

FOR THE ATTENTION OF:

- Resident Representative, UNDP
- Country Director, UNDP
- Country Director, IFC
- Country Director, AfDB
- Chief of Protocol, Ministry of Foreign Affairs

The ATMS Project

The African Training and Management Services (ATMS) is a Regional Project of the UNDP, with the IFC as the Executing Agency and the AfDB as the Regional coordinating body.

The ATMS Project was initiated in 1989 with the aim of enabling African SMEs to become competitive, profitable and sustainable on the global market. It assists these companies by providing management and capacity building services over a period of three years or longer. It does this by seconding qualified, experienced, hands-on, professional management and related services to selected private companies and commercially operated public enterprises, with the aim of strengthening management teams while developing local management capacity.

The ATMS Project's ultimate goal is to leave in place locally managed businesses that are profitable, competitive, and sustainable and integrated into the international business community.

The AMSCO Project

The African Management Services Company (AMSCO) was also set up in 1989 to solely and exclusively implement the ATMS Project. AMSCO has its registered office in the Netherlands, and its operational Head Office in Johannesburg, South Africa. It also has Regional Offices in Kenya covering East Africa, Ghana covering West and Central Africa and South Africa covering Southern Africa.

AMSCO operates in nearly all the countries in the Sub-Saharan Africa and is entitled to certain diplomatic privileges as a project of the UNDP.

The Governments of Ghana, Madagascar and the Democratic Republic of Congo have signed the ATMS IV Project document.

The ANGOLAN Portfolio

There are currently Nine (9) AMSCO Projects in Angola, from various sectors, with approximately Fifteen (15) Managers seconded to these Companies.

Listed below are some of the sectors that AMSCO is involved in:

- Plastics and Rubber
- Industrial and Consumer Products
- Agriculture
- Food and Beverages
- Finance and Insurance

List of AMSCO Companies and Managers in Angola:

CLIENTS	SECTOR	SIZE	NO	MANAGERS	GENDER
Africa Swiss Trading	Industrial and Consumer Products	Small	1	Jose Regos	Male
Aon Angola	Finance and Insurance	Medium	1	Afonzo Gonzalez	Male
				Tiago Mesquita	Male
Fibrex	Plastics and Rubber (Industrial Products)	Small	1	Pete Gildenhuis	Male
Lonrho Springs	Food and Beverages	Small	2	Adriano Lamas	Male
				Luis da Silva	Male
Angola Capital Partners		Small	2	Tiago Laranjeiro	Male
				Ricardo Bittoni	Male
Banco Fomento de Angola	Finance	Large	1	Jose Garcia	Male
Imara Securities	Finance	Small	2	Estefania Jover	Female
				Anthony Lopez	Male
Global Alliance	Finance and Insurance	Medium	2	Derene Breytenbach	Female
				Sean Cummings	Male
Oustapan Angola	Agriculture-Foods	Medium	2	*Rohan Arora	Male
				Sanjay Lalwani	Male

Case Study

FIBREX

Sector: **Plastics and Rubber (Industrial Consumer Products)**

Size: **Small**

Number of employees: **83**

Location: **Luanda-Angola**

THE CHALLENGE

Fibrex is a privately owned business, manufacturing both PE and UPVC piping. UPVC is unplasticised polyvinyl chloride, a solid piping material whose characteristics of being light-weight, drug and chemical resistance and resistant to fluidity make it a better alternative to galvanized steel piping. PE Piping is polyethylene piping which is mainly used for water supply lines.

Fibrex was acquired by PLASTIP and DPI Plastics in 2007. DPI Holdings is a leading Southern African plastic pipes manufacturer for the industrial, irrigation, construction and mining sectors, with operations in South Africa, Botswana, Mauritius, Namibia and Tanzania, and PLASTIP is a plastics manufacturer with interests in Mozambique, Portugal, Brazil and Angola. The company operates out of facilities in Viana, 15 kms south of the capital.

While Fibrex was well established as the only reputable local manufacture in the market, the company was not operating at its optimum. This was largely due to the old technology and equipment in use, as well as poor management and marketing activities. Poor machinery performance also led to low productivity, and decreasing quality, exposing the company into risk of raw material importation amongst others business risks.

THE AMSCO SOLUTION

In January 2008, AMSCO seconded Mr P. Gildenhuis as Managing Director to assist the company in turning its non-profitable operations in to a successful one in both operations and bottom line. To assist him in March 2008 Mr. Andre Araujo was appointed as Marketing and Sales Director to complement the existing management team. During 2008 most of the energy was spent on turning the company around and returning good profits to the shareholders. Profit grew more than 3 fold in 2008/9 compared to 2007. In spite of increased competition, Fibrex maintained its market dominance. The quality products became ISO 9000 compliant; and the product quality standards improved. Improved credit terms as well as delivery to selected customers were put in place.



The AMSCO Impact

Existing Portuguese and Brazilian contractors continued to support Fibrex due to the improved product quality and improved output. However, much of the growth came from the emerging Chinese contractors who had previously imported the products that Fibrex manufactures. These contractors have grown phenomenally and three of Fibrex top ten customers are now Chinese contractors.

Another area of growth is the imported engineering products that compliment the range of Fibrex manufactured products. Fibrex has formed partnerships and has exclusive Angolan rights with manufacturers in South Africa and Portugal on a range of fabricated PVC fittings, high pressure polyethylene fittings and metal valves, fittings and flanges. The improvement in the quality of the product will ensure market penetration to the extent that Fibrex's target of reaching 4000 tonnes production in 5 years appears to be realistic.

In addition succession planning is key for the sustainability of the company. So far, extensive in-house training has been provided in the production unit and 21 people have been trained up to date, across the board. All the production operators are in the process of being trained in house in each of the identified processes. Although this is an ongoing process, the learning process has been very steep. The knowledge and skills of the process operators has improved significantly which has resulted in improved productivity and product quality. At the time of the AMSCO intervention the full accounting function was being outsourced. A Primavera ERP software package was purchased in order to control the entire function of sales, debtors, procurement, creditors, manufacturing and management accounting on site. Following a restructuring of the organization with the relevant recruiting, training commenced. A total of 960 hours of training was received in the areas of sales, expenses, salaries, human resources, production and accounting. The control of the entire function is now performed on site and the position of a Financial Director is occupied by a national professional. Today Fibrex is an efficiently and profitably managed business; and employs 83 workers of which 6 are female.

