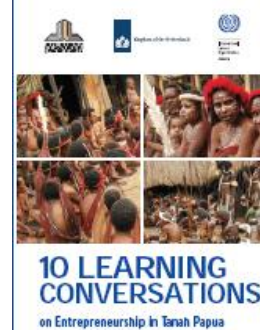
MT additional Services and Support



Training Needs Assessment



Entrepreneurship Model
+ Delivery Method

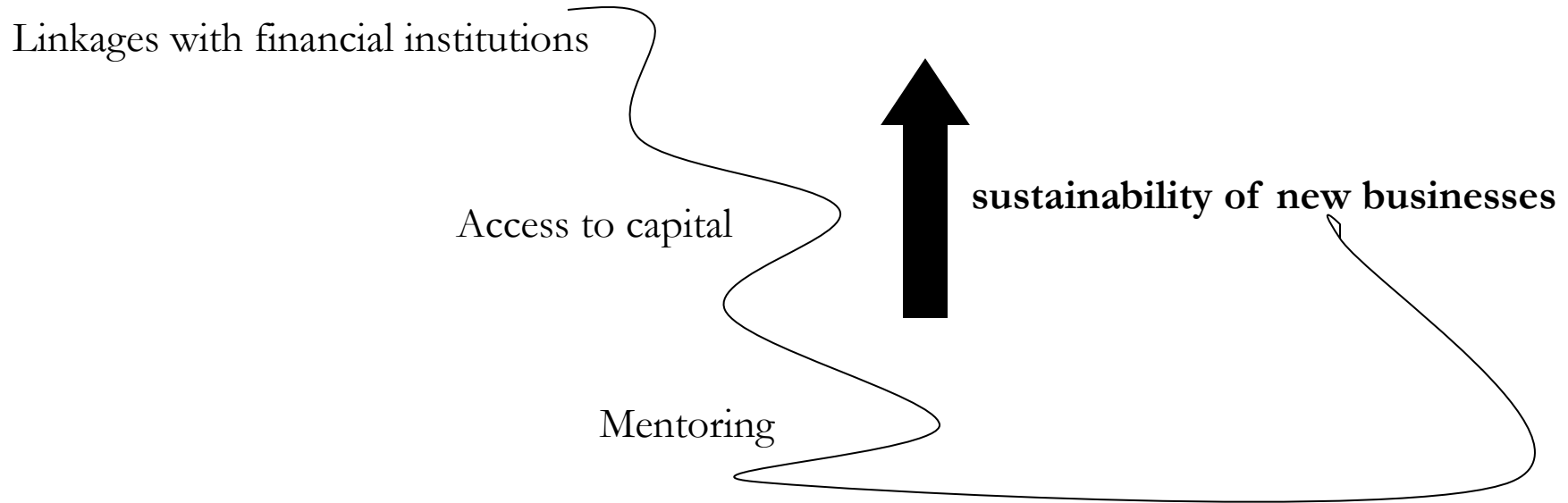


Selection Process



Being Selective = Lower Costs & > Success

After-Training Support



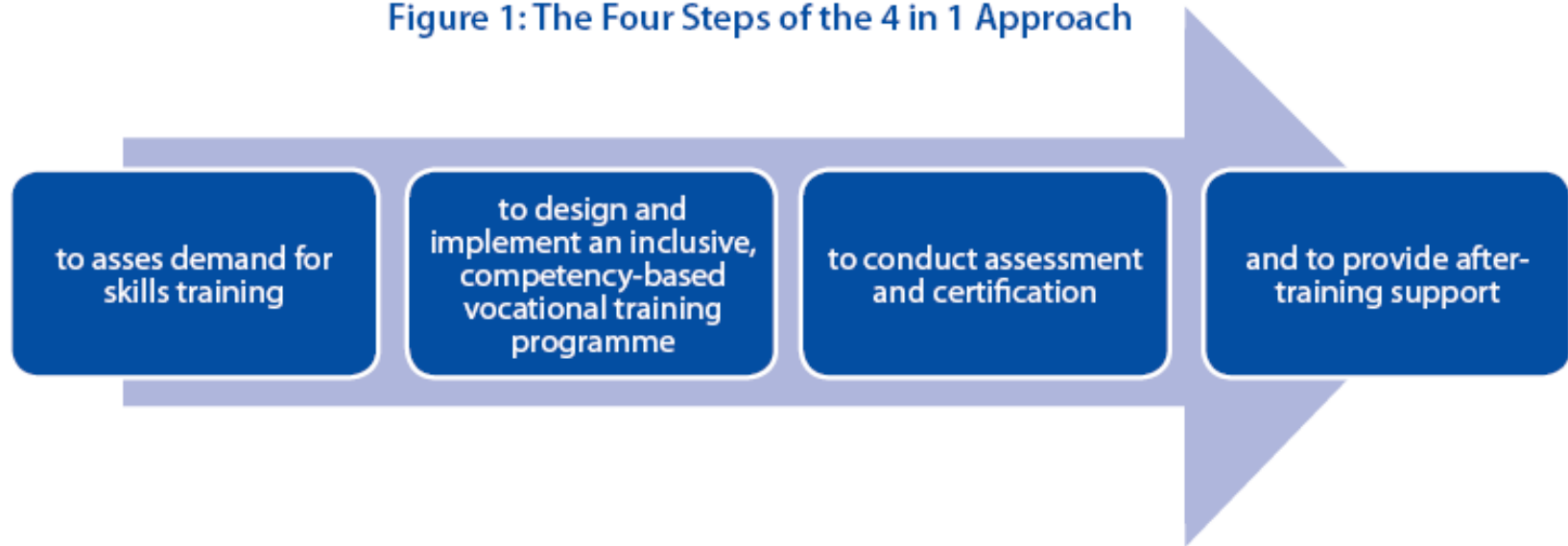
4 IN 1

Handbook For Non-Formal Training Providers



The 4 in 1 Approach

Figure 1: The Four Steps of the 4 in 1 Approach



Know About Business

MAIN OBJECTIVES

- (i) develop positive attitudes towards sustainable enterprises and self-employment among the population, by targeting youth and stakeholders for enterprise development,
- (ii) create awareness about entrepreneurship as a career option for young people,
- (iii) provide knowledge and practice of the desirable attributes of, and specific challenges in starting and operating a sustainable enterprise, and
- (iv) facilitate the school to work transition, resulting in a better understanding of the functions and operations of sustainable enterprises.



Innovation

Initiative

Creativity



Gender and Entrepreneurship Together GET Ahead

OVERALL OBJECTIVES

- (1) expand decent work and income-earning opportunities for women and men in enterprise in families and communities,
- (2) enable low-income women entrepreneurs and their families to shift from marginal income generation to profitable business development, and
- (3) contribute to the social and economic empowerment of populations in poverty.



The training package is intended for both ILO partner agencies who service mainly women in income generation and micro-enterprise development as well as low-income and low-literacy potential and existing entrepreneurs.



ILO's Entrepreneurship Development Projects

- Education and Skills Training for Youth Employment in Indonesia (**EAST**)
- Combating Forced Labour and Trafficking of Indonesian Migrant Workers (**Migrant Workers**)
- ILO/UNDP Joint Programme for the Papua Highlands Entrepreneurship Skills Development (**ESD**)



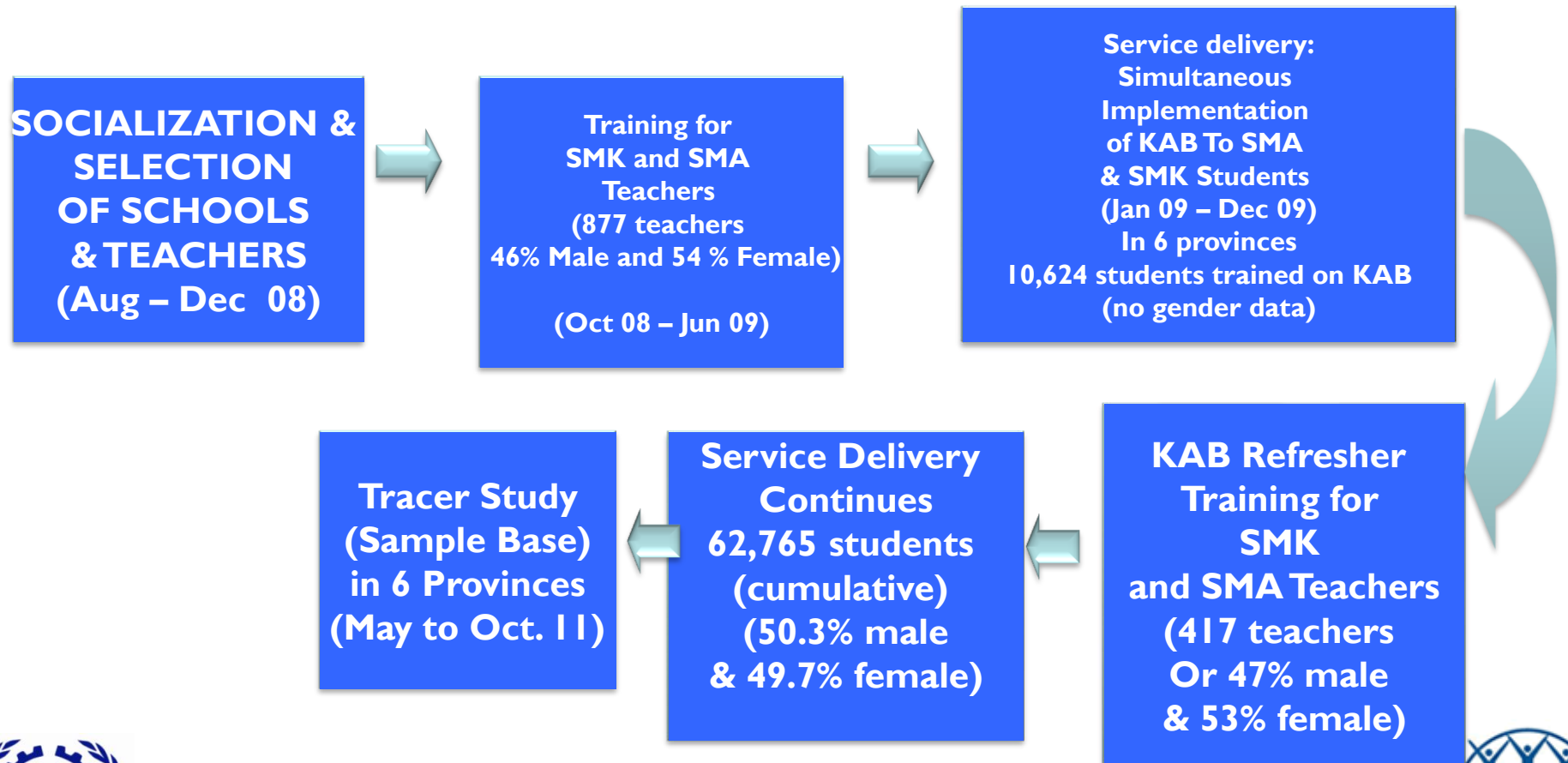
EAST • 2008-2011

- *Component 6: Entrepreneurship Development*
- **Objective:** Young people have access to enhanced entrepreneurship and business creation education

Target: 9000 Out of School Youth



In School Entrepreneurship With KAB (Know About Business):



Out of School Entrepreneurship with SIYB

**Socialization and Selection
TRAINERS
& PARTNERS
(April-May 08)**

**SIYB ToT
70 Trainers
In 6 Provinces
(24 F and 46 M)
(May-Aug 08)**

**Service delivery:
Training of Entrepreneurs
to 8965 youths in 6 provinces:**
Papua : 1091 youth (54%F/46%M)
West Papua: 1125 youth (60%F / 40%M)
Maluku : 1132 youth (53%F / 47%M)
South Sulawesi: 2400 youth (53%F / 47%M)
NTT : 1630 youth (49% F / 51%M)
Aceh : 1587 youth (54%F / 46%M)

(Oct 08 – Oct'11)

**Tracer Study
(Sample Base)
in 6 Provinces
(June-August '11)**

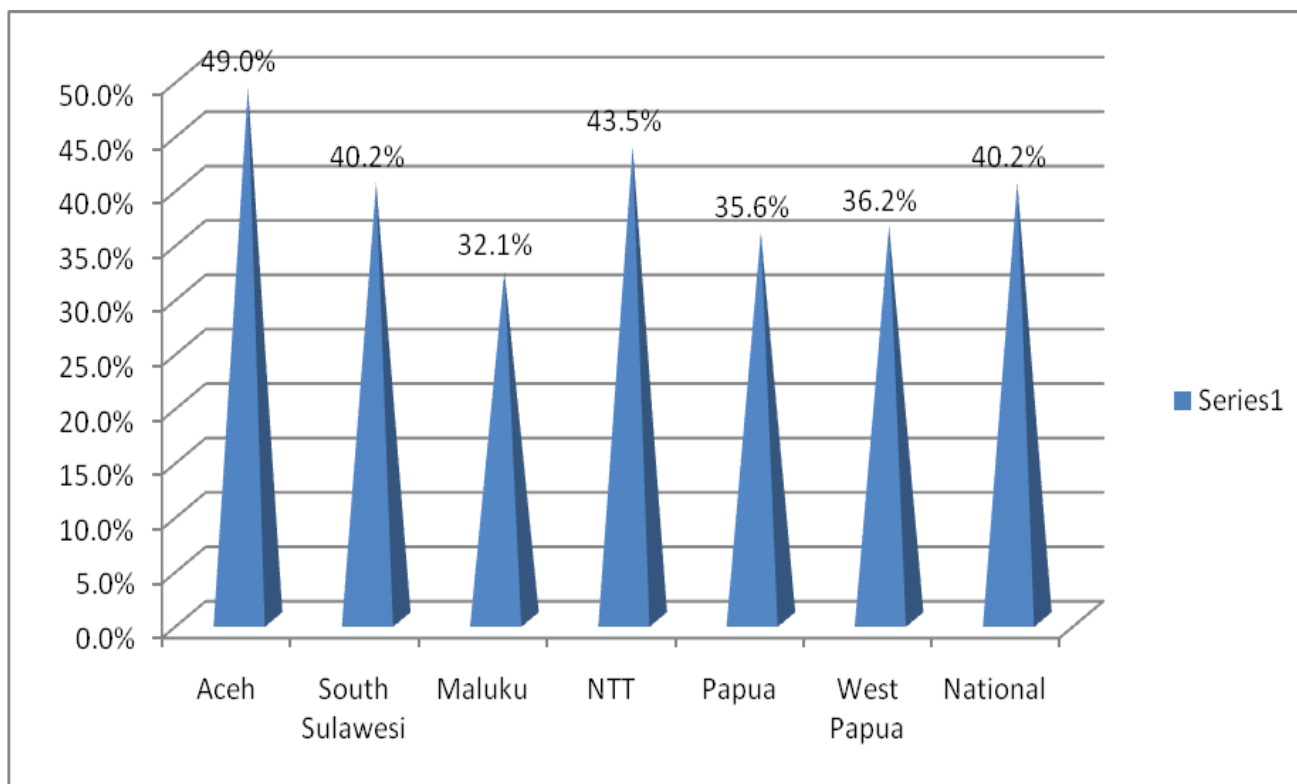
**SIYB Refresher Training for
65 SIYB Trainers**

IYB training for 240 out of school youths

Trainers' Certification (for 450 trainers)



SIYB Business Start-Up Rates



**% TRAINED YOUTHS THAT HAVE A JOB OR STARTED A BUSINESS
(BY TYPE OF TRAINING AND AVERAGE COST)**



SYB + 4 in 1

Skills for Jobs and Businesses

It pays to invest!

Module	Clients Trained	% Women	Approximate Cost/Head	Impact
SYB	6,505 Youths	53%	IDR 1.3 million	Start up rate of 40.2; 59% of them being women.
4 in 1	1,995 Youths	43%	IDR 3.5 million	Job placement rate: 49.72%; 38% of them being women
SYB + 4 in 1	1,387 Youths	48%	IDR 4.8 million	Start up and job rate 72.49%, 50% of them being women



Impact

SYB

- Start-up business rate for SIYB alone rose from 33.1% to 40.2% with after-training support.
- Two hundred and forty SYB alumni attended further Improve Your Business (IYB) training.

SYB + 4 in 1

- SYB plus vocational training success rate (business start up and/or job placement) is over 70%.

KAB

- More than half of KAB graduates quote opening a business as a potential career option (against close to 0% for non-KAB classes).
- 45.28% of KAB graduates said they started a business and 48% of those were successful.
- KAB graduates proved to be more successful in the workplace compared to non KAB graduates, as the entrepreneurial skills also affect their performance at work



Sustainability

SYB

- The Indonesia SIYB Association (ISA) was established by EAST as an exit strategy.
- SIYB has become the mandatory entrepreneurship tool for the Provincial Cooperative and SME Office in NTT.
- SIYB trainers are offering their services commercially.

KAB

- School principals were committed to keep implementing KAB after the EAST project ended.
- ILO KAB partners (VEDC Malang and VEDC Bandung) disseminated KAB using their own budget to another 600 schools outside of the six EAST project provinces.



KAB has been successfully mainstreamed into Indonesia's national curriculum.



Migrant Workers • 2006-2011

Objective: **Outreach, Organizing, Assistance, Reintegration and Economic Empowerment Services** *including entrepreneurship training through the SIYB programme and financial literacy, among others*



Clients Trained	% Women	Approximate Cost/Head	Impact
568 Migrant Workers	57%	IDR 1.3 million	Start up rate of 56%, 62% of them being women



TNA: GET Ahead for low literacy, but SYB requires financial literacy so... Developed a financial literacy module to implement alongside SYB and spent extra time developing a business plan



Impact and Sustainability

Impact

- 95% of trainees were able to develop a business plan and about 20% of the trainees secured credit from financial institution.
- Within 1 year, 60% of the former trainees had already either started and/or improved their business.
- Within 1 year, SIYB has contributed to the creation of new sources of income for 30% of the trainees and their families.

Sustainability

- SIYB programme has been adopted by all involved implementing agencies
- Four organizations will provide services to vulnerable communities free of charge and sell the SIYB training programme commercially
- SIYB programme was officially adopted by MOMT's BBPPK and BBPP agencies in 2011.
- SIYB is also being adopted by the district government of Bandung



Papua ESD • 2009-2010

Three main objectives of the project were:

- 1) to enhance awareness and understanding among the population of the business potential regarding existing natural resources in Papua;
- 2) to strengthen entrepreneurship skills among partner community members, especially among women; and
- 3) to increase capacity of micro and small entrepreneurs to effectively manage their enterprises which, in the long run, would enable them to generate greater income as well as employment opportunities.



ENTREPRENEURSHIP SKILLS DEVELOPMENT
FOR INDIGENOUS WOMEN
(GET AHEAD THE MOVIE)



VCD



Impact and Sustainability

Impact

- 625 entrepreneurs (70% women) were trained in basic entrepreneurship skills using the GET Ahead training programme
- The training process has initiated a change in the way of thinking among women entrepreneurs
- Facilitated access to credit

Sustainability

- ILO initiated the formation of a local BDS headed by an indigenous Papuan woman
- There is good coordination with local government actors and overwhelming support for the objectives of the programme as shown by various new initiatives that have committed to support local entrepreneurs in the region



Lessons Learned • EAST

1. Proper selection of participants is crucial
2. It pays to propose business skills and vocational skills as a modular package
3. After-training support is an important enabler of success and boosts start-up rates
4. Monitoring and evaluation are key
5. Entrepreneurship education needs to be implemented as part of the SMA curriculum and not only SMK



Lessons Learned • Migrant Workers

1. Engaging with motivated and committed stakeholders increases effectiveness and sustainability
2. Partner agencies require sustained capacity building



Lessons Learned • Papua ESD

1. Facilitators need business experience
2. The GET Ahead materials can be used effectively with the target group and in the context of the Papua Highlands



Business Environment for Young Entrepreneurs in Indonesia, Jakarta: ILO, 2011.



4 in 1 Handbook for Non-Formal Training Providers, Jakarta: ILO, 2011.



*Terima Kasih
Thank You*

A final EAST publication, available in the new year, is currently in the process of being finalized

*What Works:
Good Practices
from the ILO's
Education and
Skills Training for
Youth
Employment in
Indonesia (EAST)
Project*

10 Learning Conversations on Entrepreneurship in Tanah Papua, Jakarta: ILO, 2011.

