ASSESSING THE IMPACT OF BUSINESS DEVELOPMENT SERVICE PROVIDERS ON THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES IN MAMPONG MUNICIPALITY

by

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DECLARATION

I hereby declare that this submission is my own work towards the MBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made to the text.

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ABSTRACT

The main objective of the study was to assess the impact of the activities of Business Development Service (BDS) Providers on the performance of Micro and Small Enterprises (MSEs) operating within Mampong Municipality. Data for the study were basically obtained from four categories namely, Private Financial Institutions, Non Governmental Support Organizations, Governmental Support Organizations and Micro and Small Enterprises. They were selected from four communities namely, Mampong Ashanti, Kofiase, Nsuta and Kwamang, comprising of 3 Private Financial Institution, 4 Governmental Support Organization, 5 Non Governmental Support Organization and 138 Micro and Small Enterprises. The data were obtained using questionnaire and interviews.

The findings of the research were that, most of the micro and small enterprises has tremendously improved on their Managerial practices ranging from Basic Record Keeping, Credit Management, and Customer Relation among other Managerial practices. Technical support in the form of transferring production techniques, machinery operation, and product quality development has been some of the technical skills training extended to these entrepreneurs.

In the light of these findings, it has been recommended that, needs assessment should persistently be conducted to ascertain the challenges confronting Micro and Small Enterprises, Monitoring and Evaluation of activities of Business Development Service Providers should be intensified and Financial Support granted to Entrepreneurs should be increased to meet their current needs.

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Dedication

To my lovely and warmhearted wife Mrs. Beatrice Osei - Asare and blessed children Akua Adomah Osei-Asare and Yaw Kwarteng Osei-Asare.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Nations have concentrated their efforts on building on their economic strengths through the process of rapid economic growth, which invariably rest on industrialization. It has been accepted that industrialization is a pivotal factor for achieving the desired economic development and entrepreneurship is one of the most effective device that foster industrialization. Entrepreneurship is therefore the backbone of the nation's development.

The vital aspect of growth in any country is the adequate and increasing supply of Enterprise. Development does not occur spontaneously because a nation is endowed with natural resources. A catalyst or an agent is needed and this requires entrepreneurial activity. In any Country, it is the entrepreneurs who are the prime movers of progress; engineers and managers of change, growth and development. In a developing country like ours (Ghana), Micro and Small Enterprises (MSE's) play a very important role in the progress of the economy. The Country relies on them to invest their money, knowledge, time and labour in the process of producing valuable goods and services. They re-invest profit locally which leads to wealth accumulation. It is the entrepreneur, through his business, who creates incomes which in turn help break the poverty cycle.

In Ghana, MSE's have been instrumental in helping the Country achieve its developmental objectives such as reducing poverty and assisting those who are disadvantaged; promoting employment, providing linkages with suppliers and consumers, promoting a more flexible and innovative production system and ensuring an availability of goods and services in the market. Micro and Small Enterprises contribute about 45 percent to the Gross Domestic Product (GDP) of the Country over 50 percent of Ghana's employment comes from these entrepreneurs who participate in the strategic development of the Country with respect to:

1. Continuing to be the training ground for indigenous entrepreneurs
2. Mobilizing capital which could not otherwise be generated
3. Employing more people for smaller amount of capital than large industries
4. Utilizing indigenous technology and learning new and appropriate technologies
5. Contributing to decentralization of industry
6. Furthering competition with foreign and large entrepreneur's using local resources and thus conserving foreign exchange
7. Catering for the basic needs of the poor and contributing to more equitable distribution of income and wealth

These are notable and significant contribution that would easily persuade anyone to consider this sector as crucial to economic growth and development, and also as a source of income from employment creation. The MSE sector is therefore considered as one of the emerging and fastest growing and increasingly dominant employment sector in Ghana.

Business Development Service (BDS) providers appreciate the significant role of these MSE's hence their effort to provide needed services to improve on their activities. Private Financial Institutions, Business Consultants, Government Agencies such as National Board for Small Scale Industries, Metropolitan Assembly's, Municipal Assembly's, the District Assembly's, Non - Governmental Organisations such as World Vision, Ghana, as well as other stakeholders in the development of these entrepreneurs provide solutions to the problems facing the sector. Services provided by these Business Development Service (BDS) Providers includes Managerial Training, Technological Assistance by developing and providing basic technology to support their production processes, financial assistance, trade linkages such as export promotion services are some of the services provided by these (BDS). Activities of these Business Development Service providers can be categorised into two main groups. These are Financial Assistance and Non Financial Assistance. Financial assistance comprise offering of direct support services to these MSE's in the form of working capital, equipment and machinery support, equity financing as well as other quantifiable inputs that are used in the production process. Non Financial support services provided by BDS include creation of market opportunity in the form of Trade Fairs and Exhibitions, Managerial Training in Customer Relation, Financial Management among others. These interventions provided by these BDS needs to be assessed to ascertain their impacts in the industry within Mampong Municipality.

According to National profile of Ministry of Trade, Industry and Presidential Special Initiatives (MOTI & PSI), (2002), National Board for Small Scale Industries (NBSSI) is the apex governmental institution for the promotion and development of the Micro and Small Enterprises (MSE) sector in Ghana. It was established by an Act of the Parliament of the Third Republic of Ghana because government views the sector as having the potential to contribute substantially to reducing the high unemployment and to the growth of the economy of Ghana. MSE's account for a significant share of economic activity in Ghana and can play an important role in achieving the development goals for the nation. The profile of the Mampong Municipal Assembly formerly known as Sekyere West District, has it that the Municipality is located on the northern part of the Ashanti Region with a land size of 2346 km. The population is 143,206 (2000 population census) with a growth rate of 1.4%. The District Capital is Mampong Ashanti which comprise of some major towns which includes, Kwamang, Kofiase, Atonsu and Adidwan. The vegetation is secondary forest and savanna transition. The rainfall pattern annually is between 800 and 1500mm. 80% of land area is used for small scale farming.. The Municipality consists of 111 primary schools, 60 J.S.S., 4 S.S.S, 2 teacher training colleges and 1 university campus. Doctor-Patient ratio is 1:13,048. The District Guide published in 2006 indicated that, Small-Scale Enterprises sector consist of 51% agro-based, 18% Wood based, 17% textiles, 11% services and 3% metal based.

1.2 STATEMENT OF THE PROBLEM

The growth of Micro and Small Enterprises has been a major challenge to the Development of the Country. Several Business Development Service Providers (BDS) undertake numerous activities to support Micro and Small Enterprises (MSE's), yet their activities and impact can not be fully assessed. Most MSE's are faced with Managerial inadequacies such as improper record and financial keeping, poor marketing and customer relation, limited attitudinal and behavioral change are some of the organizational problems that confront these MSE's. Advances and access to technology is one of the major set back to the success of these entrepreneurs. Most entrepreneurs are still adapting to crude method of manufacturing which limit their level of production and prevent them from maximizing needed profit. This has created inefficiency and raw material wastage in their production. In this current competitive market it is important that adequate technological facilities and advanced method of manufacturing are incorporated in the production of quality services and products.

The absence of self sustaining and consistent Government Polices, industrial development polices such as formation of industrial cluster, industrial free zone, and inland ports are all issue of concern. Agriculture development policies such as supply of adequate farming technology and inputs, provision of subsidies, storage facilities are all issues of concern that needs to be addressed. Lack of private sector participation policies are all contributing factors to the slow development of these Micro and Small Enterprises. Bureaucracy and over regularisation in the industries with respect to securing licenses for Micro and Small Business operation, licenses for industrial operation, and permits for producing certain products are all factors that impede the growth of the industry. Clearing of goods from the port as well as processing of export documentations are all issues that also needs to be addressed. Another very undermining condition that influence negatively the growth of these MSE's is the effect of unguided or over liberalisation of the economy where the importation of foreign goods and services compete with our local products. This put pressure on our local MSE's in the form of efficiency, price, quality, cost control, marketing expertise, and customer satisfaction among others. These aforementioned issues are the major constraint affecting the growth of the local Micro and Small Enterprises within the Mampong Municipality in the Ashanti Region. It is also sad to note that; most of these Business Development Service Providers operate with little supervision hence their inability to achieve set objectives. They tend to take advantage of the situation and undertake activities to their interest. It is in this regard that these aforementioned problems are established.

1.3 RESEARCH OBJECTIVES

The research objectives that guided the research are as follows;

1 To identify the various Business Development Service Providers operating within the municipality

2 To evaluate the impact of Technical Support Services provided by Business Development Service Providers.

3 To assess the type and impact of Managerial Support provided by Business Development Service Providers to Micro and Small Enterprise within Mampong Municipal Assembly

4 To examine the level and amount of financial support services provided by Private Financial Institutions to Micro and Small Enterprises

1.4 RESEARCH QUESTIONS

The research questions that would guide the researcher are as follows;

1. What are the difficulties related to the application of assistance from Business Development Service Providers?
2. How affordable are interventions provided by Business Development Services providers to Micro and Small Enterprises?
3. How has Business Development Services improved on activities of MSE's?
4. What are the future prospects of MSE's in the Ghana?
5. How beneficial are Managerial and Technical training offered by Business Development Service Providers?

1.5 SIGNIFICANCE OF THE RESEARCH

The importance of this study is in relation to the impact of Business Development Services providers on the performance of Micro and Small Enterprises in the Mampong Municipality. The results of this research would properly inform various stakeholders in the industries the current conditions of Micro and Small enterprises and their level of growth in relation to their performance. Through the research specific needs of these MSE's has been established from which appropriate activities were identified to address these needs.

The research has serve as a guide to policy makers and various stakeholders in the development of Micro and Small Enterprises to enable them provide tailor - made business development services to improve on the lot of MSE's in the Municipal which contributed to the growth and development of the local and national economy.

1.6 DELIMITATION OF THE RESEARCH

The study did not cover the entire scope of activities of business service providers on Micro and Small Enterprises. It was restricted to Financial and Non Financial services provided to MSE's operating within the municipality in that, these are the two major activities of business development service providers.

1.7 LIMITATIONS OF THE RESEARCH

Administration and collection of questionnaires was very difficult for the researcher in that most of the respondent were reluctant to give information for the fear of paying high taxes. Identification of the various Business Development Service providers was also a difficult task. Their office locations were poorly sited. Most of the offices contacted had not properly managed and kept their records hence difficulty in ascertaining and retrieving the needed information.

The major setback of the research was the traveling distance and time engaged. Limited research centres at Mampong Ashanti also compiled the researcher to travel to Kumasi almost every day to seek further references. Information and Research materials on this subject were also hardly to access.

SUMMARY

This Chapter comprises the background, which, focuses on the insight into the research, the Problem Statement Based on which the research has been carried out, the objective of the research and the research question that were carried out to solicit the views of the population. Significance of the research, delimitation as well as limitation of the research all forms part of this section.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This Chapter discusses the various views on Business Development Service Providers on Micro and Small Enterprises. The literature review is therefore, basically, about the theoretical and empirical views about assessing the impact of Business Development Services (BDS) on the performance of Micro and Small Enterprises (MSEs) operating within Mampong Municipality.

Sandeep Ghosh (2001) "MSE demand for commercial non-financial business services in Ghana" stated that Ghana's economy is essentially agro-based, primarily rural and dominated by MSEs of diverse types. A study by United States Agency for International Development (USAID), (1994) had revealed that the MSE sub-sector accounts for 60% to 70% of domestic production of Ghana, the study also shown that 84% of this sub-sector is located in the rural areas and is informal in nature.

Furthermore, National Board for Small Scale Industries (NBSSI), the umbrella Organisation for MSEs in Ghana, in its 1997 report had affirmed that in terms of number of business establishments and people employed, the MSEs constituted a sizeable proportion of the commercial sector in Ghana with huge potential markets for products and services as well as technology transfer. It is believed that in Ghana, Micro and Small Enterprises employing between 1-20 people accounts for over 60% of the total formal and informal employment within the manufacturing, services, construction and transport sectors. It is deemed necessary that in order to enhance their production capacity, marketing capabilities, employment potential, and value addition to existing products, and wealth creation, these MSEs would need to outsource commercial non-financial business development services. To determine the scope of formulating a Country's programme to this effect, one does not only facilitates this process but also promises to value-addition to the existing range of offers by local business development service providers.

2.1 ASSESS, IMPACT, SERVICE, PROVIDERS, DEVELOPMENT, MICRO, SMALL, ENTERPRISES AND PERFORMANCE

The meaning of the various words that formed the research topic was defined by different writers, the first word reviewed was;

2.1:1 Assess

BBC English dictionary (1992), explained "Assess" as a means to evaluate or estimate the nature, quality, ability, extent, or significance of product or service; e.g. "I will have the family jewels appraised by a professional"; appraise, evaluate, valuate, value, measure. The Free dictionary by Farlex (2004) considered assessed, assessing, assesses as to estimate the value of (property) for taxation, to set or determine the amount of (a payment, such as a tax or fine), to charge (a person or property) with a special payment, such as a tax or fine, Sports to charge (a foul or penalty) against a player, coach, or team. The Law encyclopedia (1997) defined "assess" as to determine financial worth, to ascertain the amount of damages, to fix and adjust the individual shares to be contributed by several persons toward a common beneficial objective in proportion to the benefit each person will receive, To tax by having qualified experts estimate the value of property by considering the nature of the property, its size, the value of other comparable property, and the proportionate share of services that is used by that property. To levy a charge on the owner of property that has been improved at the expense of the local government unit, such as when sewers or sidewalks are installed.

2.1:2 Small

Small according to the revised Longman dictionary (2001) defined "small" as limited or below average in number or quantity or magnitude or extent, example "a little dining room"; "a little house"; a small car"; "a little (or small) group";" a small Voice.

2.1:3 Service

The Webster's Revised Unabridged Dictionary (1998) stated that "service" is work done by one person or group that benefits another, e.g. budget separately or goods and services. A company or agency that performs a public service; subject to government regulation. "Service" is a word used constantly; the word service has an impression on many people. For example; people who work as lifeguards view their work as a service to the community. Naturally, based on working as a lifeguard their definition of service would be an action beneficial to the well-being of others. Not surprisingly, a similar definition was found in the Oxford English Dictionary (OED) as "the action of serving, helping, or benefiting; conduct tending to the welfare or advantage of another; condition or employment of a public servant; friendly or professional assistance. Furthermore, in Webster's Ninth New Collegiate Dictionary (2003) "service" is described as "the occupation or function of serving others.

2.1:4 Performance

Adrian Savage (2007) indicated that "performance" as some people say is getting the job done, Producing the result that you aimed at, Nothing else matters. There are no prizes for coming second. The act of performing; or doing something successfully; using knowledge as distinguished from merely possessing it; example, they criticised his performance as a mayor. Savage states that experience generally improves performance".

2.1:5 Impact

The Webster's Revised Unabridged Dictionary (1998) dictionary further defined "impact"; as the striking of one body against another or a forceful consequence; example, the book had an important impact on my thinking" influencing strongly.

2.1:6 Micro

Micro was explained by the Oxford Dictionary (2003) as extremely small in scale or scope or capability.

2.1:7 Business

Business was interpreted by the BBC English dictionary (2006) as a commercial or industrial enterprise and the people who constitute it; example, he bought his brother's business; example, a small mom-and-pop business, example, a racially integrated business concern. The business dictionary (2004) described business as the activity of providing goods and services involving financial and commercial and industrial aspects; example computers are now widely used in business. From Wikipedia, the free encyclopedia a "business" also called a firm or an enterprise is a legally recognised organisation designed to provide goods and or services to consumers. A firm is an organisation that uses resources to produce a product, which it then sold. Businesses are predominant in capitalist economies, most being privately owned and formed to earn profit to increase the wealth of owners. The owners and operators of a business have as one of their main objectives the receipt or generation of a financial returns in exchange for work and acceptance of risk. Notable exceptions include cooperative businesses and state-owned enterprises. Socialist systems involve government agencies, public, or worker ownership of most sizable businesses. Mark Kaiser (1998) says that the simplest definition of "business" is you solve a customer's problem and create sustainable profits over time. Anyone with vision should understand the problem they're solving. The problem with business today is that people think the meaning is about building a monument to yourself. The meaning of business is having an impact on people's lives.

2.1:7 Enterprise

The Oxford Dictionary (2003) mentioned that, "Enterprise" is a purposeful or industrious undertaking especially one that requires effort or boldness; example. he had doubts about the whole enterprise an organisation created for business ventures; example, a growing Enterprise must have a bold leader.

2.1:8 Provider

Webster's Revised Unabridged Dictionary (1998) explained that Provider is someone whose business is to supply a particular service or commodity example, a supplier or someone who provides the means for subsistence.

2.1:9 Development

ARdictionary (2006) has three (3) main definitions for development; Development 1: the act of developing or disclosing that which is unknown; a gradual unfolding process by which anything is developed, as a plan or method, or an image upon a photographic plate; gradual advancement or growth through a series of progressive changes; also, the result of developing, or a developed state. Development 2: the act of improving by expanding or enlarging or refining example, He congratulated them on their development of a plan to meet the emergency. Development 3: the act or process of changing or expanding an expression into another of equivalent value or meaning.

Jose Mathew (2008) indicated that, Development is a process, not a level. It is a path to achieve certain goals. There is no consensus among economists as to what constitute economic development. Economists who looked at development from structural change angle define economic development as economic growth with structural change in favour of non-agricultural activities. Some economists emphasized the need for institutional changes to bring about structural transformation. By institutional changes they ment facilitating institutions like appropriate policies, systems of governance, markets and attitudinal changes.

2.2 BUSINESS DEVELOPMENT SERVICES (BDS) IN GHANA

According to Support Programme for Enterprise Empowerment Development (SPEED) Ghana (2007) explained Business Development Service (BDS) as any non-financial services that are used by Micro and small Enterprises (MSE's) to operate and develop their businesses. There is a wide range of BDS in different fields, such as creating access to market, managerial and technical assistance, technology and product development, input supply, infrastructure and communication, and advocacy. SPEED Ghana supports the development of the BDS market, which means that its support goes to the providers of BDS and also to the sensitization of MSE's about the use of BDS towards the improvement of their business. The BDS component of SPEED Ghana pays special attention to the BDS markets in selected value-chains, being tourism, wood products, natural plant products, garment & textile, and ICT (information and communication technology). Here development objectives are optimally met; geographical outreach; high contribution to value-adding; good potential for export promotion; high benefits for women entrepreneurs and workers, etc. This confirms the fact that activities of Business Development Services (BDS) providers can be categorised into Financial and non Financial services.

A working paper (2) on International Best Practice in Micro and Small Enterprise Development by ILO/UNDP project, 2007 states that, Business Development Services (BDS) providers refers to the provision of information, knowledge and skills, as well as advice on the various aspects of a business. This definition of BDS implies a conscious action performed by the service provider for the benefit of the receiver of the service. Thus, the action of an individual using savings for establishing a business may not be considered as a financial service. Similarly, information obtained inadvertently by an entrepreneur example, from a supplier of materials may not be considered as "information service". This is an important distinction that is not made by some practitioners who tend to use the term Business Development Services whether a service provider is involved or not. BDS are provided to help owners of enterprises get new ideas on how to improve their business through, for example, increasing productivity, reducing production costs, or accessing a more profitable market. These services include the transfer of information in various forms through, for example, consulting services or special events example exhibitions and trade fairs. The impact of this category of BDS depends on how the owners of enterprises make use of the new ideas. Business Development Services may also be required for the establishment and operation of an enterprise. Services required in this instance may include legal services example, registration of the enterprise, training of owners and workers, special laboratory services for testing goods produced by the enterprise, and assistance in arranging contracts with larger firms.

The working paper (2) by ILO/UNDP (2007) further mentioned that, formal BDS are those provided through special arrangements, conditions or contracts between a Business Development Agency (BDA) and the owner of the business. They include services provided by public and private sector organisations, private sector consultants and consulting firms, as well as services specifically included in a contract between the owner of the enterprise and a supplier or contractor. These services may be provided free-of-charge or for a fee. Informal BDS are those that are not provided by service providers. They include information and advice provided by the relatives, friends or employees of the owner of the enterprise, as well as those services provided in the context of normal commercial transactions with suppliers, clients or contractors. Informal BDS also include information obtained from media programmes example, radio and television. These services are usually obtained free-of-charge. In many situations, these are generally the most important sources of BDS used by

MSE's. The working paper (2) on international best practices on Micro and Small Enterprises development by ILO /UNDP project (2007) goes to confirms the accession made by Speedghana, that Business Development Services includes the provision of information, knowledge, skills and advise on various aspects of business and further states that their activities are in collaboration with other Governmental and Non Governmental Business Development agencies such as National Board for Small Scale Industries (NBSSI), Association of Small Scale Industries(ASSI),.Association of Ghana Industries (AGI) among others. It further supported the idea that Business Development Service providers can be categorised into financial and non financial service providers.

2.3 CHALLENGES OF BUSINESS DEVELOPMENT SERVICE PROVIDERS

David Stanton (2001) says that, there has been considerable change in the approach of agencies to BDS over the last few years. Although consensus may not be the appropriate phrase, it is the case that manifested in donor guidelines, in intervention designs and practice and in debate and thinking that BDS field has changed significantly. However, as BDS market development has become more accepted and as experience has shown, so different aspects of the approach have appropriately become more open to examination, from which a range of challenges has emerged to confront agencies. The market facilitation task acting as a bridge between the objectives and procedures of development agencies and those of business is not one that lends itself to rigid, formulaic approaches. Critically, it requires getting and developing the right people, developing the right offers, understanding and using the right analytical and implementation tools and ensuring that approaches are consistent with analysis. For facilitation to be effective it must be shaped by sound market understanding; intervention designs need sufficient flexibility to permit this to happen.

Agencies have usually separated business services interventions from interventions to promote commodity and product markets. Increasingly, it is recognised that a practical understanding of these markets requires that the services within them are considered fully. It is perfectly valid to focus on more conventional generic business services that have broad application across different industries accountancy, legal, management and consulting. Equally, connecting business services to strategic sectoral trends can offer the opportunity for major impact particularly in weaker geographic areas where the range of economic activities is typically linked to a small number of sub-sectors. Often this means focusing on specialised services or services contained embedded within other commercial transactions or relationships, which are especially important within sub-sectors. The implication and challenge here is to ensure that service market development thinking is central to sectoral development programmes, whether those sectors be agricultural commodities, manufacturing industries, financial services or indeed factor market.

The report from David Stanton and Richard Boulter (2001) "Getting Realistic about Creating Financially Sustainable" indicated that in most developing countries, where Business Development Services (BDS) markets are under-developed, demand for such services is weak and clients' willingness to pay is low. Despite this, donors continue to press BDS providers to make their services fully financially sustainable, particularly through the collection of user fees. This goal is in most cases unrealistic. Achieving financial sustainability in BDS should not and cannot be based on fee income alone. Instead, donors should take greater account of market conditions in developing countries both for commercially funded BDS, and for other public and private sector funding.

The issues of commitment fee paying by beneficiaries of services from Business Development Service providers is a major challenge that BDS are confronted with. In the 2004 annual report of National Board for Small Scale Industries was indicated the low commitment fees generated from service provided to Micro and Small Enterprise is undermining the activities of Board.

2.4 INTERVENTIONS OF BUSINESS SERVICE PROVIDERS

According to Jonnie Akakpo (2008) Resident Advisor of learnlink, in his report on "community learning centres" Chapter 13, said; LearnLink, Accra, Ghana has established three pilots Community Learning Centre's (CLCs) in Ghana. These are in Kumasi, Accra and Cape Coast. Kumasi, in the south-central part of the country, is the ancient capital of the Ashanti Kingdom. It is Ghana's second largest city, with a population of almost 1.5 million, and is a bustling commercial, transport and cultural centre and home to one of Africa's largest markets. Accra is Ghana's seaside capital, with many major Organisations, educational institutions, industries and places of entertainment. It has a population of 3.5 million, and another 500,000 to 1 million people commute daily into the city to work. Cape Coast in the Central Region was traditionally a petty trading, cottage industry and fishing community. Today, many of its 800,000 residents are employed in government, education and tourism. According to Jonnie Akakpo, the LearnLink project goes beyond merely offering basic ICT services. It aims to set up the CLCs to be "learning laboratories," centre's where elected officials, municipal managers, Non-Governmental Organisations (NGOs), students, teachers, business people and others in the community can develop their knowledge and skills through Internet based courses, Web access and sharing experiences face-to-face and online, building their capacity to handle the multitude of development issues they are currently facing.

Ecorys Research and Consulting in their draft document (2006) to the Ministry of Trade and Government Special initiative on Ghana MSME project indicated that the Micro Small and Medium Enterprises (MSME) Project is designed to enhance the levels of competitiveness and employment in Ghana's MSME sector. This objective is to be achieved through specific interventions that aim at

1. Building an enhanced and integrated market access and trade facilitation infrastructure.
2. Supporting entrepreneurship development.
3. Strengthening the capacity of service providers to deliver sustainable financial and non-financial services to MSMEs,
4. Developing an enabling environment for investment and productivity in the SME sector.
5. Enhancing the capacity of Government to formulate or effectively facilitate the development and implementation of objects.

It is within this context, that a specific intervention under the Access to Markets and Trade Facilitation Component of the MSME Project is to select priority industrial sectors, including those with high export potential, and analyze the opportunities and challenges in these sectors and address them through enhanced value chain integration. This is also expected to provide information for strengthening policy and improving project development and implementation, in key areas such as "District Industrialization".

2.5 THE FUTURE PROSPECTS OF MICRO AND SMALL ENTERPRISES (MSE's) IN THE GHANA

The World Bank Board in its press release January 6, 2006 indicates that the Directors of World Bank has approved a credit of US$45 million to support the implementation of Ghana's MSME Project which forms part of a broader poverty reduction and private sector development strategies of the Country. Most businesses in Ghana fall within the category of Micro, Small and Medium Enterprises, and with an employment capacity of close to 70% of the Ghanaian labour force. They range from farming activities, agri-businesses, light manufacturing, art and craft, textiles and garments, tourism, financial services, construction business, carpentry, just to mention a few. But due to lack of adequate attention and support, the growth of these MSMEs has suffered a great deal over the past decades, resulting in the shifting of focus from entrepreneurship to a proliferation of petty trading nationwide. The Project, therefore, aims to invigorate entrepreneurial activities at all levels, thereby promoting growth, employment generation and reducing poverty levels. It also seeks to build an integrated market access and trade facilitation infrastructure while proactively inculcating competitiveness among enterprises. The project is also expected to develop and strengthen, on a sustainable basis, the capacity of local intermediaries to deliver financial and non-financial services to MSMEs and ensure that MSMEs make productive use of these services. The World Bank's Country Director for Ghana, Mats Karlsson, said: "Growth and employment in Ghana are directly linked to the growth of MSMEs. I hope that with this Project, Ghanaian banks will be more able to link up to Ghanaian businesses for more investment and private sector jobs. For the World Bank Group, this is the future. The Project comprises of three mutually reinforcing components, Access to Finance- significantly improving small and micro enterprises access to finance, thereby fostering their growth, competitiveness and employment creation. Access to Markets, Trade Facilitation and Entrepreneurship Development - help reduce operational, technical and regulatory barriers to markets. Project support will focus on the development of a market of non-financial services to MSMEs through building attainable delivery capacities for local service providers and other private sector and trade development support structures.

Another key prospect to the development of micro and small enterprises development in the Country is the establishment of business incubators which would serve as a training and business development centre for entrepreneurs. This vision has been made possibly by Corporate Service Corps which is collaborating with the Ghana Multimedia Incubator Center (GMIC), part of the Ghanaian Ministry of Communications, the United Nations Development Programme (UNDP) and the Kwame Nkrumah University of Science and Technology (KNUST) to drive business growth in Ghana. IBM is helping the organizations launch the country's first Pre-incubation Center for business development and offering workshops to prepare students and women entrepreneurs for careers in technology and business. The Pre incubation Center is a testing ground for new business ideas involving collaboration technology. "Together, IBM, GMIC, KNUST and UNDP are driving business growth in Ghana," said Prof. Dr. K. Dontwi, Dean, Faculty of Science, KNUST. "We are nurturing future generations of business owners in Ghana, making sure they have the skills needed to succeed by providing support when it matters the most, at the beginning." The commercially viable ideas will be refined and the students will receive specialized business training to develop the concept. Upon graduation, the selected projects will move to the three-year incubation program at GMIC. During this program they will receive funding and support from GMIC, the Government of Ghana and the UNDP to launch the product or business. As Ghana continues to develop its IT infrastructure, the demand for qualified technology professionals is growing. To help students and faculty prepare for these opportunities, IBM is providing a series of training sessions. The workshops will help students prepare for careers in the technology and business sectors through training on job search skills, interview techniques and resume building. IBM also hosted a special workshop for female faculty and students. IBM Corporate Service Corps participants from five different countries shared their experiences on the challenges women face balancing career and family life. A representative from the Ghanaian Ministry of Women and Children discussed the importance of mentoring and several leading Kumasi businesswomen shared their success stories. In addition to the work with GMIC and KNUST, the IBM Corporate Service Corps is working with the following organizations in Ghana: Aid to Artisans Ghana (ATAG) - IBM is working with ATAG to develop the strategic direction of the organization, create and deliver workshops for artisans, producers and exporters and enhance marketing and communication materials. Association of Ghanaian Industries (AGI) - IBM is working with AGI to help re-vitalize the services AGI provides to its Ashanti/BA region members. IBM is also working with AGI to assess the feasibility of establishing an oil seed association and assessing the need for supply chain marketing start up companies in this industry. According to the head of Business Advisory Centre in Kumasi, National Business Small Scale Industries (NBSSI) is working with IBM to develop a financial skills certification training program for Micro and Small Enterprises in Ghana.

Vinod Anand (2008) states that the informal sector has gained good market hold via an expansion of previously small firms most of which, grow without any support of public authorities. They thrive due to reliance on indigenous resources, family ownership and unregulated markets. Vinod, indicates that there is enough evidence to support the hypothesis that a good number of micro and small enterprises within the informal sector have achieved their current market position via an expansion of previously tiny and micro small firms. He indicates that such expansion implies the units have grown qualitatively in terms of horizontal growth, diversification and modernisation. Vindo, further states that a number of micro and small firms have tremendously grown into larger firms by going public or where venture capitalist take part of their operational activities, according to Vindo, example of such success firms is the story of omega that began in 1848 with a clock assembly workshop in La-Chuak-De Fonds (Switzerland) in 1979, it switched to manufacturing of watches, it became the larges Swiss watch company with 600 employees and production of 100,000 pieces. It went on expanding and omega has become one of the best watch manufacturers in the world. It is through such initiatives that Ghana venture capital fund has been established to support the activities of micro and small enterprises.

2.5 DIFFICULTIES IN APPLICATION FOR ASSISTANCE FROM BUSINESS DEVELOPMENT SERVICE PROVIDERS

The steering committee of Business Sector Development Fund (2000) (BUSAC) has indicated that the difficulties related to the application of support services have led to the establishment of Business Sector Advocacy Challenge Fund (BUSAC). BUSAC aims to make an impact by enabling the private sector, including business membership organizations, trades unions and media, to influence public policy formulation by undertaking appropriate research, developing evidence based policy positions and advocating those positions with government and other private sector institutions/organization that may be targeted by the action. According to the steering committee BUSAC was originally launched by DANIDA as part of the broader Business Sector Programme Support but now attracts support from DFID (which is pooling its support through an arrangement with DANIDA and USAID (which is willing to support export related advocacy projects). The arrangement to involve DFID and

USAID is covered under a Memorandum of Understanding agreed and signed in March 2005. The Fund is accessible through a competitive demand-driven mechanism and transparent selection of the best advocacy actions proposed by associations within the Private Sector micro and small scale enterprises. The fund seeks to ; strengthened capacity of representative organizations of the Private Sector to advocate for pro-business sector reform in Ghana (and in the long run support the Ghanaian economy and thus contribute to Poverty Reduction). The fund would also help the improvement of the Private Sector, by assisting to remove bottlenecks and difficulties that micro and small scale enterprises are facing at all levels of administration but also within the Private Sector itself; and broadened public understanding of the role of businesses in the society. In furtherance to difficulties in application for support from BDS a report from Empretec (2007) Business Forum on National dialogue on difficulties in accessing finance for development of SME's in Ghana indicates that, SME's in Ghana generally, complain bitterly about the lack of access to finance support from the banks, whereas the banks also complain about the problems and risks they endure when dealing with SMEs. Through research studies, the views of SMEs and financial institutions across the country were collated and discussed at workshop sessions for selected representatives of SMEs and the financial institutions in Accra and Kumasi .

According to R. Hinson, the Executive Director of EBF, a major feature of these workshop sessions was the fact that, though all the financial institutions were invited and expected to be part of the workshop discussions, only a few of these institutions responded to these invitations. Also in all instances, the calibre of personnel that represented the institutions were not persons in the decision-making management positions. The various positions of SMEs and that of the financial institutions with respect to business financing through this action, are now very clear, even though the differences are still quite wide. However, through this EBF initiative, there has been some movement from both sides of the divide, towards each other. The SMEs have recognised the need to develop capacity to meet pre-requisites demanded by financial institutions; and some Banks such as Ecobank, Barclays and Standard Chartered have now developed packages that help SMEs meet their demands prior to receiving financing support. Amalbank also, in collaboration with AGI has also developed a package for SME financing. This reality notwithstanding, no single bank or financial institution has taken any special interest in the outcomes of this advocacy action. Unique Trust Financial Services was very accommodative of the positions of SMEs during informal discussions, but failed to demonstrate this accommodation at any of the formal discussions and dialogue held as part of this advocacy action. The Government's 2006 budget shows a lot more about SME support, it is therefore important that adequate steps are taken to ensure that difficulties related to the application of financial assistance from business development service providers are minimized if not eliminated.

To support this argument, a report published in the Suame Magazine June (2007) indicates that the Suame Industrial Estate accommodates small-scale engineering-based Industries with a working population of over 200,000 as the largest informal sector village, skills training and employment centre in Ghana. It is currently the largest cluster-based industrial Estate in sub Saharan Africa, yet the estate has never benefited from any major support from government and development agencies in the form of modern technological best practices, credit facilities, policy support in the promotion of their technological products, health education (given the health risk and chemical usage of its activities), the use of street children as apprentices, welfare and management workshops and etc, since its establishment in 1926 due to difficulties related to the application for assistance support from business development service providers.

2.6 THE ROLE OF BUSINESS DEVELOPMENT SERVICES (BDS)

Ferry Finngen (1999) on international best practices of micro and small enterprises established the role of the private sector in BDS provision; private sector organizations should promote a broader membership base to increase the representation of MSE's. They should take measures to strengthen, expand and diversify linkages between all sizes and types of enterprises. Larger firms should be encouraged to review their current strategy for growth to determine whether such strategy pays sufficient attention to possibilities for expanding and strengthening linkages with MSE's, and improving the business performance of their "smaller" (MSE) business partners. These guiding principles are based on international best practice in the delivery of quality business Services to Micro and Small Scale Enterprises. Several practitioners have shared their experiences and ideas at a series of workshops and other similar events over the past few years. The driving force behind these guiding principles is the Committee of Donor Agencies for Small and Medium Enterprise Development, which is made up of a large number of international donors, UN agencies (including the ILO) and international NGOs. These guiding principles are considered to be sufficiently elaborated for application under most socio-economic environments. They are summarised below;

Ensuring that BDS services are provided to the right clientele, the main objective of facilitating access to good BDS by MSE's is to help them to grow and become more competitive and profitable. This objective implies that BDS should be provided to those who exhibit good entrepreneurial characteristics and can make a good use of the services. Whether full fees are charged for the services or not, the provision of BDS should be considered as a commercial transaction between the entrepreneur and the service provider. Both the client and the provider of services should be satisfied with the transaction. Therefore, a clear distinction should be made between this type of business transaction and one based on social welfare considerations involving individuals with no real capacity to establish and run a business. (Such is the case with many income generating activities intended for people who would otherwise have been forced to depend on charity or welfare for their livelihood.)

Ensuring that BDS are demand-driven; Experience shows that institutional service providers often neglect to assess the type of services needed by their clients. In these cases, services (especially information services and training) are mostly supply-driven and do not reflect the real needs of the clients. Under normal commercial conditions, service providers would make a loss because clients would not pay for services that do not correspond to their needs. In cases where services are free of charge or highly subsidised, clients may accept the service although it may be of little use to them. This is often found in training, when trainees are provided with financial or other incentives for participating in training courses. Thus, ensuring that services are demand-driven presents two advantages: it can create a greater and more positive impact on the business, and it can encourage clients to start paying for the services they value.

Ensuring a strong sense of ownership; International experience shows that the best business providers are people working in environment, which induce commitment and a strong sense of ownership. This is often found amongst not-for-profit organizations or commercial firms where the managers and staff members have a clear idea about the objectives of the organization and long-term plans for growth within the organization. These conditions do not generally apply to large bureaucracies where staff rotation may be the norm, achievements are not always recognised and goals not clearly defined.

Ensuring maximum outreach; MSE's have always been able to access some basic services without the assistance of institutional service providers. Most studies show that 90 to 95 per cent of MSSE's receive BDS services as part of their commercial transactions with clients, suppliers or contractors. They get useful information from friends, relatives or people in the same business.

Owners and workers are often trained on-the-job. This does not mean that these services are all of the best quality. They are, however, sufficient for their immediate needs. Therefore, the objective of maximum outreach in terms of helping MSSE's all over the country to obtain good quality services that have a positive impact on their business should be established. This is often best achieved by strengthening private sector service providers, creating better networks between service providers, and promoting informal systems of learning.

Ensuring integration of BDS and financial services: Whilst there are differences in opinion as to whether the same organization should provide both BDS and financial support services, it is generally agreed that integrating these supports is essential. One approach to achieving this is to accommodate both services in the same organization, whilst ensuring that the unit in charge of financial services operates independently from the one providing BDS. Also, it is generally agreed that clients should not be forced to pay for business services in order to get a loan.

Ensuring cost-effectiveness: Any enterprise strives to control costs to remain competitive or increase profits. This should also be the case for service providers, whatever their legal status. Achieving maximum cost-effectiveness yields many positive effects. More clients can be served with the same available resources and the cost of services can be reduced. The reduction of costs may be achieved in a number of ways. There may be improvements in working procedures or in the introduction of office automation. Staff productivity may be enhanced through performance-based bonuses. Some services can be sub-contracted, and preference may be given to providing services to groups or associations of MSSE's with a view to simultaneously reducing costs and reaching a larger number of clients.

Ensuring that BDS services achieve the greatest impact: The growth of an enterprise can depend, among other things, on the entrepreneurial spirit and qualifications of its owner and on the quality of BDS services it can access. Service providers should be concerned with the impact of their services on the enterprise and, therefore strive to provide services that are responding to demand and of sufficient quality. It is important that BDS providers regularly assess the impact of their services.

Ensuring financial sustainability: Sustainability in BDS can be defined at two related levels. Firstly, sustainability is concerned with the delivery of effective, demand-led services to MSSE's on a sustainable basis. This means building the institutional capacity of service providers as well as their financial viability. Secondly, sustainability is about ensuring that the MSE's themselves are sustainable, making long-term contributions to the generation of high-quality employment, and to economic growth. However, the term "sustainability" is most often associated with the financial sustainability of the service provider. When used in relation to the enterprise that benefits from BDS, this term refers to the long-term impact of the services on the enterprise.

2.7 ACTIVITIES OF BUSINESS DEVELOPMENT SERVICES (BDS)

A working paper on international best practices in Micro and Small Enterprise Development by ILO/UNIDO (2000) indicates that, access to quality BDS by MSE's implies the existence of various Business Development activities and channels through which these services can be provided. These include the following business development activities: Training, Access to information, Technology development and transfer, Access to larger and more profitable markets and Consultancy and counselling services.

2.7:1 Training

A hand book on Enterprise Development Published by NBSSI, (2001) mentioned that BDS training vary from start your business training (SYB), Records Keeping Training (RKT), Financial Management (FM), as well as Managerial Skills Training (MST). The main objective of training is to help owners of MSE's acquire new technical and business skills to improve their current skills. It is generally provided to groups, although one-to-one training is at times practiced. Another important objective of the training is to teach the MSE's owner to analyse and find solutions to problems, and to identify where to obtain specialised assistance. This second objective of training ultimately reduces the cost for the owner of the enterprise to obtain the services of a consultant. The Training workshops are business-oriented. Training services for MSE's are often viewed as an extension of the basic general educational system. However, the objective of MSE's training is different. Business Development

Training (BDT) is aimed at helping the MSE's owners and their workers to acquire specific skills both managerial and technological for running their businesses profitably.

A report from Business Advisory Centre (2006) of the Mampong Municipal Assembly suggested that, mixed training and financial services should be avoided. This issue is not yet fully resolved and there are those who believe that the same service provider should not provide these two types of services, arguing that mixing these services may force only those MSE's interested in getting a loan to enroll in a training course. Others argue that it is possible to keep each service operationally and financially separate, without putting any additional pressure on the MSE's owner. Training should be designed on the basis of the clients' needs. While some generic training may require minimal adaptation to the clients' characteristics (e.g. a service provider may only need two different packages of training materials for training in accounting), clients usually expect specific training related to their business. Finally the handbook suggested that, Training commitment and charging fees must be adopted. Achievement of the objective of training requires a strong commitment on the part of the trainees. Selecting trainees according to their sense of commitment at the time of enrolment is difficult, and it may not be possible to turn away some trainees. One solution, therefore, would be to charge training fees that would employ some level of commitment from trainees.

2.7:2 Access to Information

Access to information is also another very crucial factor to consider in the quest to develop the MSEs Sector. The objective of information services is to facilitate access by MSEs to information that is of value to them in either written or spoken form. In this sense, there is clearly an overlap with training and counselling since both include some level of information transfer.

Many studies carried out by the ILO and other organizations show that the majority of owners of MSE's use "informal" sources of information, such as relatives, friends and employees. Information is also accessed through commercial transactions with clients and suppliers. These sources constitute over 90 per cent of all information sources accessed by MSEs. This demonstrates that formal information sources are rarely used. Some public and private organizations have established costly information centres for the benefit of MSEs enterprises, but few MSEs owners use them. Thus, the unit cost of information used in these centres is relatively high.

From a survey carried out by Business Advisory Centre Kumasi, (2007) it was established that, Entrepreneurs prefer to get information from people they trust and from those who are knowledgeable about their business, such as clients and suppliers. The information they get through these sources is also more directly relevant to their needs especially that obtained through commercial sources. However, MSEs owners also face difficulties in obtaining particular types of information, especially in relation to production techniques and suppliers of materials. Others may be unaware that such information could help them to improve their business. This is indicative of the inadequate promotion of formal information sources and shows that minimal efforts are made to raise awareness among entrepreneurs about the importance of information.

.7:3 Technology Development and Transfer

Many Business Development Service Providers such as Technoserve, GRATIS foundation, SPEED Ghana among others are providing technological development transfer services to MSE's in the country.

Malcolm Harper, (1976), emphasis that the purpose of technology transfer and development is to improve enterprise productivity and the quality of the goods produced by enterprises to help them withstand local and international competition. This applies to all types and sizes of enterprises and to all sectors of the economy, but more particularly to the manufacturing sector. Policies for increasing the technological capacity of the country should not simply focus on the larger enterprises only, they should encompass all enterprises, whatever their size. In particular, technological gaps between the MSSE's and the larger enterprises should be reduced. Medium and large firms may not be able to achieve a sufficient level of competitiveness unless they can establish strong linkages with MSEs that are also technologically advanced. In industrialised countries, the technological gap between small and large firms has been considerably narrowed, with small firms being able to take over some of the technology development activities of the larger firms. The technological advancement of any country requires action by both the private and public sectors at many levels. Firstly, it is necessary to raise awareness about the importance of technology. Secondly, the flow of information within a country and access to information from foreign countries must be improved. Thirdly, innovation by individuals and all sizes of firms should be encouraged. Fourthly, public and private investments in research and development should be expanded. Finally, the capacity of the machinery production sector should be increased with a view to reducing dependence on imported equipment.

Over the past 20 years, the technological efforts of many developing countries were limited to improving the technology used by MSE's. This was the result of the achievements of the appropriate technology movement initiated by International Organizations and Non-Governmental Organizations, and subsequently replicated by local organizations. MSE's were the beneficiaries of the incremental technological improvements, rather than active participants in this process. Local and foreign experts developed the technologies, and they identified small tools and equipment manufacturers needed for the production of the improved tools or equipment, and provided training in the use of the improved technology. While this approach to technology development achieved some success, it did not have a significant impact on the technological capacity of developing countries.

Elsevier B.V (2002), stated that assisted technology transfer (ATT) actions towards small and medium-sized enterprises (SMEs) have been growing in recent years, as governments of industrialized countries have acknowledged the importance of SMEs in industrial economic systems. In spite of their success, SMEs show several weaknesses in technological development. This introduces opportunities for public intervention aimed at sustaining technological development in SMEs, especially through technology transfer processes. Although the need for this kind of action is widely accepted, how to implement ATT is still unclear, as regards both the choice of potential beneficiaries and the actual implementation of the transfer process. This paper presents a project of ATT sponsored by the Science Park of Liguria and addressed to 30 small firms in the sectors of plant engineering and industrial automation. After reviewing the rationale for ATT actions and highlighting some crucial questions related to its implementation, it gives an extensive picture of the approach adopted. Finally, it attempts to rationalize the case, in order to highlight problems and offer possible solutions.

GRATIS foundation was incorporated in 1999. It evolved from the Ghana Regional Appropriate Technology Industrial Services (GRATIS) Project which was established in 1987 by the Government of Ghana with support from the European Union and the Canadian International Development Agency to promote small- scale industrialisation in Ghana. It seeks to develop, promote and disseminate marketable technologies and skills for the growth of industry, particularly, micro, Small and Medium Scale Enterprises in Ghana and the West African sub-region. GRATIS operates through a network of nine regional centres and three District Rural Technology Service Centres.

A Survey carried out by France Deplomatic International Corperation Developmet (2002) highlighted the crucial role of technical information as a means for self-training, technical and commercial innovation, contacting other organisations and Resource persons, and facilitating the resolution of production or sales problems in short, as a business development tool.

Moreover, an article presented by UNIDO (2002) on promotion and development of Micro, Small and Medium Enterprises in Ethiopia indicated that, as a result of newly introduced cooperation with the Dutch Development Cooperation (SNV), beneficiaries of the UNIDO project have been able to participate in a workshop on design and commercial aspects of craft industry, subsidised by SNV. UNIDO will, at a later stage, contribute to this cooperation by providing technical and entreprencurship training from the MSME project or from other sectoral projects.

:4 Access to larger and more profitable markets

A marketing survey conducted by Rural Enterprise Project II (2003), informed that, marketing services cover a wide range of services, including information on local and foreign markets; assistance in undertaking a market appraisal study; assistance in accessing foreign markets and in using distribution channels; and technical assistance in developing designs in line with market demand and packaging materials. Marketing services may also be classified according to whether they are provided during the input phase (e.g. product development and design, raw materials supply) or during the output phase (e.g.

quality control, packaging, transport). Porter, M. also confirms this notion in his book principles in marketing. The Project Co-ordinator of the Rural Enterprises Project noted that Rural enterprise project organised several trade and exhibition fairs to promote activities of Micro and Small Enterprise.

7:5 Consultancy and counseling services

World Bank Toolkit (2000) admitted that, Skilled and experienced consultants normally provide consultancy services by appraising the situation of their MSE's clients and recommending various courses of action to the clients. They may offer their services in relation to various aspects of the business, such as technology, marketing, business management, etc. In the case of private sector consultants, expert knowledge of one or more of the above aspects is required since the client expects concrete and useful results from the consultancy. Consultancy services are provided at the enterprise premises or in other settings. They can also be provided before the establishment of an enterprise (pre-investment activities) or after it has been established (finding solutions to problems faced by the enterprise or assessing possibilities for expansion). Staff members of Government Agencies and Non-Governmental organizations provide most of the consultancy services for MSSE's. In the short and medium term, it is doubtful that MSSE's would be able to obtain the services of private consultants on a commercial fee-paying basis. Indeed, studies in industrialised countries show that few MSSE's actually use the services of a consultant.

2.8 DEFINITION OF MICRO AND SMALL SCALE ENTERPRISES

According to National Board for Small Scale Industries (NBSSI) of the Ministry of Trade and Private Sector, Business entities can be classified into Micro Enterprise, Small Enterprise, Medium Enterprise and Large Enterprise. This classification can be ascertain by considering the number of employees, capital employed, fixed assets, annual turn over, production level, managerial status, among others. According to NBSSI, Micro Enterprises employs between 1and 5 people and has a fixed assets not excluding land and building not exceeding $ 25,000, Where as Small Enterprise employs between 6 and 9 and fixed assets excluding land and building not exceeding $ 100,000. (NBSSI Toolkit 2005).

Asian Development Bank (ADB), (2004), defined Micro Enterprise as business entities that employ fewer people than ten (10) workers including the owner operator and any family member who works in the business. Although these definitions vary according to the national context, it is generally agreed that, the informal sector whether rural or urban comprises of Small and Micro Enterprises SMEs who are engaged in several business venture ranging from Manufacturing, Agro processing, Textile and Garment to the Service Industry. (www. *Asain devbank.*)

Other organizations such as EMPRETEC foundation classify Micro Enterprises as a venture that employs between one to five employees, usually the owner and family Informal - no license, operates in normal business premises, lacks the requite business skills and training. Potential to make the transition to a viable formal small business, The foundation further defines small enterprise as a firm that employs Less than 100 employees, more established than very small enterprises, formal and registered, fixed business premises. Owner managed, but more complex management structure.

These organization indicates that, an enterprise can be categorised when certain conditions serves as indicators, these includes, the number of employees, amount of capital, assets of the firm, business registration status, income tax payment among others can all be determinate factors defining level of an enterprise.

2.9 PROBLEMS OF MICRO AND SMALL SCALE ENTERPRISES

NBSSI news letter (2005) indicated that, Micro and Small Enterprises are engines of growth and job creation. They are vibrant and innovative, flexible and can adapt to changing circumstances, as a result MSEs have become a central force in the economy. Notwithstanding the numerous MSE support services available, they still face many and varied obstacles and constraints. Some of the problems are inherited in the very characteristic of small businesses and start ups and others are a direct outcome of economic changes, which may affect MSEs in a more crucial manner than they affect big businesses. Some of the main problems and constraints affecting these MSEs include;

Lack of managerial skills; Most small enterprises and start ups are experts in their own products or services, but more often lack of wider managerial skills which are essential for sustainability and success marketing innovation, quality control and financial planning are some critical examples of proficiencies required to meet the changing needs of the local economy and the challenges of the ever growing globalization of the markets.

Lack of accessibility to information; the ability of small scale businesses to survive and succeed in a competitive environment depends largely on the existence of the relevant information they require for decision making.

Lack of Technology development and transfer; Most of these MSE's are still adapted to the crude form and technique of production which hither to impede the growth of their production process. Most developed MSE's are working with current technological know how which has been a major contributing factor to their success.

Lack of access to larger and more profitable markets; Free trade liberalization has limited the market share of these small scale entrepreneurs. Trade restriction and regulation of other international markets does not favour our local industries hence their inability to access these bigger markets. The journal explained that, lack of appropriate Consultancy and counseling services was one of the major demerits encountered by these artisans.

Report from GTZ on sustainable development (2006) also stresses the challenges that Micro and Medium Enterprises are bedeviled with. Support Programme for Enterprise Empowerment and Development (SPEED) has been established to help address some of these bottlenecks that micro and small enterprises are facing.

2.10 ACTIVITIES OF MICRO AND SMALL SCALES ENTERPRISE

According to the International Industrial Standard Classification (2000), MSE's are grouped into six main sectors: Commerce, Manufacturing, Services, Transport, Construction, and Rental space.

The commerce sector is the largest, accounting for 54 per cent of all micro/small enterprises and generating 52 per cent of micro/small enterprise-based employment. The biggest proportion of this sector and indeed of all micro/small enterprises, 49.2 per cent of the total, is retailing. The most typical retail businesses are general trading, food retailing, and hardware sales. This sub-sector has been the largest since the introduction of market liberalization. Previously to that, durable goods for household consumption and raw material inputs were mainly imported. By contrast, the hotel and restaurant sub-sector accounts for a relatively small percentage, 0.9 per cent, of micro/small enterprises. In more recent years, the hotel and restaurant sub-sectors have increased in number along with the growing tourist industry, particularly in the country's major towns.

The manufacturing sector employs 35 per cent of the total number of workers. It is dominated, with 15.5 per cent of the total by the textile sub-sector, comprising weaving and spinning-related products, and 12 per cent by the food processing sub-sector, largely rice milling. Furniture making and metal working are also important activities. Micro/small enterprises in manufacturing tend to utilize local resources, employ traditional skills such as weaving and furniture making among others.

The service sector which includes repairs, transport, rental space, and construction, comprises 7.6 per cent of micro/small enterprises and 6.3 per cent of micro/small enterprise-based employment. This translates to 11,000 micro/small service enterprises employing 16,000 workers. Repairing bicycles is the largest single kind of business in this sector, representing 1.8 per cent of all micro/small enterprises. Transport represents only 4 per cent of micro/small enterprises and 3.8 per cent of micro/small enterprise-based employment. This includes owners of taxis and buses. For other sub-sectors, such as construction and rentals, the number of enterprises was very small in 1996. However, it is thought that these categories have increased significantly as the number of expatriates and town development activities in urban areas have grown. A survey carried out by Association of Ghana industries (2006) supported claim.

SUMMARY

Observations made from the literature review so far, point to the fact that activities of Business Development Services providers are mainly categorised into two main forms that is financial and non financial business development services. Although the Micro and Small Enterprise constitute a greater percentage of the working force in Ghana, their activities are not guided by any National Policy Document. This is indeed an unhealthy situation for our local MSE'S which needs to be addressed.

It has become clear that business development service providers play a major role in the development of micro and small enterprises in Ghana, however MSE's are faced with a lot of challenges ranging from lack of larger and more profitable markets, Lack of accessibility to information, Lack of managerial skills among others, it is envisaged that that donor funding for these Business Development Service providers may decline due to the current world economic crises.

It has been observed that various interventions are been provided for MSE's in the form of credit facilities, establishment of business incubators as well as the promotion of a business linkage between academia institutions. This is a healthy condition for promotion of golden age of business and development of the national economy.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

This Chapter describes the methodology used in the study. It explains the research design, the population, sample and sampling procedures used for the study. The instrument used in data collection as well as the analysis of the data.

3.2 RESEARCH DESIGN

A descriptive survey design was used, as it deems appropriate for use as it deals with questions and opinions of existing issue about activities of Business Development Services Providers in the context of assessing their impact on the performance of Micro and Small Enterprises operating within Mampong Municipal. This design according to Gay (1987) involves the collection of data in order to test hypothesis or answer research questions on the subject of the study.

Osuala (2001) also indicated that, this design do more than merely uncover data, they interpret, synthesis and integrate these data and point to implications and interrelationship. He further stated that the design focuses on people, the vital facts of people, and their beliefs, opinion, attitudes, motivation and behaviour. Babbie (1990) also emphasized the need for research design for the purpose of generalizing from a sample to a population so that inferences could be made about some characteristics, attributes or behaviour of population. In a descriptive survey design, the researcher draws a sample from the population of interest and generalization are made taking into consideration the response. This research design will help the researcher to collect evidence to describe the issue.

3.3 POPULATION

The target population includes all Business Development Service Providers, Micro and Small Enterprises operating within the Municipality. The Municipality was chosen because; it is among the pilot district that Rural Enterprise Project was established to promote activities of Micro and Small Enterprises. It is hoped that the response of the respondent would be a fair representation of a cross section of stakeholders operating and supporting the activities of Micro and Small Scale Enterprises in the region. Four (4) categories of stakeholders were purposively selected for this study; these include Governmental Support Organizations, Non-Governmental Support Organization, Private Financial Institutions, and potential Entrepreneurs, it is important to consult these stakeholders as they are the core participant in the development and promotion of Micro and Small Enterprises Activities in the municipality.

3.4 SAMPLE

The population was sampled from a total of four (4) out of eight major business communities with one (1) semi urban and 3 rural. It is expected that this sampling will be good representation of the population so that the result obtained from it would generalize to it. The four major communities selected were Mampong, Nsuta, Kwamang and Kofiase. These communities are active commercial centres with all the various trade sectors been undertaken. The subjects (members of the groups) selected at random from those groups in order to give each group equal and independent chance for expressing their views on the topic under study. The various categories of respondents described as follows:

3.4:1 The First Category – Governmental Support Organizations

These are Government Supporting Institutions that provide financial or non financial services to support Micro and Small Scale Enterprise. These include the Mampong Municipal Assembly, National Board for Small Scale Industries, Corporative Department and Statistical Department.

3.4:2 The Second Category- Non Governmental Organizations

These are Non Governmental Support Institutions promoting the activities of micro and small enterprises within the selected communities, these includes World Version Ghana, Youth for Development, Basic Foundation, Home Base Campaign and PPAG.

3.4:3 The Third Category- Private Financial Institutions

These are Private Financial Institutions operating in the municipal. These include Kwamanman Rural Bank, Otuasekan Rural Bank and Nsutaman Rural Bank, the headquarters of these banks are situated in various target communities of the study, and these include, Nsuta, Kwamang and Kofiase respectively. The Total Private Financial Institution were Three (3)

3.4:4 The Category fourth- Micro and Small Enterprises

These include Micro and Small Scale Entrepreneurs operating various businesses in the municipality because they are seen as direct beneficiaries of the project.

3.5 SAMPLE SIZE

In all, 150 subjects were selected to represent the total sample size. These include (4) Governmental Support Organizations, (5) Non Governmental Organizations, (3) Private Financial Institutions, and (138) Micro and Small Enterprises. According to the rule of thumb in statistics each cell was expected to contain not less than three individuals. This is to ensure fair representation of the sample to the parent population. The table below is a summary of the various categories selected for the study.

Table 1

Categories of respondents

CATEGORY	NUMBER OF RESPONDENTS
Governmental Support Organizations	4
Non - Governmental Organizations	5
Private Financial Institutions (PFI)	3
Micro and Small Enterprise (MSE)	138
TOTAL	150

3.6 INSTRUMENTATION

Both primary and secondary source of information was used in this study. Primary source of information was mainly people's ideas and opinions on the topic, which was gathered via interviewing of the respondents. The secondary source of information was obtained from related literature as well as files and documents from the internet and business enterprises.

Two instruments, the questionnaire and interview guide was used to collect data for the study. According to Kirlinger (1973) questionnaires are very effective for securing information about peoples ideas, practices and condition as well as for enquiring into the opinions and attitude of the subject. Selltiz (as cited in

Sotiros Sarantakos, 1993) also identified the following advantage of questionnaire:

1. It is a convenient method: questionnaire can be completed at the respondent's convenience.
2. They offer greater assurance of anonymity
3. The use of questionnaires promises a wider coverage since they can approach respondent more easily than other methods.

There were four (4) main types of questionnaires for the various categories of respondents namely, Governmental Support Organizations, Non Governmental support Organizations, Private Financial Institutions and potential Micro and Small Enterprises. The First and second part of the questionnaire required location and particulars of the organizations. There were four other items for Governmental Support Organization and Non-Government Support Organization respectively, Private Financial institutions consisted of five other sections, whereas potential Micro and small enterprise had eleven items. There were six other parts for Micro Enterprise which sought respondent's opinions on financial support, managerial support and technical support, advisory and business counseling that they receive from business developments services support institution operating within the district. Check list scales especially the Likert scale which was made up of a "5- point scale was adopted. This enabled the investigator to measure the degrees of agreement with the statement. A number of closed ended a swell as open ended questions were included.

3.7 Pilot Testing

A pilot testing was carried out on some selected stakeholders operating within the municipality. The pilot testing is aimed at testing effectiveness and discriminative nature of the items used in the interview schedule (questionnaire). Also it aims at finding out whether respondent will need further explanation on some of the items and finally to ascertain whether all the research questions are covered by the items.

The table below is a list of offices and enterprise that was arrived at after a purposive selection of the various stakeholders.

Table 2

List of respondents used for the pilot testing

Organization / stakeholder	Respondents
Otuaseken Rural Bank (Private Financial Institution)	1
Mampong Municipal (Governmental Support Organization)	1
World Vision (Non- Governmental Organization)	1
selected Micro and Small Enterprises (MSE)	20
TOTAL	23

The instrument was administered to all 23 respondents in the various categories by the researcher for a period of two days. Two days was also used to allow respondents respond to the questionnaire. The evidence collected was tested and analysisied.

3.8 PROCEDURE FOR DATA COLLECTION

Data involved in the study was collected by the researcher who contacted the subject personally and administered the interview schedule. In most cases prior notification was given before the actual interview took place and all interviews were conducted at interviewee's own convenience. An introduction letter from the researcher's department explaining the rationale of the interview was sent to the offices. This helped gain access and established an initial cordial relationship with the interviewees.

A copy of the questionnaire was given to each respondent after they have been grouped in a convenient room. Instructions was read out and carefully explained to them. The interviewer took the items one after another and asked respondents to follow by recording their own answers in the appropriate places provided in the interview schedule. They were urged to note their respondent numbers so that, after the interview, should there be the need, they could be contacted. No discussion was allowed between any respondents during the exercise. This helped avoided any one influencing another's opinion. More time was given to open-ended questions so that respondent could adequately express themselves. The researcher went through all copies of the questionnaire to make sure that no questions have been left unanswered.

Interview was conducted for the persons in charge of Governmental and Non Governmental Organizations. A digital video camera was used to capture interesting scenes during the interview to support the research. Permission was sought from the various respondents before recordings were undertaken.

3.9 DATA ANALYSIS PLAN

Analysis of data was both quantitative and qualitative. The field data was organised to provide answers to the research questions. The questionnaires were made up of close and open-ended items were analyzed according to the research questions. With the closed ended questions, statistical analysis tools were used. Frequency distribution was constructed separately for the respondents. These were converted into percentages. The main descriptive statistic will be calculation of percentages. All computation was done using the Statistical Programme for Social Scientist (SPSS).

In order to answer the research questions, the computed percentages were used to interpret the results. Where necessary the views of respondents in their individual categories were analyses to reinforce the general views of all the 150 respondents.

SUMMARY

A descriptive survey design was adopted with the target population comprising of micro and small enterprises as well as business development service providers. The population was sampled from four major communities within Mampong Municipality with a sample size of 150 comprising of 5 Non-Governmental Organizations, 4 Governmental Organization, 3 Private Financial Institutions and 138 micro and small enterprises. A pilot testing was conducted to ascertain how respondents reacted to the questionnaires in other to effect necessary corrections.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 INTRODUCTION

This research is aimed at describing the impact of Business Development Service Providers on the performances of Micro and Small Enterprises operating within Mampong Municipality. Specifically, it is to find what the activities of Business Service Provider are, how their activities have impacted on the performance of Micro and Small Enterprises and the future prospects of MSE's.

A descriptive survey method was adopted and entrepreneurs views and opinions were sought on the major areas of this work namely; the field data representing the various opinions in the form of Strongly Disagree, Disagree, Uncertain, Agree and Strongly Agree were adopted to seek the views of 150 respondents which was translated into frequency distributions and percentages computed so that the results could be interpreted.

Tables were drawn to depict the responses more clearly and to offer good understanding of the results. Details of the results and their analysis were presented next along with discussion of any findings. In the discussion, more light was thrown on the implications of the findings and ideas behind certain responses were also highlighted.

4.2 IMPACT OF PRIVATE FINANCIAL INSTITUTIONS ON THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES

Respondent's views were sought on the contribution of Private Financial Institutions (PFI's) on the activities of Micro and Small Enterprises (MSE) operating within Mampong Municipality. The views of the MSE's as well as the Private Financial Institutions were gathered. As Private Financial Institutions (PFI's) agreed on certain issues, MSE's, were of the other view. In assessing the impact of Private Financial Institutions on the performance of Micro and Small Enterprises the following under listed indicators were considered; information on loan application process, profitability of loans to Micro and Small Enterprises and benefits of loans given by Private Financial Institutions to Micro and Small Enterprises. Three (3) tables were developed to support the discussion as indicated below.

4.2:1 Information on Loan Application Process

Table 3

Issue	Category	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Loan application	MSE's	3 (2.2%)	5(3.6%)	2 (1.6%)	42	86(62.3%)

process is complicated	PFI's	3(75.0%)		1(15.0%)	(30.4%)	-
It takes a long time to receive loan after application	MSE's PFI's	4(2.8%) -	13(9.4%) 4(100%)	2(1.6%) -	54(39.4%) -	65(47.1%) -
Application for assistance from private financial institutions is difficult	MSE's PFI's	 2(50.0%)	3(2.6%) 2(50.0%)	4(2.8%) -	69(50.0%) -	55(39.8%) -
High illiteracy among loan applicant	MSE's PFI'S	18(13.3%) 1(15.0%)	21(15.7%) -	5(3.6%) -	46(33.0%) -	51(36.9%) 3(75.0%)

NB: figures in brackets are percentages

On the issue of information on loan application process being complicated, majority of the respondents agreed that the application process is complicated considering the stress that an applicant would go through in filling the application forms for processing. 92.7% of micro and small enterprises (MSE) agreed that the application process is complicated.75% of Private Financial Institutions also disagreed to the concerns raised, Subsequently, 15% of the Private Financial Institutions were also uncertain about the situation.

Regarding the duration in receiving loan after application, Micro and Small Enterprises (MSE) gave various reasons for affirming that, it takes a long time to receive loan after application. Accordingly, 86% agreed where as 12.2% and 1.6% disagreed and were uncertain respectively to the notion. They explained that delays in granting financial request to MSE's was a major setback to their development. However, 100% of Private Financial Institutions totally disagreed to the issue.

Further more, respondent gave a high level of agreement that application for financial assistance from Private Financial Institutions is difficult. 89.8% of the respondent agreed where as 2.8% were uncertain about the issue. On the part of the Private Financial Institutions, 100.0% disagreed; the Private Financial Institutions alerted that, MSE's were not prepared to fully comply to the application process and requirement hence the difficulty experienced.

Moreover high level of literacy among loan applicant (MSE's) was seen as a contributing factor to the delay in loan application process. 69.9% of MSE's agreed where as 29% disagreed and 3.6 % were uncertain. 75% of the Private Financial Intuitions agreed saying that, this was visible during filling of application forms and in most cases assistance was sought else where before loan application forms could be completed successfully. 15% of the Private Financial Institutions disagreed on the matter. (See table 1)

An interview conducted with the Business Development Officer of Rural Enterprises Project Phase (II) indicated that loan application process was a major challenge to most micro and small enterprises in that, application forms of some of the Private Financial Institutions were quite complicated where as illiteracy rate among applicant was also high, However she stated that, delays in granting loan request to MSE's has reduced due to the current improvement in the Private Financial Institutions and the accessibility of credit facility from external sources.

4.2:2 Profitability of Loans to Micro and Small Enterprises

Table 4

Issue	Category	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
Micro and small sector is an attractive sector to give loan	MSE's	15(10.9%)	5(3.6%)	2(1.4%)	68(49.3%)	48(34.8%)
	PFI's	-	2(50.0%)	-	1(25.0%)	1(25.0%)
Micro and small enterprises default in loan repayment	MSE's	57(41.3%)	64(46.4%)	-	15(10.9%)	2(1.4%)
	PFI's	-	-	-	-	4(100.0%)

NB. Figures in brackets is in the percentages

An appreciable number of respondents from the MSE's sector agreed to the fact that the micro and small enterprise industry is an attractive sector to give loans 84.1% of the micro and small enterprises agreed where as 14.5% and 1.4% also disagreed and were uncertain respectively. MSE's established that the development of any country is based on a vibrant MSE's sector which is the engine for economic growth. 50 % of the Private Financial Institution agreed as 25% PFI's disagreed and 25% uncertain on the issue. PFI's claimed that the countries MSE's sector is a risky area to grant loans hence maximum precautionary measures should be considered before loans are granted to micro and small scale industries.

On loan default, 100% of the Private Financial Institutions agreed that that micro and small scale enterprises (MSE's) were found to be loan defaulters however, 87.7% of micro and small enterprises disagreed arguing that loan default was not the problem of the (MSE's) rather the high interest rates charged by PFI's coupled with the unstable economic conditions were contributing factors to the loan default by MSE's. 12.3% of micro and small enterprises agreed that MSE's are loan defaulters. (See table 2 for details)

4.2:3 Benefits of loans given by Private Financial Institutions to Micro and Small Enterprises

Table 5

Issues	Category	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
Micro and small enterprise are able to increase production	MSE's PFI's	3(2.2%) -	2(1.4%) -	1(0.7%) -	85(61.6%) -	47(34.1%) 4(100%)
New product lines are added	MSE's PFI's	8(5.8%) -	12(8.7%) -	5(3.6%) 1(25.0%)	94(68.1%) 3(75.0%)	19(13.8%) -
Modern equipments are purchased	MSE's PFI's	44(31.9%) -	62(44.9%) 2(50.0%)	3(2.2%) -	9(6.5%) 2(50.0%)	20(14.5%) -
Product and service quality are improved	MSE's PFI's	3(2.2%) 1(25.0%)	14(10.1%) -	2(1.4%) -	46(33.4%) -	73(52.9%) 3(75.0%)

NB: figures in bracket are in percentage

With respect to Micro and Small Enterprises being able to increase production 95.7% of the respondent agreed that they have been able to increase production where as 3.6% disagreed. 0.7% was uncertain about the situation. 100% of the Private Financial Institutions agreed that MSE's are able to increase production but stressed that the intervention must be strategic and timely since most of their activities are seasonal. In general, the issue of new products being added as a result of receiving financial assistance was also agreed to by the MSE's. 81.9% of micro and small enterprises agreed where as 14.5 % disagreed to it. 3.6% were uncertain. 75 % of the Private Financial Institutions agreed where as 25 % were uncertain about the issue.

Also, 76.8% of micro and small enterprises disagreed to the notion that new modern equipment are purchased when assistance is given where as 2.2% and 21% of MSE's were uncertain and disagreed respectively. The Privates Financial Institution had a divided attention as 50% agreed where as 50% also disagreed. In an interview with the Project Officer of the Otuasekan Rural Bank in Mampong, he stated that, committed entrepreneurs whose aim is to improve on their production and expand on their activities purchased modern machines when financial assistances is given them, where as less committed entrepreneurs invest wrongly. Micro and Small Enterprises have benefited from various financial support from Private Financial Institutions hence most of these entrepreneurs seem not to reflect the impact of these financial assistance. During an interview with the Business Development and Promotion Officer of the Community Based Rural Development Project (CBRDP), he confirmed that, micro and small enterprises do not show marginal growth in their business activities even though financial, managerial and technical support assistance are given. He stated that a total of 100 million dollars have been injected into the MSE's sector as micro loans sighting examples of beneficiaries, as in the case of Asikon Products a beneficiary of micro credit in Mampong Municipal.

Another interview granted with the Head of the Business Advisory Center (BAC) of the National Board for Small Scale Industries (NBSSI) in Kumasi confirmed that even though new product lines are added, sustainability of the product are major setback as effort was needed to promote the product but the MSE's were not ready for such promotional activities except for a few one's who are committed to their core business. She stated that poor market research by MSE's was a contributing factor to their inability to sustain new products lines added. (See table 3 for details).

Vinod Anand (2008), indicated that the informal sector (MSE's) have gained good market share via expansion of small firms to larger firms, Vindo indicated that most of the small firms have indeed grown into larger firms due to the assistance from governmental and non governmental support organizations.

4.3 IMPACT OF ACTIVITIES OF NON GOVERNMENTAL AND GOVERNMENTAL SUPPORT ORGANISATIONS ON MICRO AND SMALL ENTERPRISES

There are numerous Non-Governmental Organisations that provide business development services to micro and small enterprise in the form of financial and non financial assistance. Five of such Non-Governmental Organization (NGO's) views were captured on the impact of their activities on Micro and Small Enterprises operating within Mampong Municipality.

4.3:1 Profitability of Non Governmental Support Organizations to Micro and Small Enterprises

Table 6

Issues	Category	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Non governmental organizations interventions to micro and small enterprises are inadequate	MSE's NGO's	10(7.2%) 3(60.0%)	15(10.9%) 1(20.0%)	6(4.3%) 1(20.0%)	80(57.9) -	27(19.7%) -
Micro and small	MSE's	14(10.1%)	6(4.3%)	10(7.3%)	90(65.2%)	18(13.1%)

enterprise do not adopt to interventions	NGO's	1(20.0%)	-	-	-	4(80.0%)

NB: figures in bracket are in percentage

From table 4, majority of the respondents agreed that interventions provided by Non Governmental Organizations to Micro and Small Enterprises are inadequate, 77.6% of micro and small enterprises agreed to it, 4.3% of the entrepreneurs were uncertain whereas 18.1% of the MSE's disagreed that interventions provide by non governmental organizations are inadequate. 80% of the Non Governmental Organizations disagreed saying interventions provided are adequate where as 20% were uncertain.

On the issue of adaptation of interventions provided by Non-Governmental Organizations to MSE's, 80% of the NGO's agreed and stated that even though interventions are provided to the MSE's, they refuse to adopt to these intervention and keep to their existing practices which normally do not help them to maximize needed returns. This fact was confirmed by majority of the MSE's where 78.2% of the respondent agreed. 14.4% of MSE's and 20% of NGO's disagreed respectively. 7.2% of micro and small enterprises were uncertain about the situation. An interviewed conducted with the Municipal Co-ordinator of Women and Youth Development a Non-Governmental Organization revealed that intervention given to MSE's were very much adequate looking at the current growth level of the MSE's where most of them have not registered their businesses and do not even practice basic business ethics. Miss Mary Eshun stressed that until MSE's change their attitude towards their business activities they may not be able to gain necessary benefits from interventions provided by NGO's.

On the 10th of January, 2009, a report carried out in the daily graphic on micro finance to Jomoro District indicated that a total of twenty three thousand, two hundred and ninety nine Ghana cedis (GH □23,299.00) was disbursed to 115 Micro and Small Enterprises to help them expand and improve on their activities. The assistance was given by Micro Sfere, a Non-Profit Business Development Organisation based in France. (See table 4 for details)

4.3:2 Future prospects of Non Governmental Support Organizations interventions to Micro and Small Enterprises

Table 7

Issue	Category	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Non governmental organizations intends to increase managerial support to micro and small entrepreneurs	MSE's	42(30.5%)	36(26.1%)	45(32.6%)	10(7.2%)	5(3.6%)
	NGO's	-	-	3(60.0%)	1(20.0%)	1(20.0%)

Non governmental organizations intends to grant machinery support to micro and small enterprises	MSE,s	34(24.6%)	27(19.6%)	56(40.6%)	6(4.3%)	15(10.9%)
	NGO's	-	-	2(40.0%)	2(40.0%)	1(20.0%)

NB: figures in brackets are in percentage

Regarding the issue of increasing managerial support to Micro and Small Enterprises (MSE's), 32.6% of the respondents (MSE's) were uncertain whether managerial support from Non-Governmental Organizations would continue to be feasible considering the current down ward trend in the international macro economic stability due to the fact that most of these NGO's obtain their funding from the external donors. 56.6 % of micro and small enterprises disagreed where as 3.6 % agreed. 60 % of NGO's were uncertain about the situation indicating that, donor focus and policy direction may change which would in turn affect their budgeted activities.

However, on NGO's increasing machinery support to MSE's, 40 % of the Non-Governmental Institutions were uncertain, 40.1% of MSE's were also uncertain whether machinery interventions would increase. However, 3.4% of MSE's agreed that interventions in the form of machinery support would increase.

From the World Bank press release on January 6th 2009, the Bank has approved a credit facility of 45 million dollars to support the implementation of Ghana's MSME project which seeks to develop the Micro Small and Medium Enterprises in Ghana. The project seeks to collaborate with other stakeholders such as NBSSI and KNUST for the establishment of business incubators to train MSE's in modern business practices. This forms part of future interventions that policy makers have adopted to help address the concerns of Micro and Small Enterprises in Ghana.

4.3:3 Benefits of interventions provided by Non Governmental Organizations to Micro and Small Enterprises

Table 8

Issue	Category	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Micro and small enterprises have improve on their managerial practices	MSE's	2(1.4%)	6(4.3%)	9(6.5%)	51(36.9%)	70(50.7%)
	NGO's	-	-	-	1(20.0%)	4(80.0%)
Infrastructure of micro small	MSE's	17(12.3%)	28(20.3%)	2(1.4%)	54(39.1%)	37(26.8%)

enterprises are expanded	NGO's	-	-	-	2(40.0%)	3(60.0%)

NB: figures in brackets are in percentage

Table 6 shows two broad areas of benefits of interventions provided by Non-Governmental Organizations to Micro and Small Enterprises which respondents views were sought; namely improvement on managerial practices of Micro and Small Enterprise and Expansion of Infrastructure of Micro and Small Enterprises. Here, 87.8% of Micro and Small Enterprises agreed that they have improved on their managerial skills based on the interventions provided by Non Governmental Organizations. Where as 5.7% of MSE's disagreed that interventions provided by NGO's has helped them to improve on their managerial practices. 6.5% of MSE's were uncertain about the notion Governmental Organization strongly agreed to the notion.

With regards to expanding infrastructure support service to MSE's, 32.6% of the respondent disagreed and stressed that lack of infrastructure support is a major setback to their development, however 65.9% of MSE's agreed that micro and small enterprise have expanded on their infrastructure based on assistance receive from non governmental organisations. 100% of the NGO's agreed to the motion.

This confirms response from the Rural Enterprise Development Officer of Community Based Rural Development Project. During the interview it was established that enterprises which received support from CBRBP have also expanded on their infrastructure, as the case of Asikon Product in Mampong Ashanti, See figures 3-4. Speedghana a Non-Governmental International Organisation has been instrumental in the provision of infrastructure and other technical support service to MSE's in Ghana, a typical example is the case of machinery support services for woodworkers in Mampong Municipality see figure (2).

BUSAC in their (2008) annual report outlined numerous projects that the organisation has undertaken with respect to their contribution towards the development of micro and small enterprises in Ghana, among some of their success achievements is the support to Ghana Jewellers Association in Ashanti region via advocacy to enable the Association buy gold from small scale miners as raw material for their production. BUSAC has also assisted Beacom youth a non forest agriculture farmer to establish a certified mushroom spore production center in Techiman in the Brong Ahafo Region.

4.3:3 Profitability of interventions provided by Government Support Organizations to Micro and Small Scale Enterprises

Table 9

Issue	Category	Strongly Disagree	Disagree	Uncertain	Strongly Agree	Agree

Monitoring of micro and small enterprise for implementation of intervention is ineffective	MSE's GSO's	8(5.6%) -	15(10.9%) 2(50.0%)	1(0.9%) -	13(9.5%) -	101(73.1%) 2(50.0%)
Micro and small enterprises are closing down their enterprises	MSE's GSO's	44(31.8%) -	3(2.2%) 3(80.0%)	10(7.3%) 1(20.0%)	56(40.5%) -	25(18.2%) -

NB: figures in brackets are in percentage

Governmental Support Organisations such as the Mampong Municipal Assembly, National Board for Small Scale Industries and Cooperative Development among other supporting institutions have contributed immensely to the development of Micro and Small Scale Enterprises. These governmental support organizations contribute percentage of their budgetary allocation to the development of these MSE's. In the 2007 supplementary budget of Mampong Municipal Assembly, Five Thousand Ghana cedis (5,000) allocation was made to support the activities of MSE's.

In analysing the benefits of intervention provided by Governmental Support Organizations, two major issues were focused on that is whether monitoring of Micro and Small Enterprise for implementation of intervention were effective and whether Micro and Small Enterprises were closing down their enterprises. It was established that monitoring of micro and small enterprises for implementation of intervention by governmental support organisations was ineffective. 82.6% of MSE's agreed that monitoring was ineffective, 16.5% disagreed 0.9% of MSE's were uncertain. On the other hand Governmental Support Organisations stressed that monitoring was effective but rather logistical constrained hindered their operation. 50.0% of governmental support organization agreed where as 50.0% disagreed.

However, 34% of Micro and Small Enterprise disagreed that MSE's were closing down on their enterprises, where as 58.7% agreed that MSE's were folding up on their business activities. 80.0% of the governmental support organisations disagreed as 20.0% was uncertain about the situation.

Summary

In analysing the trend of the study, it was noticed that, beneficiaries of services provided by the Business Development Service Providers disagreed in most of the issues except in few occasions that they all agreed. Information on loan application process was seen as a major set back for most of the MSE's. Profitability of loans granted to MSEs also seems to be a concern for these artisans as PFI's perceived the MSE's sector to be unattractive and risky industry to grant loans. However, Non Governmental Support Organisations and

Governmental Support Organisation continue to support the activities of micro and small enterprises within Mampong Municipality.

Moreover, Speedghana a Non-Governmental Support Organization has supported Woodworkers within the Municipality in the establishment of a Machinery Centre, other Business Development Service providers such as Community Based Rural Development Project and Rural Enterprise Project are all supporting the activities of micro and small enterprises, and these are evidence of interventions being provided by BDSP as depicted in figures 1-5.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The primary objective of this study was to assess the impact of Business development Service (BDS) providers on the performance of Micro and Small Enterprises operating within Mampong Municipality.

To get results, a descriptive survey was carried out using purposive sampling technique on a population comprising Private Financial Institutions (PFI's), Non Governmental Organization (NGO's), Governmental Organization (GO's) and Micro and Small Enterprises (MSE's) given a total sample size of 150 respondents. Questionnaires and interview guide were used as instruments to collect the evidence (data). Questions were structured to elicit information to find answers to research questions based on the major issues like profitability, benefits and future prospects of support from Business Development Services (BDS) Providers to Micro and Small Enterprises operating in Mampong Municipality. Frequencies and percentages values were developed to find answers to the research questions.

5.2 FINDINGS.

The following are the main findings of the study;

5.2:1 Profitability of Loans Granted to Micro and Small Scale Enterprises

Initial Source on Financing of activities of Micro and Small Enterprises has mainly been from the entrepreneurs own resource, contributions from parents and friends, gifts, inheritance or in some instance from Private Financial Institutions. Recently the situation is gradually changing where Private Financial Institutions are supporting entrepreneurs to start their own business as well as government initiative such as the establishment of the venture capital fund among other initiatives.

The study has brought to light that Micro and Small Enterprises contribute immensely to the development of the National Economy. According to respondents, loans granted to Micro and Small Enterprises helped them to maximize profits as production levels are increased as well as the addition of new products lines and improvement on their product quality and service delivery, as the case of Asikon products who has tremendously developed and improved on her product quality and finishing. See figures 4-5

More so, loans granted to micro and small enterprises enable them to purchase additional machinery although modern machines can not be afforded considering the quantum of loans granted, however the interest rates on loans granted them affected their expansion since they have to service the loan facility leaving them with little capital for reinvestment.

5.2:2 Profitability and benefits of activities of Non Governmental and Governmental support Organizations to Micro and Small Enterprises

According to the study, there were difference in the opinions of respondents concerning the profitability and benefits of activities of Non Governmental and Governmental Supporting Institutions. Where as Private Financial Institutions, Non Governmental Support Organizations and Governmental Support Organizations were of the View that services provided by them were adequate, Micro and Small Enterprises were of the other view. The study has also brought to light that several interventions such as the provision of technical and managerial support were considered to be affordable in Ghana. Whiles governmental and non governmental organizations viewed their services to these MSE's as profitable and beneficially, a few of the MSE's disagreed. The entrepreneur indicated that although services provided are profitable and beneficial, it is important that the immediate needs of the MSE's are factored and given priority to enable entrepreneurs fully benefit from their service provided.

5.2:3 Future Prospects of Interventions Provided by Non Governmental Support Organizations

Interventions provided by Non-Governmental Organizations which includes Managerial and Technical Support services has been a major contributions to the development of Micro and Small Enterprises in Ghana. It was established that most of the Micro and Small Enterprises has greatly improved on their managerial practices ranging from basic record keeping, credit management, customers relations among other managerial practices. Technical support in the form of skill transfer, production techniques, machinery operation, and product quality development has been some of the technical skills training extended to these entrepreneurs. In some instance provision of working tools has also been extended to these entrepreneurs.

From the study it was established that the support of these Non Governmental support Organizations to entrepreneurs is likely to decrease considering the current world financial crunch. This is due to the fact that the source of funding of these Non Governmental support Organizations are from external donor countries. On expansion of the infrastructure of Micro and Small Enterprises by Non-Governmental Organizations, the future seems not to encouraging as the down turn of the world economy is likely to have a negative impact on the support for these institutions.

5.3 RECOMMENDATIONS

On the basis of the study's findings, the following recommendations if adopted might help improve on the performance of activities of Micro and Small Enterprises operating within Mampong Municipality. It is recommended that;

1. Business Development Service Providers should be able to address the needs of Micro and Small Enterprises by conducting persistent needs assessment programmes to identify needs and develop programmes to address these needs.
2. Various stakeholders operating within Mampong Municipality including Governmental Support Organization such as the National Board for Small Scale Industries, Mampong Municipal Assembly, Rural Technology Service Centre, Cooperative Department, Private Financial Institutions, and other non Governmental Organization should collaborate and consolidate a comprehensive and strategic working document for Micro and Small Enterprises to be able to address the challenging problems facing the industry.
3. Financial Interventions provided by Private Financial Institutions should be increased to be able to meet and address the needs of Micro and Small Enterprise
4. Consistent Monitoring and evaluation of activities on Micro and Small Enterprises by Business Development Service Providers should be carried out frequently to ascertain the working conditions of MSE's and offer appropriate assistance where necessary.
5. Modern Machinery support should be granted to Micro and Small Enterprises to facilitate their production process to enable them minimize time and material waste and maximize profit.
6. Micro and Small Enterprises should be educated on other investment opportunities such as equity financing and by going public via listing on the Ghana stock exchange to help them increase their capital base.

5.4 CONCLUSION

From the research, it has been concluded that activities of Business Development Service providers on the performance of Micro and Small Enterprises have improved due to the following; beneficiaries of services from Business Development Service providers with respect to managerial and technical training undertake good managerial and technical practices as compared to those who have not received any support yet. Also, infrastructural base of Micro and Small Enterprises have improved considering their previous work outlook and their present condition as in the case of some enterprises visited. Moreover, financial support extended to this Micro and Small Enterprises has helped them to increase production, improved on their product quality and finishing as well as being able to participate in trade exhibition fairs.

Notwithstanding these aforementioned impacts, activities of business development service providers should be monitored and financial support from Private Financial Institutions granted to Micro and Small Enterprises should be timely and adequate to enable them meet their needs.

5.5 RECOMMENDATION FOR FURTHER RESEARCH

Since the research involved subjects who were selected only from Mampong Municipality, it is recommended that the study be conducted in other part of the country to confirm or deny the findings.

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Figure 1

An industrial cluster established by Rural Enterprise Project phase (I) to help improve working environment of artisan in Mampong Municipal Assembly

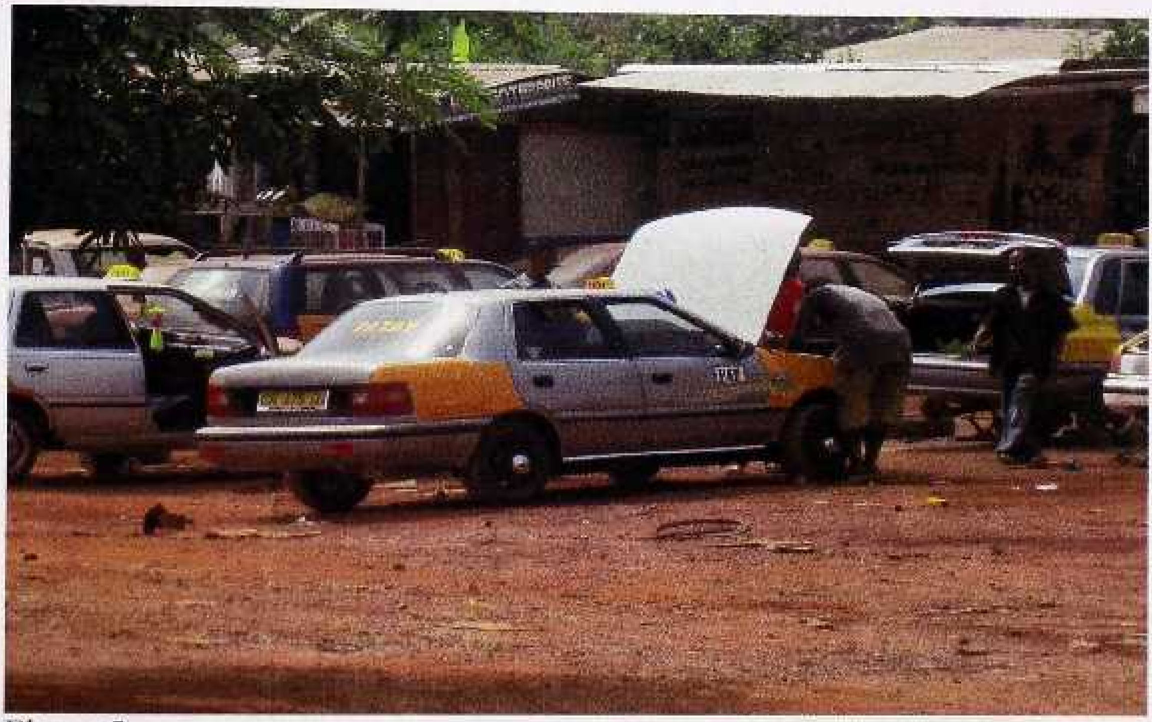
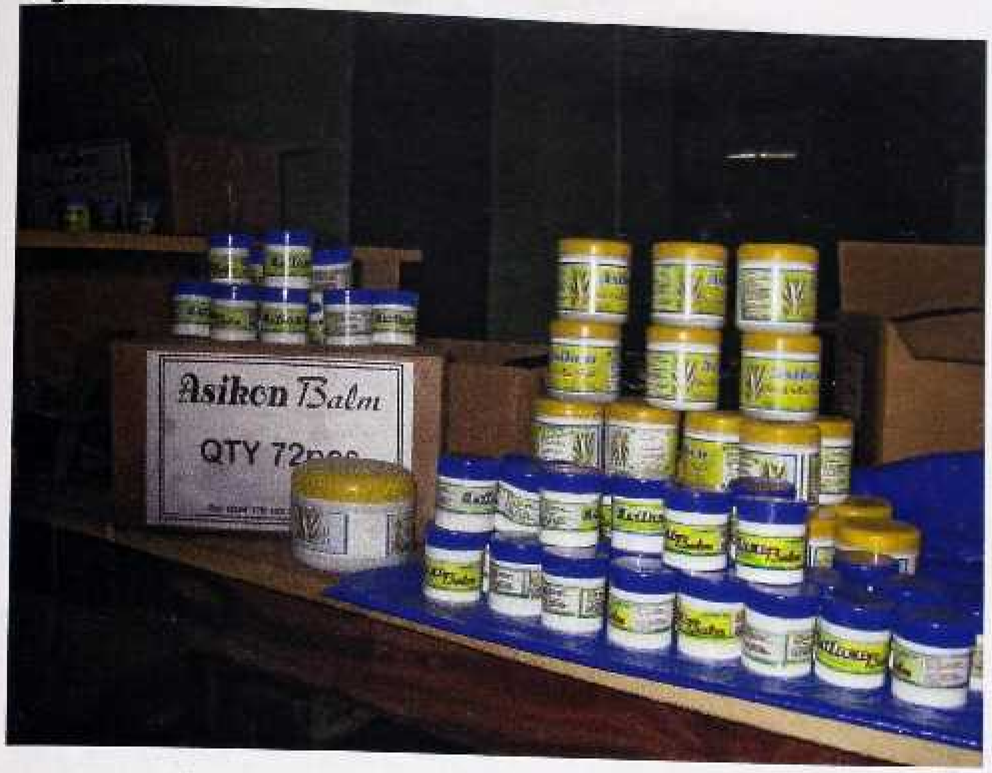


Figure 2

Some artisan busily working in a comfortable and a relaxed environment

Figure 3



Some finished product of Asikon Product at Mampong Ashanti. Through the assistance of Community Based Rural Development Project (CBRDP) a non governmental support organization, Askison Product has improved on her product quality and finishing skills.

Figure 4

Another product of Asikon Products (Asikan Bar Soap), Before the intervention the bar soap were made in "azuma blows"

Figure 5

Machinery centre with modern carpentry machines, a grant facility financed by Speedghana a non governmental support organisation for wood Workers Association Mampong.

APPENDIX A

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

SCHOOL OF BUSINESS

TOPIC: ASSESSING THE IMPACT OF BUSINESS DEVELOPMENT SERVICE PROVIDERS ON THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES

(A case of Mampong Municipal and Sekyere Central District)

Questionnaire for Private Financial Institutions

This questionnaire is prepared to solicit information from a cross –section of stakeholders contributing to the development of Micro and Small Enterprises (MSE) operating within Mampong Municipal and Sekyere Central District. It is intended for Private Financial Institutions who provides financial assistance to Micro and Small Enterprises. The results of the assessment would be available to all players in the field of MSE development. Please answer the following questions as frankly as you can by ticking the appropriate box and filling the space provided. Your contribution to this very important exercise will be very much appreciated. Thank you.

1.0 Location of Private Financial Intuitions (Head Office)

1.1 Name of Private Financial Institution

....

....

1.2 Postal Address

....

1.3 Telephone Number

....

1.4 Fax No. / E- Mail Address

....

1.5 Town

....

2.0 Particulars of Private Financial Institution

2.1 Year of Establishment

....

2.2 Number of Branches

....

2.3 Types of Credit Portfolio for MSSE's

....

2.4 Interest Rate

....

3.0 Information on Loan Application Process

Please choose from the following:

Strongly disagree = **1**, disagree = **2**, uncertain = **3**, agree = **4**, strongly agree = **5**

3.1	Loan application form is complicated	1	2	3	4	5
3.2	Need to pay for application forms	1	2	3	4	5
3.3	Collaterals are provided as security on the loan	1	2	3	4	5
3.4	High loan commitment fees are charged	1	2	3	4	5
3.5	Interest rate on loan for MSE's is high	1	2	3	4	5
3.6	It takes a long time to receive loan after application	1	2	3	4	5
3.7	Loan repayment period is short	1	2	3	4	5
3.8	Loan applicant need to contribute a percentage of loan amount being requested for	1	2	3	4	5
3.9	High illiteracy among loan applicant	1	2	3	4	5
3.10	Loan amount requested is not approved	1	2	3	4	5
3.11	Loan requested is not approved on time	1	2	3	4	5
3.12	No scheduled bank personnel to assist in filling loan application forms	1	2	3	4	5

3.13 Is application for financial assistance from Private Financial Institutions difficult?

A. Yes, [ ] B. No [ ]

3.14 If yes, please give a reason..

....

3.15 If no, please give a reason..

....

4.0 Information on loan portfolios provided to Micro and Small Enterprises by Private Financial Institutions

4.1	The Bank has several loan portfolios for MSSE's	1	2	3	4	5
4.2	The Bank's 20 percent of loan beneficiaries are Micro and Small Enterprises	1	2	3	4	5
4.3	Most of the Bank's MSE's beneficiaries are retailers	1	2	3	4	5
4.4	Those in the services industry forms majority of the Bank's MSE's beneficiaries	1	2	3	4	5
4.5	The Bank has its own MSSE's Clients working with	1	2	3	4	5
4.6	Loan credited to Micro and Small is from the Banks own internal resources	1	2	3	4	5
4.7	Loans credited to micro and small scale enterprises					

are from external sources 1 2 3 4 5

4.8 Bank does not give credit to Micro and small

Enterprises since they are high risk sector 1 2 3 4 5

4.9 Is the Bank's loan portfolio to Micro and Small Enterprises satisfactory?

4.10 A. Yes [ ] B. No. [ ]

4.11 If yes, please give a reason……………………………………………………………

……………………………………………………………………………………………

4.12 If no. please give a reason……………………………………………………………

……………………………………………………………………………………………

5.0 Information on profitability of loan to Micro and Small Enterprises.

5.1 Loan repayment percentage by Micro and Small

Enterprises is High 1 2 3 4 5

5.2 Most Micro and Small Enterprises

default in loan repayment 1 2 3 4 5

5.3 Monitoring of Micro and Small

Enterprises for loan Repayment is expensive 1 2 3 4 5

5.4 Micro and Small Scale Enterprises is an

attractive sector to give credit 1 2 3 4 5

5.5 Banks do not keep proper track records of

loan repayment by MSE's 1 2 3 4 5

5.6	Micro and Small Enterprises are withdrawing their accounts	1	2	3	4	5

5.7 Is it profitable to give loans to Micro and Small Enterprise?

A. Yes [ ] B. [ ]

5.8 if yes, please give a reason...

....

5.8 If no, please give a reason...

....

....

6.0 Information on Future Prospects of Financial Assistance to Micro and Small Enterprises

6.1	Bank intend to increase loan portfolio to Micro and Small Enterprises	1	2	3	4	5
6.2	External source of loan would increase	1	2	3	4	5
6.3	Bank intend to grant equity finance to Micro and Small Enterprises	1	2	3	4	5

6.4 Is the future prospect of financial assistance to MSE's attractive?

A. Yes. [ ] B. No. [ ]

6.5 If yes, please give reason...

....

6.6 If no, please give reason..

....

7.0 Benefits of Loan given by Private Financial Institutions to micro and small enterprises

7.1	Micro and Small Enterprises are able to increase their production	1	2	3	4	5
7.2	More employees are employed by MSE's	1	2	3	4	5
7.3	Micro and Small Enterprise are able to meet contracts and demand	1	2	3	4	5
7.4	Modern Equipment are purchased	1	2	3	4	5
7.5	Infrastructure of the enterprise is expanded	1	2	3	4	5
7.6	New Product lines are added	1	2	3	4	5
7.7	Product and service quality are improved	1	2	3	4	5

7.8 Are loans granted to Micro and Small Scale Enterprises beneficial?

7.9 A. Yes [ ] B No. [ ]

7.10 If yes, please give reason..

....

7.11 If no, please give reason..

....

APPENDIX B

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

SCHOOL OF BUSINESS

TOPIC: ASSESSING THE IMPACT OF BUSINESS DEVELOPMENT SERVICE PROVIDERS ON THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES

(A case in Mampong Municipal and Sekyere Central District)

Questionnaire for Government Support Organizations

This questionnaire is prepared to solicit information from a cross –section of stakeholders contributing to the development of Micro and Small Enterprises (MSE) operating within Mampong Municipal and Sekyere Central District. It is intended for Government Support Organization who provides interventions to micro and small scale enterprises. The results of the assessment would be available to all players in the field of MSE development. Please answer the following questions as frankly as you can by ticking the appropriate box and filling the space provided. Your contribution to this very important exercise will be very much appreciated. Thank you.

2.0 Location of Government Support Organization (Municipal / District Office)

1.1 Name of Government Support Organization

....

....

1.6 Postal Address

....

1.7 Telephone Number

....

1.8 Fax No. / E- Mail Address

....

1.9 Town

....

3.0 Information on application for intervention from Government Support Organization

Please choose from the following;

Strongly disagree = **1,** disagree = **2,** uncertain = **3,** agree = **4,** strongly agree = **5**

3.1	Need to register for membership	1	2	3	4	5
3.2	Need to pay for application forms	1	2	3	4	5
3.3	Need to form Association to benefit from intervention	1	2	3	4	5
3.4	High commitment fees are charged For the needed intervention	1	2	3	4	5
3.5	It takes a long time to receive intervention	1	2	3	4	5

3.6 Is application for intervention from Government Support Organizations difficult?

A. Yes, [ ] B. No [ ]

3.7 If yes, please give a reason..

....

3.8 If no, please give a reason...

....

4.0 Information on interventions provided to Micro and Small Scale Enterprises by Government Support Organizations

4.1	Government Support organizations has several business interventions for MSSE's	1	2	3	4	5
4.2	20 percent of the organization budget support Micro and Small Scale Enterprises	1	2	3	4	5
4.3	Most of the Government Support Organization to MSSE's beneficiaries are retailers	1	2	3	4	5
4.4	Those in the services industry forms majority of the Government Support Organization MSSE's beneficiaries	1	2	3	4	5
4.4	Government Support Organization has its own target MSSE's Clients working with	1	2	3	4	5
4.6	Most of the interventions given to micro and small scale enterprises are form of financial assistance	1	2	3	4	5

4.7 Most of the interventions given to MSSE's are in

the form of managerial assistance 1 2 3 4 5

4.8.1 Most of the supports given to MSSE's are in

the form of technical assistance 1 2 3 4 5

4.13 Is the Government Support Organization interventions given to Micro and Small Scale Enterprises satisfactory?

4.14 A. Yes [ ] B. No. [ ]

4.15 If yes, please give a reason...

....

4.16 If no. please give a reason...

....

6.0 Information on profitability of intervention to Micro and Small Scale Enterprises.

5.1 Government Support Organization interventions to Micro and Small Scale

Enterprises are inadequate 1 2 3 4 5

5.9 Most Micro and Small Scale Enterprises do not

adopt to intervention 1 2 3 4 5

5.10 Monitoring of Micro and Small Scale Enterprises

for implementation of intervention is ineffective 1 2 3 4 5

5.11 Micro and Small Scale Enterprise is a profitable sector to give intervention 1 2 3 4 5

5.12 Micro and Small Scale Enterprises are

Closing down their enterprises 1 2 3 4 5

5.13 Is it interventions of Government Support Organization to Micro and Small Scale Enterprise profitable?

A. Yes [ ] B. [ ]

5.8 if yes, please give a reason...

....

5.14 If no, please give a reason...

....

....

6.0 Information on Future Prospects of Government Support Organisation interventions to Micro and Small Scale Enterprises

6.1 Government Support Organization intends to increase interventions

to Micro and Small Scale Enterprises 1 2 3 4 5

6.2 Government Support Organization intends to

Increase managerial support to MSSE's 1 2 3 4 5

6.3 Government Support Organization intends to grant machinery

Support to Micro and Small Scale Enterprises 1 2 3 4 5

6.7 Is the future prospect of Government Support Organization interventions to MSSE's attractive?

A. Yes. [ ]   B No. [ ]

6.5 If yes, please give reason...

....

6.8 If no, please give reason...

....

7.0 Benefits of Government Support Organizations intervention to Micro and Small Enterprises

7.1	Micro and Small Enterprises are able to increase their production	1	2	3	4	5
7.2	Micro and Small Enterprises improve on Managerial practices	1	2	3	4	5
7.3	Micro and Small Enterprise are able to meet contract and demand	1	2	3	4	5
7.5	Infrastructure of the enterprise is expanded	1	2	3	4	5
7.6	New Product lines are added	1	2	3	4	5
7.7	Product and Service Quantity are improved	1	2	3	4	5

7.8 Are Government Support Organization interventions to Micro and Small Enterprises beneficial?

7.9 A. Yes [ ] B No. [ ]

7.8 If yes, please give a reason...

....

7.9 If no, please give a reason..

....

APPENDIX C

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

SCHOOL OF BUSINESS

TOPIC: ASSESSING THE IMPACT OF BUSINESS DEVELOPMENT SERVICE PROVIDERS ON THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES

(A case in Mampong Municipal and Sekyere Central District)

Questionnaire for Non- Governmental Support Organizations

This questionnaire is prepared to solicit information from a cross –section of stakeholders contributing to the development of Micro and Small Scale Enterprises operating within Mampong Municipal and Sekyere Central Assembly. It is intended for Non- Governmental Support Organization who provides intervention to Micro and Small Scale Enterprises. The results of the assessment would be available to all players in the field of MSSE development. Please answer the following questions as frankly as you can by ticking the appropriate box and filling the space provided. Your contribution to this very important exercise will be very much appreciated. Thank you.

3.0 Location of Non- Governmental Support Organization (Municipal / District Office)

1.1 Name of Non-Governmental Support Organization

....

....

1.10 Postal Address

……………………………………………………………………………………………

1.11 Telephone Number

……………………………………………………………………………………………

1.12 Fax No. / E- Mail Address

……………………………………………………………………………………………

1.13 Town

……………………………………………………………………………………………

3.0 Information on application for interventions from Non - Governmental Support Organization

Please choose from the following;

Strongly disagree = **1**, disagree = **2,** uncertain = **3,** agree = **4,** strongly agree = **5**

3.1	Need to register for membership	1	2	3	4	5
3.2	Need to pay for application forms	1	2	3	4	5
3.3	Need to form Association for intervention	1	2	3	4	5
3.4	High commitment fees are charged for the needed intervention	1	2	3	4	5
3.5	It takes a long time to receive intervention after application	1	2	3	4	5

3.6 Entrepreneurs needs to contribute

certain percentage towards the intervention 1 2 3 4 5

3.7 Interventions are not given on time 1 2 3 4 5

3.8 Is application for intervention from non governmental support organization difficult?

A. Yes, [ ] B. No [ ]

3.9 If yes, please give a reason...

....

3.10 If no, please give a reason...

....

4.0 Information on interventions provided to Micro and Small Scale Enterprises by Non - Governmental Support Institutions

4.1 Non Governmental Support Institution has

several business interventions for MSSE's 1 2 3 4 5

4.5 Twenty (20) percent of the organization budget support

Micro and Small Scale Enterprises 1 2 3 4 5

4.6 Most of the Non - Governmental Support Organization to

MSSE's beneficiaries are retailers 1 2 3 4 5

4.4 Those in the services industry forms majority of the Non-Governmental

organization MSSE's beneficiaries 1 2 3 4 5

4.7 Non- Governmental Support Organization has its own

target MSSE's Clients working with 1 2 3 4 5

4.6 Most of the interventions given to Micro and Small Scale Enterprises

are in the form of financial assistance 1 2 3 4 5

4.7 Most of the interventions given to MSSE's are in

the form of Managerial assistance 1 2 3 4 5

4.8 Most of the supports given to MSSE's are in

the form of Technical assistance 1 2 3 4 5

4.9 Most of the beneficiaries of the Non- Governmental Support

Organization interventions are Agro Processors 1 2 3 4 5

4.10 Is Non- Governmental Support Organization interventions given to Micro and Small Scale Enterprises satisfactory?

4.11 A. Yes [ ] B. No. [ ]

4.12 If yes, please give a reason...

....

4.13 If no. please give a reason..

....

5.0 Information on profitability of Non - Governmental Support Organisation intervention to Micro and Small Scale Enterprises.

5.1 Non – Governmental Support Organization interventions to Micro and Small Scale Enterprises are inadequate 1 2 3 4 5

5.2 Most Micro and Small Scale Enterprises do not adopt to intervention 1 2 3 4 5

5.3 Monitoring of Micro and Small Scale Enterprises for implementation of intervention is not effective 1 2 3 4 5

5.4 Micro and Small Scale Enterprises are profitable sector to give intervention 1 2 3 4 5

5.5 Most Micro and Small Scale Enterprises are closing down their enterprises 1 2 3 4 5

5.6 Are interventions provided by Non- Governmental Support Organisation to Micro and Small Scale Enterprise profitable?

A. Yes [ ] B. [ ]

5.8 if yes, please give a reason……………………………………………………………………

……………………………………………………………………………………………………

5.6 If no, please give a reason…………………………………………………………………

……………………………………………………………………………………………………

……………………………………………………………………………………………

6.0 Information on Future Prospects of Non – Governmental Support Organization interventions to Micro and Small Scale Enterprises

6.1 Non - Government Support Organization intends to increase interventions

to Micro and Small Scale Enterprises 1 2 3 4 5

6.2 Non- Governmental Support Organization intends to

increase managerial support to MSSE's 1 2 3 4 5

6.3 Non - Governmental Support Organization intends to grant machinery

Support to Micro and Small Scale Enterprises 1 2 3 4 5

6.9 Is the future prospect of Non - Governmental organization Interventions to MSSE's attractive?

A. Yes. [ ] B. No. [ ]

6.5 If yes, please give reason……………………………………………………………

……………………………………………………………………………………

6.10 If no, please give reason……………………………………………………………..

……………………………………………………………………………………

7.0 Benefits of interventions provided by Non - Governmental Support Institutions to Micro and Small Scale Enterprises

7.1 Micro and Small Scale Enterprises are able to

increase their production 1 2 3 4 5

7.2 Micro and Small Scale Enterprises improve on

	Managerial practices	1	2	3	4	5
7.3	Micro and Small Scale Enterprise are able to meet contract and demand	1	2	3	4	5
7.5	Infrastructure of the enterprise is expanded	1	2	3	4	5
7.6	Micro and Small Scale Enterprises add new Product lines to their activities	1	2	3	4	5
7.7	Product and service quality are improved	1	2	3	4	5

7.8 Are Non - Governmental support organization interventions to Micro and Small Scale Enterprises beneficial?

7.9 A. Yes [ ] B No. [ ]

7.8 If yes, please give a reason..

....

7.10 If no, please give a reason..

....

APPENDIX D

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

SCHOOL OF BUSINESS

TOPIC: ASSESSING THE IMPACT OF BUSINESS DEVELOPMENT SERVICE PROVIDERS ON THE PERFORMANCE OF MICRO AND SMALL SCALE ENTERPRISES

(A Case of Mampong Municipal and Sekyere Central Assembly)

Questionnaire for Micro and Small Scale Enterprises

This questionnaire is prepared to solicit information from a cross –section of stakeholders contributing to the development of Micro and Small Scale Enterprises (MSSE) operating within Mampong Municipal and Sekyere Central Assembly. It is intended for Micro and Small Scale Enterprises within these areas. The results of the assessment would be available to all players in the field of MSSE development. Please answer the following questions as frankly as you can by ticking the appropriate box and filling the space provided. Your contribution to this very important exercise will be very much appreciated. Thank you.

4.0 Location of Micro and Small Scale Enterprise

1.1 Name of Micro and Small Scale Enterprise

....

....

1.14 Postal Address

....

1.15 Telephone Number

....

1.16 Fax No. / E- Mail Address

....

1.17 Town

....

2.0 Particulars of Micro and Small Scale Enterprise

2.1 Year of Establishment

....

2.2 Number of Branches

....

2.3 Types of activity engaged in

....

....

3.0 Information on Loan Application Process

Please choose from the following;

Strongly disagree = **1,** disagree = **2,** uncertain = **3,** agree = **4,** strongly agree = **5**

3.1	Loan application form is complicated	1	2	3	4	5
3.2	Need to pay for application forms	1	2	3	4	5
3.3	collateral are provided as security on the loan	1	2	3	4	5

3.4	High loan commitment fees are charged	1	2	3	4	5
3.5	Interest rate on loan for MSSE's is high	1	2	3	4	5
3.6	It takes a long time to receive loan after application	1	2	3	4	5
3.7	Loan repayment period is short	1	2	3	4	5
3.8	Loan applicant need to contribute a percentage of loan amount being requested	1	2	3	4	5
310	High illiteracy among loan applicants	1	2	3	4	5
3.11	Loan amount requested is not approved	1	2	3	4	5
3.13	No schedule bank personnel to assist in filling loan application forms	1	2	3	4	5

3.14 Is application for financial assistance from Private Financial Institutions difficult?

A. Yes, [ ] B. No [ ]

3.15 If yes, please give a reason……………………………………………………………..........

……………………………………………………………………………………………………...

3.16 If no, please give a reason……………………………………………………………………

4.0 Information on profitability of loans to Micro and Small Scale Enterprises.

4.1	loan repayment by Micro and Small Scale Enterprises Is High	1	2	3	4	5
4.2	Most Micro and Small Scale Enterprises default in loan repayment	1	2	3	4	5
4.3	Monitoring of Micro and Small Scale Enterprises for loan repayment is expensive	1	2	3	4	5
4.4	Micro and Small Scale Enterprises is an attractive sector to give credit	1	2	3	4	5
4.5	Micro and Small Scale Enterprises are withdrawing their accounts	1	2	3	4	5

4.6 Is it profitable to give loans to Micro and Small Scale Enterprise?

A. Yes [ ] B. [ ]

4.7 if yes, please give a reason..

....

4.7 If no, please give a reason..

....

....

5.0 Benefits of Loan given by Private Financial Institutions to Micro and Small Scale Enterprises

5.1	Micro and Small Scale Enterprises are able to increase their production	1	2	3	4	5
5.2	More employees are employed	1	2	3	4	5
5.3	Micro and Small Scale Enterprise are able to meet contact and demand	1	2	3	4	5
5.4	Modern Equipment are purchased	1	2	3	4	5
5.5	Infrastructure of the enterprise is expanded	1	2	3	4	5
5.6	New Product lines are added	1	2	3	4	5
5.7	Product and service quality are improved	1	2	3	4	5

5.8 Are loans granted to micro and small scale enterprises beneficial?

5.9 A. Yes [ ] B No. [ ]

5.8 If yes, please give a reason…………………………………………………………

……………………………………………………………………………………………

5.9 If no, please give a reason…………………………………………………………

……………………………………………………………………………………………

6.0 Information on profitability of Non - Governmental Support Organisation intervention to Micro and Small Scale Enterprises.

6.1	Non – Governmental Support Organization interventions to Micro and Small Scale Enterprises are inadequate	1	2	3	4	5
6.2	Most Micro and Small Scale Enterprises do not adopt to intervention	1	2	3	4	5
6.3	Monitoring of Micro and Small Scale Enterprises for implementation of intervention is not effective	1	2	3	4	5
6.4	Micro and Small Scale Enterprise is a profitable sector to give intervention	1	2	3	4	5
6.5	Most Micro and Small Scale Enterprises are closing down their enterprises	1	2	3	4	5

6.7 Are interventions provided by Non- Governmental Support Organisation to Micro and Small Scale Enterprise profitable?

A. Yes [ ] B. [ ]

6.8 If yes, please give a reason...

....

6.9 If no, please give a reason..

....

....

7.0 Information on Future Prospects of Non – Governmental Support Organization interventions to Micro and Small Scale Enterprises

7.1 Non - Governmental Support organization intends to increase interventions

to Micro and small scale enterprises 1 2 3 4 5

7.2 Non Government Support Organization intends to

increase managerial support to MSSE's 1 2 3 4 5

7.3 Non - Governmental Support Organization intends to grant machinery

Support to Micro and small scale enterprises 1 2 3 4 5

7.4.1 Is the future prospect of Non - Governmental support organization Interventions to MSSE's attractive?

A. Yes. [ ] B. No. [ ]

7.5 If yes, please give reason…………………………………………………………………

…………………………………………………………………………………………………

7.6 If no, please give reason…………………………………………………………………

…………………………………………………………………………………………………

8.0 Benefits of interventions provided by Non - Governmental Support organisation to Micro and Small Scale Enterprises

8.1	Micro and Small Scale Enterprises are able to increase their production	1	2	3	4	5
8.2	Micro and Small Scale Enterprises improve on Managerial practices	1	2	3	4	5
8.3	Micro and Small Scale Enterprise are able to meet contract and demand	1	2	3	4	5
8.4	Infrastructure of the enterprise is expanded	1	2	3	4	5
8.5	Micro and Small Scale Enterprises add new Product lines to their activities	1	2	3	4	5
8.6	Product and service quality are improved	1	2	3	4	5

8.7 Are Non - Governmental support organization interventions to Micro and Small Scale Enterprises beneficial?

8.8 A. Yes [ ] B No. [ ]

8.9 If yes, please give a reason..

....

8.10 If no, please give a reason..

....

9.0 Information on application for intervention from Government Support Organization

Please choose from the following;

Strongly disagree = **1,** disagree = **2,** uncertain = **3,** agree = **4,** strongly agree = **5**

9.1	Need to register for membership	1	2	3	4	5
9.2	Need to pay for application forms	1	2	3	4	5
9.3	Need to form Association for intervention	1	2	3	4	5
9.4	High commitment fees are charged					
	For the needed assistance	1	2	3	4	5
9.5	It takes a long time to receive intervention					

9.6 Is application for financial assistance from Private Financial Institution s difficult?

A. Yes, [ ] B. No [ ]

9.7 If yes, please give a reason...

....

9.8 If no, please give a reason..

....

10.0 Information on profitability of intervention provided by Government Support Organizations to Micro and Small Scale Enterprises.

10.1 Government Support Organization interventions to Micro and Small Scale Enterprises are inadequate	1	2	3	4	5
10.2 Most Micro and Small Scale Enterprises do not adopt to intervention	1	2	3	4	5
10.3 Monitoring of Micro and Small Scale Enterprises for implementation of intervention is ineffective	1	2	3	4	5
10.4 Micro and Small Scale Enterprise is a profitable sector to give intervention	1	2	3	4	5
10.5 Micro and Small Scale Enterprises are Closing down their enterprises	1	2	3	4	5

10.6 Is the interventions of Government Support Organization to Micro and Small Scale Enterprise profitable?

A. Yes [ ]   B. [ ]

10.8 If yes, please give a reason..

....

10.9 If no, please give a reason..

....

....

11.0 Benefits of Government Support Organizations intervention to Micro and Small Scale Enterprises

11.1	Micro and Small Scale Enterprises are able to increase their production	1	2	3	4	5
11.2	Micro and Small Scale Enterprises improve on Managerial practices	1	2	3	4	5
11.3	Micro and Small Scale Enterprise are able to to meet contract and demand	1	2	3	4	5
11.5	Infrastructure of the enterprise is expanded	1	2	3	4	5
11.6	New Product lines are added	1	2	3	4	5
11.7	Product and Service quality are improved	1	2	3	4	5

11.8 Are Government Support Organisation interventions to Micro and Small Scale Enterprises beneficial?

11.9 A. Yes [ ] B No. [ ]

11.8 If yes, please give a reason..

....

11.12 If no, please give a reason..

....

Abbreviation

BDS Business Development Services

BAC Business Advisory Centre

BDA Business Development Agency

BDT Business Development Training

DA District Assembly

EDA Enterprise development agency

EDP Entrepreneurship development programme

FIT Farm Implements and Tools

FM Financial Management

GDP Gross Domestic Products

GTZ Technical assistance programme - Government of Germany

GRATIS Ghana Regional Appropriate Technology Industrial Services (GRATIS)

ICT Information Communication and Technology

IDB Inter-American Development Bank

IDE International Development Enterprises

ILO International Labour Organization

ISEP International Small Enterprise Programme (of the ILO)

IYB Improve Your Business

KAB Know About Business

MSE Micro and Small Enterprise

NBSSI National Board for Small Scale Industries

NGO Non-governmental organization

MSME Micro Small and Medium Enterprises

MOTI ministry of trade of special initiative

MST Managerial Skills Training

RKT Records Keeping Training

SIYB Start and Improve Your Business

SME Small and Medium-Sized Enterprise

SWDA Sekyere West District Assembly

SYB Start Your Business

UNDP United Nations Development Programme

UNIDO United Nations Industrial Development Organization

USAID US Agency for International Development