

ATTENTION:

- 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 countries in the Sub-Saharan Africa and is entitled to certain diplomatic privileges as a project of the UNDP. Governments of Ghana, Madagascar and Democratic Republic of Congo have signed the ATMS IV Project document.

THE MOZAMBIQUE PORTFOLIO

There are currently five (5) AMSCO Projects in Mozambique, from various sectors, with approximately eight (8) Managers seconded to these companies. Listed below are some of the sectors that AMSCO is involved in:

- Transportation and Warehousing
- Information
- Construction and Real Estates
- Agriculture and Forestry
- Finance and Insurance

List of AMSCO Companies and Managers in Mozambique:

CLIENTS	SECTOR	SIZE	NO. AM'S	MANAGER	GENDER
Mozambique Airport Handling Services (MAHS)	Transportation and Warehousing	Small	1	Antonio Goncalves Baptista	Male
Spectrum Graphics	Information	Small	1	Kailas Sudam Shekatkar	Male
Pemba Sun Limitada	Agriculture and Forestry	Medium	2	Stephan Erasmus	Male
				Chandra van Heerden	Female
New Horizons	Agriculture and Forestry	Small	2	Alcedir Fachi	Male
				Vusi Mahaja	Male
AON Mocambique Limitada	Finance and Insurance	Small	2	Joao Oliveira	Male
				Ricardo Pires	Male

1st Case Study

SPECTRUM GRAPHICS LDA, MOZAMBIQUE

Sector: **Printing**

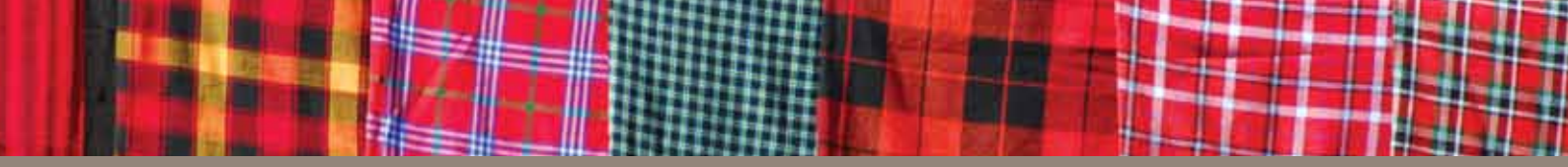
Number of employees: **75**

Location: **Maputo Mozambique**

THE CHALLENGE

Spectrum Graphics Limitada, ("SGL", "the Company") is a small sized printing company producing high quality stationery, advertising and educational material for the local market. SGL started its operations from a central facility in Maputo late 2006, with a total production capacity of 40,000 sheets per hour and sales of US\$1.3 million per year. The Company is managed by female entrepreneurs: Ms. Rawjee-Manji and Ms. N Lakhani, who ran Spectrum Graphics, Ltd ("SGL Canada") together for 16 years before moving their operations to Mozambique. In 1996, the Shareholders transferred their assets from Canada to Maputo and registered SGL Mozambique in 2005.

SGL secured loan financing from the International Finance Corporation's (IFC) Mozambique SME Initiative in 2008, to expand operations with the aim of becoming one of the best printing companies in Mozambique. The Company seeks, amongst other goals to particularly enter the textbook market for which there is a huge local demand for printing capacity. The textbook market has grown to 7 million units in the last two years due to the introduction of a new curriculum in basic (primary) education.



SGL's research is also now participating in a number of specialized products in the printing industry a new concept introduced in late 2008 in Mozambique. These products include the printing of special packages (several types of cardboard), very large print runs and high quality labels and computer forms. SGL's strategy is also to expand its operations in social campaigns. Due to the large volumes required and the tight delivery schedules of materials for HIV/AIDS prevention campaigns; currently the greater part of such materials is printed in South Africa. Smaller printing companies subcontract South African print shops to fulfill their order commitments in areas such as printing and packaging.

THE AMSCO SOLUTION (SCALE, MDG ONE AND THREE)

SGL is owned by female entrepreneurs and AMSCO seized the opportunity to support yet another project in pursuit of goal three of the Millennium Development Goals. After being approached by SGL in 2006, AMSCO went on to second a Press Trainer and Production Manager of Indian nationality in November 2006, who has helped the company increase its production capacity, quality and turnaround time and grow. Today SGL employs 75 people of which 55 are female. Furthermore the company reports a more profitable position compared to its previous years.

The Company has benefited from an ATMS Foundation training grant of \$84, 750 which has been a catalyst for all training programmes so far. All employees are trained regularly both in-house and off the premises. The training programs include courses such as; Client service, Quality Control Training (production techniques), Sales techniques, leadership development skills and people skills amongst others.



ABOVE: Out with the old. BELOW: In with the new.



THE AMSCO IMPACT

Breaking even 4 years ago, SGL was only a small printing company with little printing capacity to compete with the other printers in the market. AMSCO's intervention, coupled with the IFC finance for the recently acquired machinery, leveraged SGL's presence and mark in the market. Today Spectrum is ranked within the top 5 printers in the country and has increased its market share compared to its inception period.

The company boasts a client portfolio of 50 clients with diversified lines of business. It has anchored relationships with various government offices, private business, financial intuitions and schools. Their printing capacity has, since early 2009, increased to 80,000 sheets per hour and the company has a 5 colour printing machine. Only one other printing company makes use of similar equipment. The company reported sales figures in excess of USD 1,8 million in December 2008 financial year end. The company has a training plan already lined up for 2010 and is aiming to increase its sales figures to USD 2,5 million by its financial year end.



2nd Case Study NEW HORIZONS

Sector: **Poultry processing**

Number of employees: **98**

Location: **Nampula, Mozambique**

THE CHALLENGE

New Horizons Mozambique (NHM) was founded in April 2004 and started operating in August 2004 from a secured 300 ha farm, 18 km east of Nampula city; a province located in the northern part of Mozambique.

The start-up operation included: A 14 breeder house with a hatching capacity of a minimum of 5,000 to a maximum of 20,000 breeding chickens per week. The constructed hatchery facility would initially produce 8,500 chicks per week, which has now scaled up to 45,000 chicks per week. 15,000 chicks would be distributed to the farmers in the out growers' pilot project. Once these chickens reach a mature stage, the farmers re-introduce them the breeder house for the production of eggs.





The out growers pilot project started in Meconte district in June 2006 with 12 farmers and a 5 day course. In March 2007, the first roll out farmers were operating officially and today the numbers of farmers in the main out grower programme is 200. New Horizons has also rehabilitated the housing facilities on the farm and constructed several staff houses. In early 2008, this operation began to establish a poultry supply outlet in Nampula city; which was fully rolled out in late 2008.

THE AMSCO SOLUTION

AMSCO saw this project as an opportunity to empower the community and in particular created jobs for people in upcoming provinces such as Nampula. AMSCO seconded two managers; Mr. Vusi Mahaja of Zimbabwean origin and Mr. Alcedir Fachi of Brazilian origin who both have wealth of experience as Abattoir Managers. Together with a team of other diligent staff members, they were tasked to manage the company, turn it into a profitable entity, and pursue new opportunities thus taking the company to new heights.

The ATMS project has also provided training support to New Horizons in the form of an ATMS Foundation training grant of USD 60 000. So far 16 staff members have received training in Abattoir techniques, 15 in procedures and quality standards /control and further 5 in machinery such as hatchery/incubators operations. All farms in the out grower's project were also inducted with poultry sanitation, such as disease prevention and control. Additionally all staff members have received training in health safety measures and HIV/AIDS awareness.

New Horizons is further to train employees on courses such as electronic engineering & hatchery management for the breeding division. They have identified a young local man who has shown promising talent in this division. AMSCO has also facilitated leadership and supervisory skills training within the abattoir division of the project which was facilitated by a service provider based in Mozambique. Literally all the training is provided by local service providers

Below: Investing in capital equipment, the community through 200 out growers and jobs for locals

THE AMSCO IMPACT (SCALE, MDG ONE AND THREE)

New Horizons improved production levels are linked to AMSCO's intervention as well as the entrepreneurial skills of the shareholders. 5000 chickens are being dispatched per day to supply wholesalers and up to 60,000 being produced every month thus achieving scale. New Horizons additionally now employs 175 permanent staff members (50 non permanent) of which 99, 5% are of Mozambican nationality and 70% are female employees thus helping to achieve Millennium Development goals one and three. The above numbers have not only positively impacted on the company's profitability, but also on the morale of the community. None of the local staff had formal employment prior to this project being established in the area. New horizons declared no annual profits, but closed its financial year end 2008 at a break-even level. A milestone from the losses the company reported in 2006. The interim results for 2009 have already been reported to be profitable.

New Horizons is now the market leader in Poultry production. The company now supplies wholesalers and supermarkets in Nampula city. They also began to supply frozen chickens to a few supermarkets in Maputo, in early 2009. In a country where the majority of chickens consumed are imported from Brazil, the company is now part of many companies in Mozambique that promote the "Proudly Mozambican" products and plays an important role in uplifting the community and reducing poverty through its employment creation.

