



ATMS

A Regional Project of the UNDP

NEWSLETTER

20 YEARS BUILDING SUSTAINABLE AFRICAN ENTERPRISES AND HUMAN CAPITAL

EDITORIAL

As the ATMS project gathers steam in its fourth cycle, it is perhaps apt to talk about relevance. In twenty years, the operating unit AMSCO has placed over 900 managers in 29 countries in the process making an impact on over 320 companies on the continent.

The world has dramatically changed in the last six months and the extent of the crisis was highlighted by Dominique Strauss-Kahn, Managing Director, IMF, in a speech to central bank governors and finance ministers in Dar Es Salaam on Tuesday 10 March when he said the “the IMF expects global growth to slow below zero this year, the worst performance in most of our lifetimes.”

In such a climate and with governments increasingly overburdened in the fight against poverty, the ATMS project's relevance has never been more important. It is ‘all shoulders to the wheel’ as the project, through AMSCO, gears itself to scale up its impact on the continent with innovation. Wealth creation is the sine qua non for development impact and AMSCO is well placed to help Africans achieve this through its unique model of interim management placement and capacity development.

BUILDING HUMAN CAPITAL

Just under 5000 clients were trained in 2008. 1 120 of them female, from 171 training events. This is literally double the 2007 figure of 2 500 staff members trained.

AMSCO TRAINING PROGRAMMES

Category of training	Type of training	No. of persons trained	No. of females
Corporate Governance	Corporate Governance	128	43
Executive Leadership Development	Strategic Planning for Global Competitiveness	90	21
	Senior and Executive Management & Leadership Development	193	42
	Middle Management Development/ 7 Habits of Highly Effective People	235	53
	Supervisory	116	13
Quality Management	ISO Certification	61	5
HIV/AIDS, Health and Safety, Environmental Standards	Awareness, Advice and Support	256	94
Diversity Management and Gender Mainstreaming	Woman Entrepreneurship, Leadership and Management Development	1	1
Company Specific Programs	Industrial Training, Technical Skills, Machine Operation and Maintenance (Agricultural)	1415	312
	Technical Training (Software), Hospitality, IATA, Project Management	588	209
	Finance, Income Debt Securities, Mutual Fund Management, IFRS, Tax etc., Risk Treasury	501	198
	Basic Staff Training, Computer Courses, Cost Control, Piloting	764	30
	Marketing, Sales and Customer Care /HR Communication, Presentation Skills	643	99

AMSCO AND AMSCO WISH TO THANK ALL THE STAKEHOLDERS FOR THEIR CONTINUED SUPPORT.



Finland



Ireland



PARTNERSHIPS FOR SUSTAINABILITY

UNITED NATIONS ECONOMIC CLUSTER AND ATMS WORKING TOGETHER

KwaZulu Natal is one of the nine provinces in South Africa and it is home to 21% of South Africa's population. 54% of this population lives in rural areas, which are characterized by extreme poverty and poor infrastructure. This poses a huge challenge in ensuring effective delivery of basic services such as health, water and sanitation.

The province has 10 districts, 1 metropolitan and 61 local municipalities. The economic dependency ratio of the province is 4.9, significantly higher than the national average of 3.7. This makes the province one of the poorest in the country. In 4 of the 10 districts, the unemployment rate is above 50%. The proportions of households with access to safe water (32%) and sanitation (24%), is far below national figures of 79% and 62% respectively. Amongst other challenges faced by the province is the proliferation of communicable diseases such as HIV, AIDS and TB. The existing poverty and socioeconomic conditions exacerbates the spread and impact of these diseases within the community. The latest statistics show that KwaZulu Natal has the highest prevalence of HIV in the country. The 2004 National Antenatal Survey has shown that 40.7% of pregnant women attending public health services are HIV positive. According to the study conducted by the Nelson Mandela Foundation and Human Sciences Research Council, it is estimated that approximately 1.5 million people are living with HIV and AIDS in the province. The TB burden is also huge, with one of the lowest cure rates. In 2001, the TB cure rate was far below the national and World Health Organization standard of 84%. The incidence rate in 2002 was alarming, at 558.8 per 100 000.

A cabinet meeting of August 2005 identified The Integrated Development Plan (IDP) approach

as a key and appropriate initiative to accelerate, maximize and sustain growth and development for optimal service delivery within the province starting with worst affected local municipalities of Msinga and Nkandla respectively.

The IDP is described as the "provincial massification" programme based on geographic integration and coordination, with joint planning and implementation of Policy, Programmes and Projects, where all role players contribute comprehensively towards shared economic growth, poverty eradication and sustainable human development which leads to improved quality of life. The IDP is an instrument to enhance alignment of different spheres of government's strategies, programmes, projects and activities to achieve optimal, comprehensive and sustainable growth and development, and service delivery

AMSCO, through the UNDP, is a member of the United Nations Economic Cluster in South Africa and has been participating in an integrated development programme for the KwaZulu Natal. AMSCO has participated in 2 missions to the province and has played an active role in a workshop in December 2008, facilitating discussions and leading the action plan process.

The overall aim of the workshop was to strengthen partnerships between the United Nations and the Province in respect of the Integrated Sustainable Rural Development programme implemented in the Nkandla Municipality.

In another workshop, Dr. Chivore, the RCO Senior Advisor, accompanied the Economics Cluster Secretariat representative, Ms. Sindile Moitse (ILO) and the Geneva based Programme & Operations Officer, Mr. Anthony Rutabanzibwa (ILO) along with

Ms. Nonhlanhla Zindela (UNFPA) and Mr. Albert Gumbo (AMSCO). The Mission was very successful in terms of the primary purpose of sensitizing the KwaZulu Natal Premier's Office and the Nkandla Municipality Mayor and Executives. Concrete follow up programme activities were duly identified and measures have been put into place to operationalize them. The United Nations delegation which was led by Dr. Chivore, on behalf of the United Nations Resident Coordinator and the Chair of the Economic Cluster, consisted of senior programme staff representing various member agencies of the United Nations Economic Cluster such as FAO and UNFPA.

Specific objectives of the workshop are summarized as follows;

- To re-establish a working partnership between the Province and the United Nations in respect of the Integrated Sustainable Rural Development programme in Nkandla;
- To identify specific capacity challenges within the Nkandla Municipality that might inform a joint United Nations programme of support to the municipality; and to identify the nature of technical expertise required to strengthen the Provincial monitoring and evaluation nerve centre;
- To develop a draft work-programme for 2009. At the end of the workshop, a score card was drawn up that will see AMSCO recruiting and seconding managers to Nkandla municipality with specific development objectives.

The cluster working plan for 2009 is in the process of being finalized between the different agencies that make up the United Nations family in South Africa.



GENDER MAINSTREAMING

From September 2008 to April 2009, AMSCO focused on 15 companies with a view to promoting the business case for gender mainstreaming. The IFC defines gender mainstreaming as the practice of placing gender at the heart of policy in the workplace. They have funded the programme with the aims, in the current phase, being:

- i) To create awareness and train both AMSCO's staff and clients to be able to better leverage the growing business opportunities in their markets presented by women-owned businesses and women management talent.
- ii) To ensure that local service providers are trained to implement the diversity training.
- iii) To implement the diversity training in 15 AMSCO client companies in the 3 regions.

AMSCO intends expanding the programme to cover its entire client company portfolio in due course. Building on the successes of phase one which included the establishment of a baseline of the ratio of male and female owned enterprises in their portfolio, AMSCO proceeded to host a 4 day service providers workshop, conducted by IBI International, in Johannesburg in 2008. There were 6 selected service providers, with each AMSCO region contributing 2, who were then tasked to raise awareness on the concept and practice of gender mainstreaming in AMSCO staff and in the targeted companies.

One of the challenges during the roll out of the programme was to justify the business case for gender mainstreaming to the targeted companies. Immediately thereafter, the service providers began the task of raising awareness in focus groups and, at the same time, conducting needs assessments. The aim was to tailor make a responsive training intervention for the wider AMSCO portfolio with the long term goal being the expansion of the roles of women in AMSCO client companies.

This long term goal notwithstanding, an expanded set of objectives was added at regional level, mainly as a preparation towards ultimate interventions to be implemented during the second phase. This included: Generating and managing change, management skills training, and the completion of case studies. The following have been the highlights of the current phase:

AMSCO STAFF IMPACT

- Increased awareness on Gender Mainstreaming among staff in general.
- Increased awareness of male staff especially on the disparities that exist between the genders and an enhanced sensitivity towards female colleagues.
- Empowerment of female staff due to a stronger knowledge base about their rights and the ability to expound on relevant issues from this knowledge base.
- An enhanced willingness on the part of AMSCO Project Officers, following their enlightenment on the subject matter to work closely with the Training Co-ordinators and local service providers to make convincing business cases for Gender Mainstreaming. As a result more capacity development activities are recommended to clients; a more prominent advocacy is also made for women in client companies to be integrated into management and





THE BIOVAC INSTITUTE
The science of protecting life

The Biovac Institute, together with AMSCO and CareWorks Training, has embarked on an exciting new gender mainstreaming (GEM) project.

Looking at the world from a fresh perspective... laying the foundations for gender equality.

What is Gender Mainstreaming?

Gender mainstreaming is understood as the incorporation of a gender equality perspective in all of an organisation's policies, strategies, interventions and actions.

Gender mainstreaming has become a globally accepted strategy for integrating women's empowerment into the core operations of large numbers of major private and public sector organisations. However, it involves more than simply employing an equal number of men and women.

The promotion of gender equality and empowerment of women is one of the United Nations' Millennium Goals. In this regard, it has been found that: 'the doors are opening slowly for women in the labour market'.

In sub-Saharan Africa, research indicates a slight increase in the percentage of female employees in non-agricultural wage employment (1990 – 28% vs. 2005 – 32%).

Taking the Millennium goals into consideration, the Biovac Institute would like to contribute towards the empowerment of women in the labour market.

It is about changing institutions, policies, programmes, projects and processes in order to promote gender equality. During the mainstreaming of gender equality, both men and women's wishes, needs and experiences are considered in the design, implementation, monitoring and evaluation of policies, interventions and efforts.

AMSCO
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supervisory roles. Previous Project Approval Proposals did not contain any systematic description of the status or role of women in client candidate companies. AMSCO now requires Project Officers to describe the state of gender mainstreaming within each candidate company and record the position of senior company management on this issue. These actions initiate dialogue on gender mainstreaming with client companies from the earliest days and make companies aware of the importance of this issue for corporate success. Gender statistics are now captured right at the inception of a project and these are monitored closely by the Portfolio Management Department.

- Since the inception of this programme, 2 more women-owned businesses have been recruited in Southern Africa: Spectrum Graphics in Mozambique and Proquial Diagnostisc Imaging (PDI) in Namibia. The Project Officers, enlightened about the benefits of Gender Mainstreaming and the importance of the programme to AMSCO, continue to make extensive efforts in presenting compelling cases to female owned businesses, however, feedback points to major challenges being encountered in this endeavor.

The ATMS Project and IFC will be evaluating the role out of the Gender Mainstreaming Projects to establish impact and plan the way forward.



GENDER MAINSTREAMING

CLIENT IMPACT

Among the 15 companies, 14 are targeted to implement the programme. The table following summarises the status of the Gender Mainstreaming programme in each of the 14 client companies.

COUNTRY	COMPANY	NATURE	NUMBER OF EMPLOYEES	STATUS
Kenya	Kevian Kenya Limited	Bottling and distribution	120	Awareness training done in January. Needs assessment ongoing
Kenya	Valentine Growers	Flower production and distribution	800	Dropped out initially, but interest rekindled. Awareness in January
Kenya	Magana Flowers	Flower production and distribution	460	Good progress, awareness done, needs assessment finalised
Kenya	Steadman Kenya Limited	Service: Market research	6000	Awareness sessions held needs assessment process begun in January
Kenya	Innskor	Service: Hotel	450	Initial meetings held with management. Awareness session scheduled for February
South Africa	Biovac Institute	Pharmaceutical production	73	Awareness done, needs assessment ongoing
South Africa	Royal Sechaba	Food production	2500	Awareness done, needs assessment initiated, to be completed in February
South Africa	Ernst & Young	Service: Financial	2137	Research proposal accepted. Key structured interviews carried out, analysis ongoing
South Africa	Synovate	Service: Market research	1,500	Needs assessment done in December. Analysis ongoing
Ghana	Afrotropics	Cocoa production	105	Awareness done, needs assessment initiated and currently on-going
Ghana	Fiesta Royale	Service: Hotel	173	Awareness done, needs assessment completed. Report submitted
Ghana	Advans Ghana	Service: Bank	34	Awareness done, needs assessment completed. Report submitted
Cameroon	Buetec	Textiles production	75	Awareness done. Needs assessment done.
Cameroon	Biopharma	Pharmaceutical production	102	Awareness done. Needs assessment done

- Case Studies are being developed at all regional levels. Ernst and Young in South Africa is one good example, where the research proposal submitted by the service provider will unearth and document how they have managed to successfully implement and maintain a gender mainstreaming programme. Lessons learned will be invaluable for the rest of the companies because they'd be coming from an African company.
- The service providers are displaying creativity and related subjects such as change management, diversity and inclusiveness are being delivered alongside agreed objectives. This is seen clearly through the work being done by AMSCO's local service provider, for example at Magana Flowers in Kenya .
- A newsletter has been developed by a local service provider in Ghana, which is circulated among the three companies he is covering – FIESTA ROYALE, AFROTROPIC and ADVANS Ghana. This helps to share valuable information, de-mystify the concept and garner critical support for the programme.

A CULTURE OF CARING

Leading by example is core to AMSCO and it was in this context that the operational head office and regional Southern Africa office decided to run a work place peer educators programme. In December 2008, the office ran an awareness, counselling and voluntary testing workshop on HIV AIDS for all staff with an impressive 82% testing to know their status. A month later, in the new year, 7 staff members attended the peer educators programme. They took away knowledge with them that will be of benefit in the office, in the field and in their social lives.



LOCAL SUCCESSION

Hubert Lens (right) AMSCO manager (Managing Director) at Letshego Financial Services in Zambia with identified local successor, Anthony Matoka.

THE IMPACT OF AN AMSCO MANAGER FIRST AFRICAN COMPANY

CASE STUDY: First African Company (FAC)
COMMENCEMENT: October 2006
MANAGERS: Mr T. D. Venkatesh
SECTOR: Manufacturing
LOCATION: Cameroon

There is always debate about how much influence a soccer captain or an AMSCO Manager can have on the destiny of a team, or company. Yet this has been proven over and over with the likes of Zinedene Zidane and, in this case, the AMSCO Manager in this success story. First African Company is truly a success story featuring AMSCO as a main actor and catalyst through its involvement in the form of a competent Production Engineer and extensive training of the local staff.

A Cameroonian manufacturer of fruit juice, FAC sought AMSCO's assistance in 2006 when it was starting up its production. It produces fruit juices in sachets and plastic bottles under the license of Chicago-based Tampico Beverage. The company itself started operations in late 2005 with 35 employees including 5 females, mostly in clerical positions and peaked at a current total staff strength of 52 with 12 women, mostly in the commercial department and more importantly more than young 250 street vendors blanketing Douala and Yaoundé.

AMSCO recruited and seconded Mr T. D. Venkatesh in October 2006, an Indian industrial and production engineer, to complete the installation of the production equipment, to take charge of the production and to lead the training of the local staff.

On arrival, Venkatesh streamlined the production process, enhanced problem analyzing and solving skills of the staff and produced procedure manuals for each position. Ever so entrepreneurial, he added a night shift to meet demand and inculcated a work ethic and a sense of responsibility to a motivated staff. The ATMS Foundation provided support for the intensive training of the entire staff in marketing and HACCP (Hazzards Analysis and Critical Control Points). FAC has also started the process to receive ISO 9001 and 14000 certifications and this fits snugly with AMSCO's vision of helping African enterprises become globally competitive, profitable and sustainable.

Indeed, FAC surpassed its targeted revenues by 22% in 2006 (\$1.9 million) and was above budget by 27% a year later (\$2.7 million), thanks to the quality of its products and to the control of its production costs.

With proven quality comes increased demand and the company has embarked on a production capacity expansion plan to meet the rising demand in Cameroon and to supply Chad and Equatorial Guinea. A new facility is being installed and the current total direct staff complement has risen to 72 and 350 street marketers. The promoter is so confident about the improvement of the quality of FAC's staff, that he is in advanced discussions with IFC Cameroon to add a milk producing unit and a fruit-flavored water subsidiary providing further proof of AMSCO's continued relevance and impact on the African continent in a very competitive world.

During a recent visit to the Bayakh-Sangalkham site, an AMSCO Project Officer met with the family of a full-time laborer. For years, some of the local families had been living on a monthly income of roughly \$59 derived from the proceeds of the sale of peanuts and sorghum. Today, families are earning regular wages and their monthly revenue is in the order of \$590.



First African Company (Cameroon) a Food Processing Company which received intensive training in HACCP and is on its way to achieving ISO 9001 and 14000 certification has reported an increase in exports, a 27% total revenue increase within a year, a 90% increase in employment in 2 years and 350 indirect jobs created too.



THE IMPACT OF AN AMSCO MANAGER

BUCKING THE TREND - UAP INSURANCE UGANDA LTD

CASE STUDY: UAP Insurance Uganda Ltd
COMMENCEMENT: 1 December 2005
MANAGERS: Isaac Gunda, General Manager
 December 2005 - to date
 Denson Lunga, Head of Individual Life
 1 November 2007 - to date
SECTOR: Financial services - Insurance
LOCATION: Kampala – Uganda

BACKGROUND

UAP Insurance Uganda Ltd (UACL) is 51% owned by UAP Insurance Ltd (a limited liability company domiciled in Kenya) and 20 other individual shareholders who are mostly Ugandan nationals. It was incorporated in 1971 and commenced underwriting general insurance in the same year. In 2004, UAP Insurance Ltd acquired a majority shareholding effectively making UAP Insurance Uganda Ltd its subsidiary. Today the company is the second largest of 20 insurance companies in Uganda, second only to AIG Uganda Ltd. The company approached AMSCO in 2005 shortly after the acquisition to assist with the secondment of a General Manager. 2 years later in 2007 AMSCO was again approached to assist with the secondment of a Manager to the position of Head of Individual Life Insurance.

THE INTERVENTION

The AMSCO intervention at UAP Insurance Uganda Ltd included the following:

- Develop and implement appropriate strategies to help the company grow its business.
- Establishing a profitable life insurance division at the company.
- Streamline and manage the operations of the company to ensure cost effectiveness, efficiency and profitability.
- Develop and monitor the implementation of proper operating guidelines and policies in order to meet company's operations requirement and regulatory compliance.
- Ensure that the company has strong risk management and reinsurance processes that safeguard the interests of the company and its customers
- Ensure that the company's service standards are unequalled by competitors.

DEVELOPMENT IMPACT

- Grew revenues from \$7.5 million to \$9.2 million within 2 years.
- Profitability grew from \$(383,314) to \$1.9 million within 2 years.
- Premiums collected averaged 90% of turnover within 2 years and credit controls

function was successfully transferred into the operations department.

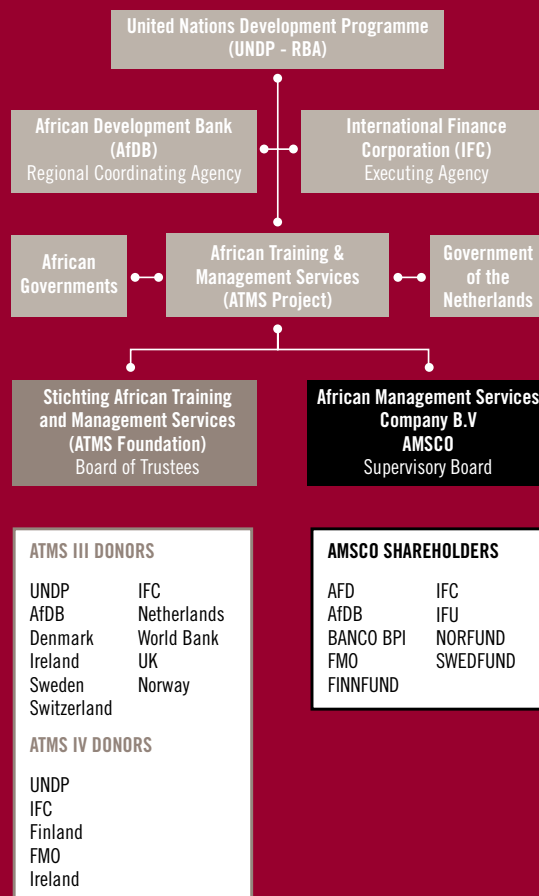
- The company has undertaken training of staff in the following areas: Technical Insurance 12 people, Life Insurance product 20 people, Advanced selling skills 54 people and team building 60 people.
- Improved cost effectiveness through savings in reinsurance to the tune of \$882,353, and increased underwriting capacity by 30%.
- Instilled culture of high integrity and ethical standards following the organizational restructuring and implementation of the new corporate image.
- Achieved the ISO 900:2000 certification and A+ credit rating from the Global Credit Rating Company.
- Introduced new products including oil & energy insurance, Unit linked retirement annuity, funeral assurance and sunset plan.

The impact of a service industry such as insurance goes beyond the bottom line, as the spectacular crashes elsewhere on the globe are very clearly demonstrating. Against this background, the success of this programme, therefore, underscores once again, the impact that the placement of AMSCO Managers has both on a company and in the economic life of a country.



Isaac Gunda, AMSCO manager steering the ship as General Manager

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