



Private Sector Development Cluster Project (PSDCP)

Assignment: Business Support Organisation (BSO) networking

Report

Revision 1, Date: May 12th, 2016

Author: Nicola Drago, PSD Consultant

Executive summary

This document summarises methodology used, inputs, outputs (attached as annexes), and outcomes expected from the assignment “Business Support Organisation networking” in the framework of the PSDCP project. The purpose of the assignment was raising Palestinian BSO awareness of importance of networking and outreach at domestic and international level. The assignment also aimed at providing intellectual framework and practical suggestions at different levels for improving networking capacity. Such objectives were tackled by contextualising Palestinian BSO business, tailor-making a two-day training in “BSO networking” and providing relevant recommendations for future work. The assignment wished conveying the following main messages: collaboration and pooling to mitigate external shock risks, strategy-based rather than necessity-based use of external funds, professionalisation and advance preparation.

PSDCP is a project aimed at increasing competitiveness of Palestinian companies, especially MSMEs, in order to increase their market share of domestic market and / or export markets. A cluster approach is being used to achieve this objective. implemented by the Ministry of National Economy (MoNE) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) and financed by Agence Française de Développement (AFD). The Consortium established by EGIS, ICON Institut, Sofia Antipolis Foundation and Massar was contracted to provide technical assistance services and hired PSD Consultant Nicola Drago to implement this specific assignment. The assignment, carried out from April 23rd to May 6th 2016, aimed at raising awareness on relevance of networking for BSOs and at providing BSO with practical suggestions at strategic and at daily operations level. Prior to drafting this document, the consultant held a two-day “BSO networking” training seminar organised by PSDCP and attended by 26 representatives of 20 BSOs (2 from MoNE, 1 from the University, 3 from PFI and afferent Unions, 2 from FPCCIA, 3 PSDCP Animators, 1 from Paltrade and the rest are from different Chambers) at Cesar Hotel in Ramallah on May 3rd and May 4th.

Acronyms

Acronym	Description
BSO	Business Support Organisation
CRM	Customer Relationship Management
ENI	European Neighborhood Instrument
EU	European Union
FPCCIA	Federation of Palestinian Chambers of Commerce, Industry and Agriculture
FPI	Federation of Palestinian Industries
IDO	Institutional Development Officer of PSDCP

Acronym	Description
MoNE	Ministry of National Economy
MSME	Micro, Small or Medium sized enterprise
OU	Operational Unit of the PSDCP project
PSDCP	Private Sector Development Cluster Project

Disclaimer

This report and its annexes are the work of Mr. Nicola Drago in his personal capacity. The opinions expressed in this report, annexes and any elaboration of external contents are the author's own and may not reflect the opinions of PSDCP, AFD, ICON Institut or of any other mentioned organisation.

Methodology used

Preparation of the two-day “BSO networking” seminar in the framework of the PSDCP was based on a combination of methodologies aimed at contextualising attendees, providing them with intellectual framework and tools and at interpreting a series of relevant international experiences, good practices. A series of interactive and creative activities were proposed to stimulate participation and retain attendees attention throughout the two days.

Individual introductions to make everybody acquainted with the variegated composition of attendance and with speaker profile.

Semistructured interviews to a series of national BSOs according to the agenda of meetings scheduled by project Operational Unit (OU). The semistructured interviews focused on getting acquainted with progressively more sensitive aspects of the different BSO met: dimension, services, governance, budget, concerns, motivating triggers. The purpose of such questions was to familiarise with the BSO context, service offer, staffing and staff competencies, decision-making mechanisms and weights, economic dimension including service cost incidence and donor fund dependence, relationships among BSOs, critical aspects of BSOs in Palestine, drivers and motivations of executives.

Semistructured interviews to international BSOs in particular to the research center of the Union of Italian Chambers of Commerce, Industry and Agriculture and the Public Relations officer of a foreign territorial small and medium enterprise business association. Such interviews focused on identifying international practices (including best practices) in BSO networking as well as gathering information on BSO dimensions, membership cost range, governance, services, concerns.

Literature, web and media review (please, refer to “Inputs Utilised” section for reviewed literature list). A literature review was carried out for different purposes, first to increase acquaintance with Palestinian BSO situation and high potential sectors. Literature review also permitted identifying relevant BSO international best practices and to describe situation of a few foreign BSOs, which could be helpful in awareness and in setting objectives for both domestic and foreign outreach. Relevant insights, analytics and suggestions for a development strategy of BSOs were drawn from IDO report “Strategy for capacity building of the cluster Business Support Organisations”. Literature review, including of 17 research articles, also permitted taking a relevant information concerning latest trends in networked pooling of resources and in drawing a conceptual framework concerning organisation networks. Though little research appeared available in the specific case of BSO networking, four articles were proposed as hardcopy information to deepen information on: BSO outreach in difficult-to-reach communities, supply-chain networking and integration, tourism networking,

and woman entrepreneurship.

SWOT analysis of general private sector and economic situation and of BSO networking aimed at providing an immediate and synoptical perception of strength points from which to build in BSO networking, the opportunities that could motivate BSOs to collaborate to improve weaknesses and to face dimension of external threats.

Success stories: Three Palestinian successful BSO networking stories and two international successful networking stories were illustrated to show others' experiences and to show that networking and outreach is possible also for Palestinian BSOs and has already taken place. The aim was to encourage and give confidence on local networking capacity. The presence of different speakers refreshed attendee attention.

Intercultural management in business was based on accreditation and lecturing experience in Hofstede 6 dimension model and aimed at raising awareness on the importance of cultural identity, being prepared to structural differences (and communalities) in cultures and relativisation of scales of values during international outreach. It also provided practical suggestions in business behavior and etiquette.

Interactive seminar management practices. Different energiser techniques had been assessed to animate the seminar and retain attendees attention, including: questions and answers all along the presentations, questions from speaker to silent attendees, simulation exercise in groups, decision of order of topics presentation by attendees, attendee-driven consultation of Europeaid Call for Proposal portal online.

Inputs used

Outputs of semistructured interviewees to national BSOs and international BSOs:

- Federation of Palestinian Chambers of Commerce Industry and Agriculture, Secretary General.
- Hebron Chamber of Commerce and Industry, CEO.
- Paltrade, CEO.
- Palestinian Federation of Industries, Secretary General.
- Palestinian Leather Industries Union, Chairman.
- Chamber of Commerce, Industry and Agriculture of Padova (Italy), head of Research and Studies.
- International micro- and small-sized enterprise BSO (preferred remaining anonymous).

Literature review (for detailed list, please see Annex 1: Literature and media utilised as inputs) including:

- Development Agencies literature;
- International BSO studies, presentations;
- Economic research articles; and,
- Websites of the above and international media.

Outputs produced

TOR: Scope of the assignment	TOR Point	Outputs
Familiarisation with PSDCP BSO strategy	1	No specific outputs were required
Outline of BSO networking seminar for IDO approval	2	• IDO and TL verbal approval of assignment planning on April 24th at PMU; • Annex 2: seminar agenda with content outline verbally approved by IDO and TL on April 27th

TOR: Scope of the assignment	TOR Point	Outputs
Preparation of BSO networking seminar and related materials	3	- Annex 3: BSO networking seminar presentations (day 1 and day 2) - No. 4 relevant economic literature articles provided to PSDCP for hardcopy distribution to attendees¹
Delivery of BSO networking seminar	4	- Annex 4: seminar attendees of day 1 session and day 2 session (respectively May 3rd and 4th 2016), - Seminar evaluation being processed by PSDCP PMU during preparation of this report. - Photos available at PSDCP PMU
Recommendations on integration of networking activities in BSO annual strategy and daily operations	5	Annex 5: Recommendations
Summary report of the assignment	6	This report
Further documents	Not applicable	- Annex 1: literature and media utilised as inputs - Annex 6: terms of reference - Annex 7: CV of the consultant

Expected outcomes

With a SWOT approach, the training focused on presenting strengths, weaknesses, opportunities and threats of Palestinian BSO networking. The training aimed especially at raising awareness and providing an intellectual, professional and practical framework for outreach and networking and was supported by relevant success stories both at domestic level and international level to increase participant confidence.

It may be expected that seminar attendees, in particular BSO leaders, are now more aware of the risks of maintaining current status-quo of inter-BSO relationships affected by lack of strategic approach, fragmentation and competition. In facts, the Palestinian market is small, severely constrained and prone to external shocks and at the same time globalisation imposes strategic approaches, strengthening capacities, collaborations and networks.

Training may also have enhanced BSO interest in collaborating with other BSO by leveraging concrete opportunities such as: wide pool of registered but unpaying members or international call for proposal for collaborative funds. If BSO pick-up on such opportunities, they would enhance their relevance and sustainability through collaboration, specialisation of services, professionalisation and continuous education of staff.

1 The articles were:

- EU Equal Programme, "Policy brief taking business support closer to hard to reach communities", September 2004;
- Kemppainen K., Vepsäläinen A.P.J., "Trends in industrial supply chains and networks", 2003, International Journal of Physical Distribution & Logistics Management, Vol. 33 Iss 8 pp. 701 – 719.
- Kyrö P., (2006), "Action research and networking benchmarking in developing Nordic statistics on woman entrepreneurship", Benchmarking: An International Journal, Vol. 13 Iss 1/2 pp. 93 – 105.
- Hwang, L.J.J., Lockwood, A., (2006), "Understanding the challenges of implementing best practices in hospitality and tourism SMEs", Benchmarking: An International Journal, Vol. 13 Iss 3 pp. 337 - 354.

BSO leaders and staff should have gained higher awareness about importance of advance preparation and intercultural management in external outreach whether for establishing new relationships or for more operational proposal preparation (to begin well before call forecasts are published). Such awareness shall increase relevance, mutual understanding and effectiveness in networking.

Padova, May 12th, 2016

Nicola Drago

A handwritten signature in black ink, appearing to read 'Nicola Drago', written over the printed name.

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Annex 1:

Literature and media utilised as inputs

The following literature was utilised as input:

1. PSDCP IDO report on “Strategy for capacity building of the cluster Business Support Organisations”
2. Italian Television RAI 3 “Report” on the Italian system of industrial representation.
3. World Bank report “Economic Monitoring Report to the Ad-Hoc Liaison Committee”, September 22nd, 2014.
4. Different international BSO and their special purpose entity websites including UK, Canadian and Italian BSOs.
5. Unioncamere, “Reti di impresa nel commercio e nei servizi, buone pratiche in 10 storie aziendali e configurazione del manager di rete” / enterprise networks in commerce and services, good practices in 10 network stories and network management, December 2013.
6. Unioncamere “Sistema camerale 2015, strutture e servizi per l'impresa” / Italian Chamber system 2015 report, structure and enterprise services.
7. Unioncamere “Coesione è competizione, nuove geografie della generazione del valore” / Cohesion is competition, new geographies in value generation, presentation June 2014.
8. Unioncamere, “Catalogo delle buone pratiche” / review of best practices of Italian BSOs, 2012, 2013, 2014”
9. Intercultural management research literature (Hofstede, G., Hofstede, G.J, Minkov, Cultures and organizations : software of the mind, 2010; Gesteland, R.R, Cross-cultural business behavior : a guide for global management).
10. Shen-Yann Chiu, “Applications of corporate synergy systems for promoting green productivity in small and medium enterprises in Taiwan”, Taiwan Environmental Management Association.
11. Shen-Yann Chiu, “The use of corporate synergy systems in promoting industrial waste minimization in small and medium enterprises in Taiwan”, Taiwan Environmental Management Association.
12. Chin Ho Su, Corporate Synergy System in Taiwan ROC, Corporate Synergy Development Center Taiwan
13. Palestinian export strategies (sectors: Tourism, Textile and Garments, Stone and Marble, Quality Management, Processed Meat, Olive Oil, ICT, Furniture, Fresh Fruits and Vegetables, Footwear and Leather, Logistics).
14. Antti Karhunen, Head of Unit "Private framework development, trade and regional integration", European Commission, “The role of the private sector in EU development policy”, presentation, Mar. 10th, 2016.
15. Jackie Church, Policy Officer Policies outside the EU, Brussels Office, “EIB Operations Outside the EU Blending and the Private Sector”, presentation, Mar. 10th, 2016.
16. EU Equal Programme, “Policy brief taking business support closer to hard to reach communities”, September 2004;
17. UNIDO, “Development of Clusters and networks of SMEs”, 2001.
18. Jim Tanburn, How Sustainable Can Business Development Services Really Be?, Donor Committee on Enterprise Development, October 1998.

Research literature (the first three articles were suggested to BSO attendees for deepening information)

19. Kemppainen K., Vepsäläinen A.P.J., “Trends in industrial supply chains and networks”, 2003, International Journal of Physical Distribution & Logistics Management, Vol. 33 Iss 8 pp. 701 – 719.
20. Kyrö P., (2006), "Action research and networking benchmarking in developing Nordic statistics on woman entrepreneurship", Benchmarking: An International Journal, Vol. 13 Iss 1/2 pp. 93 – 105.
21. Hwang, L.J.J., Lockwood, A., (2006), "Understanding the challenges of implementing best practices in hospitality and tourism SMEs", Benchmarking: An International Journal, Vol. 13 Iss 3 pp. 337 - 354.
22. Sheena Carlisle, Martin Kunc, Eleri Jones, Scott Tiffin, “Supporting innovation for tourism development through multi-stakeholder approaches: Experiences from Africa”, Tourism Management 35 (2013) 59 - 69.
23. Franz Todtling, Michaela Trippl, “One size fits all? Towards a differentiated regional innovation policy approach”, Research Policy 34 (2005) 1203–1219.

24. Ines Mergel, "Social media adoption and resulting tactics in the U.S. federal government", *Government Information Quarterly* 30 (2013) 123–130.
25. Anna Bergek, Charlotte Norrman, "Incubator best practice: A framework", *Technovation* 28 (2008) 20–28.
26. Bram Wauters, (2005), "The added value of facilities management: benchmarking work processes", *Facilities*, Vol. 23 Iss 3/4 pp. 142 – 151.
27. Peter Finch, (2004), "Supply chain risk management", *Supply Chain Management: An International Journal*, Vol. 9 Iss 2 pp. 183 - 196.
28. Andrew McAuley Ian Fillis, (2005), "The Orkney based craft entrepreneur: remote yet global?", *Journal of Small Business and Enterprise Development*, Vol. 12 Iss 4 pp. 498 – 509.
29. Alexandra Kalev, Frank Dobbin, Erin Kelly, "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies", *American Sociological Review*, 2006, Vol. 71 (August: 589–617).
30. Caroline W. Lee, "Is There a Place for Private Conversation in Public Dialogue? Comparing Stakeholder Assessments of Informal Communication in Collaborative Regional Planning", *American Journal of Sociology*, Volume 113 Number 1 (July 2007): 41–96.
31. David Yarrow, Philip Hanson, Andrew Robson, "Made in the 21st century: how far have we come on the journey to excellence?", *Total Quality Management*, Vol. 15, no. 5-6, 829-839, July – August 2004.
32. David Smallbone, Robert Baldock, David North, "Policy support for small firms in rural areas: the English experience", *Environment and Planning C: Government and Policy* 2003, volume 21, pages 825 – 841.
33. Monder Ram, Kiran Trehan, John Rouse, Kassa Woldeesenbet, Trevor Jones, "Ethnic minority business support in the West Midlands: challenges and developments", *Environment and Planning C: Government and Policy* 2012, volume 30, pages 504–519.
34. David Deakins, Monder Ram, David Smallbone, "Addressing the business support needs of ethnic minority firms in the United Kingdom", *Environment and Planning C: Government and Policy* 2003, volume 21, pages 843 – 859.

Websites and media:

35. Europeaid, practical and interactive consultation of ENI call for proposal database including review of forecasts, open calls and documentation: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&PubliList=15&orderby=upd&orderbyad=Desc&searchtype=AS&pgm=&ZGEO=35582&ccnt=7573876&debpub=&finpub=&aoet=36538&aoet=36539>
36. Unioncamere "Good Practice Catalogues": [Buone pratiche Unioncamere](#).
37. [Invest in Palestine BSO | ANIMA Investment Network](#).
38. [BSO Business Support Organisation EuroMedAlliance](#).
39. [Canada Business support organizations - Canada Business Network](#).
40. [UK Business support contacts in Hampshire](#).
41. [Tecnopoli | Rete Alta Tecnologia](#).
42. [EEN Lombardia Emilia Servizi Regionali – SIMPLERNET](#).
43. [Aster | Innovazione attiva](#).
44. <http://www.report.rai.it/dl/Report/puntata/ContentItem-341d2e49-3816-40e7-a04d-2703ea1c1a7c.html> RAI 3 "Padroni si nasce"

Annex 2:

seminar agenda with content outline verbally approved by IDO and TL on April 27th

Annex 3:

BSO networking seminar presentations (day 1 and day 2)

Annex 4:

seminar attendees of day 1 session and day 2 session (respectively May 3rd and 4th 2016)

Annex 5:

Recommendations

Annex 6:

Terms of Reference

Annex 7:

CV of the consultant



Private Sector Development Cluster Project (PSDCP)

BSO networking seminar Day 1

How Palestinian BSO can increase capacity to outreach more members, stakeholders, partners through networking

Nicola Drago, PSD Consultant

May 3rd and 4th, 2016

ver. 3

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Rules for seminar enjoyment

Kindly:

- Do not smoke in closed areas
- Ring off phones and do not answer calls
- Do not undertake side discussions
- Turn-take during discussions
- Do your best in contributing to practical exercises



Scope of seminar

- Conceptualising on networking of BSO
- Awareness on networking relevance
- “How to do networking” advice
- Sharing national and international experiences
- Debate and exchange
- Uniting BSO and stakeholders for higher results



Programme

1st DAY

- Conceptual framework of networking
- Situational analysis of Palestinian BSO networking
- Concrete opportunities for outreaching
- How to network
- Cases
- First day conclusions
- Lab: finding common interest for a project / pooling fund

2nd DAY

- Foreign outreach? Not a perfect world outside
- Intercultural awareness
- Cases
- Lab
- Wrap-up



Programme session

1st DAY

- **Conceptual framework of networking**
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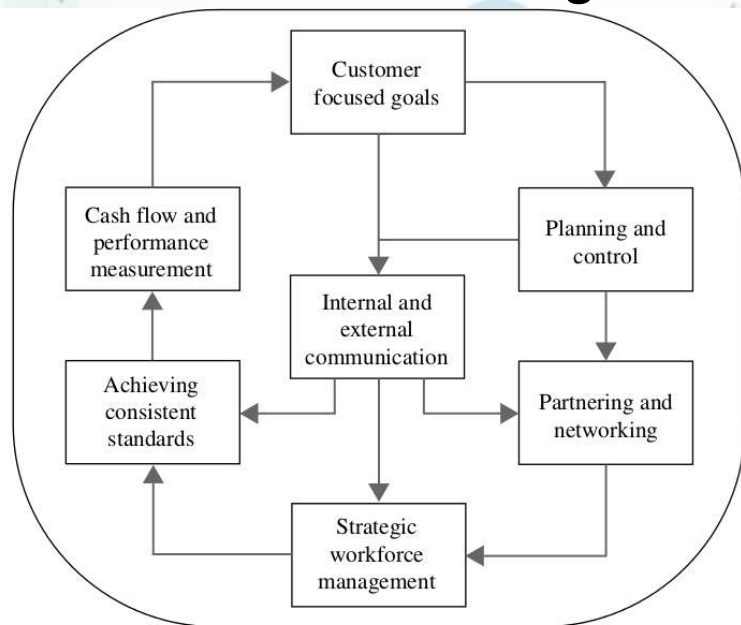
Defining BSO networks and networking 1/2

- We can define BSO network as the **mesh** of soft connections established among representatives of members, BSOs and other stakeholders (poles of the network);
- BSO networking is the art of operating, creating and **maintaining** connections among pole representatives for common purposes;
- Common purposes and mutual benefits are for a network, what blood is for veins. No common purposes, network dries.
- Networking is a kind of fast track to decision makers, sometimes it is the only way to get to a sought result.
- Networking has to be genuine, authentic, honest



Defining BSO networks and networking 2/2

- Networking has normally a two way interaction
- Networking could be established by **directly** promoting connections or by having **trusted third bodies** to facilitate the connection through introductions, referrals or trusted platforms;



- Networking is part of the challenges to implement best practices and achieve results
- Ref. Katariina Kemppainen and Ari P.J. Vepsäläinen, (2003), "Trends in industrial supply chains and networks", International Journal of Physical Distribution & Logistics Management, Vol. 33 Iss 8 pp. 701 - 719



Classifications of networks 1/3

A general classification of networks can be done according to two factors:

- grade of strategic cohesion;
- grade of technic/economic integration;

[ref. Unioncamere, Istituto Nazionale Distribuzione e Servizi, “Reti di impresa nel commercio e nei servizi”, Dec. 2013]

Strategic cohesion	high	Independent and convergent networks	Complementary and convergent networks
	low	Independent and divergent networks	Complementary and divergent networks
		low	high
		Techno-economic integration	



Classifications of networks 2/3

SNA concept	Brief description	Illustration	Advantages/ benefits	Limits
(a) Degree centrality	Number of direct ties an actor has with others in the network		Easy access to information, knowledge, and any type of resource	Too many connections can be time-consuming, not always rewarding
(b) Bonacich centrality	Centrality of an actor dependent on the centrality of its direct contacts (alters)		Power (if alters have low centrality), access to resources (if alters have high centrality)	Too many connections may overload the actor
(c) Betweenness centrality (see also “structural holes”)	Degree to which an actor is able to connect others that will be otherwise disconnected		Gatekeeping, influence, dependence, control	If there are only a few actors with high betweenness centrality, they may easily disrupt the network (vulnerability risk)
(d) Closed ties	High local connectivity between an actor's alters		High trust, high-quality knowledge, joint problem-solving, reduction of transaction costs	Too much closure is detrimental and leads to lock-in

Examples of networks with related advantages and limits

[Pietrobelli C. et al, 2011, Social Network Analysis of cluster development programs, IADB]



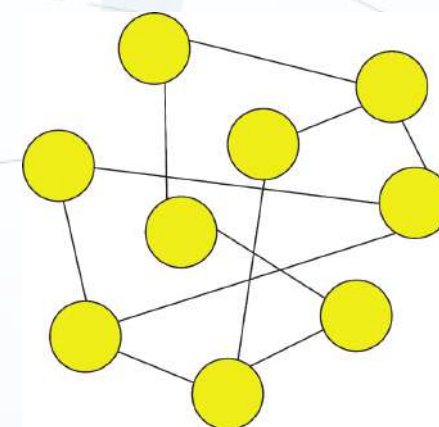
Classifications of networks 3/3

(e) Structural holes (see also “betweenness centrality”)	When an actor’s alters are not/are poorly connected to each other		High level of knowledge diversity, high opportunities for creativity and radical innovations, efficiency and control in ties	Does not have the advantages of network closure
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(f) Brokerage roles	<i>Itinerant broker</i>		It is possible to identify the degree to which an actor plays any of these roles. Actors connecting different communities or subgroups (signalled by different node shapes in the figure) have access to resources that are different, and they can also exert control on the actors that they are connecting. The advantages and limits of any of these roles depend very much on the nature of linkages and context.
	<i>Gatekeeper</i>		
	<i>Representative</i>		
	<i>Liaison</i>		

Examples of networks with related
advantages and limits

[Pietrobelli C. et al, 2011, Social Network Analysis of
cluster development programs, IADB]



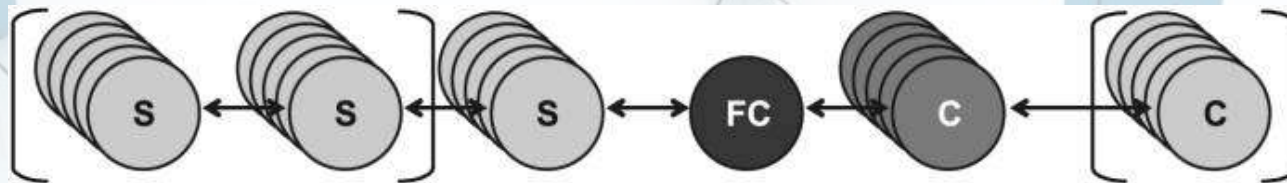
A peer network
[ref. Unioncamere,
Istituto Nazionale
Distribuzione e Servizi,
“Reti di impresa nel
commercio e nei
servizi”, Dec. 2013]



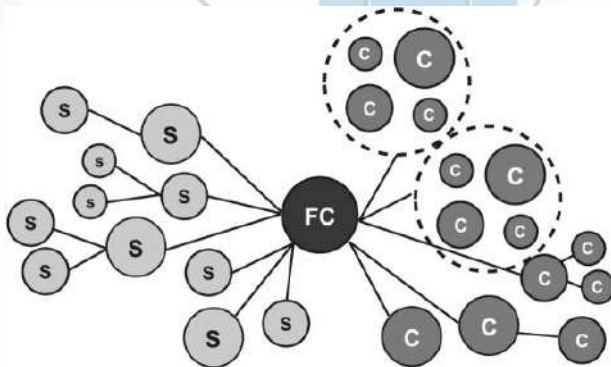
Intermeshing evolution of supply-chains

Supply-chain networking first relationships are being built between individuals and organizations, and then more units are included under common control for scale economies.

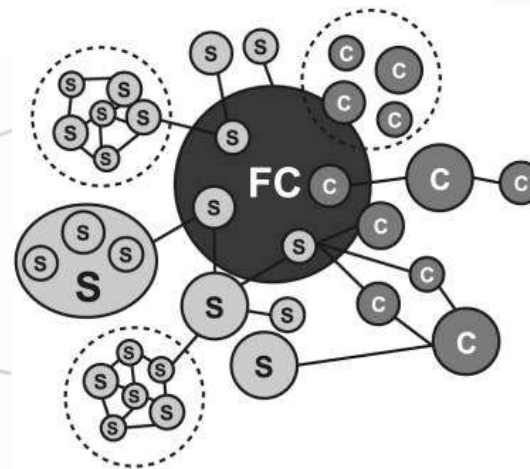
While relationship building comes more naturally, encapsulation needs more of political and business visions



Note: S = supplier, FC = focal company, C = customer



Note: S = supplier, FC = focal company, C = customer



Note: S = supplier, FC = focal company, C = customer

Katariina
Kemppainen and Ari
P.J. Vepsäläinen,
(2003), "Trends in
industrial supply
chains and networks",
International Journal of
Physical Distribution &
Logistics
Management, Vol. 33
Iss 8 pp. 701 - 719



Why networking 1/2

- Efficiency (Economic downturn taught virtues of coordination soon enough, and new business models were justified using innovative coordination mechanisms [Kemppainen et al.]
- Critical mass, gravitation of stakeholders (risks of excessive concentration, politicisation)
- Mobilisation of larger resources for investments



Why networking 2/2

Also:

- Vision, sharing, something bigger as a system, rewarding on the long term
- Social responsibility, sense of belonging
- Provision of more relevant and tailor-made services to client members
- Faster and privileged access to information and hard data



What about you?

Think your BSO as a company in a supply-chain and your members as your clients of top-quality public and corporate services.

You are surrounded by peer organisations, professionals, specialised institutions with which it is probably possible defining:

- Synergies based on segmentation (by client dimension, geographic area, sector, internal competencies) and complementarity
- Larger specialist service portfolios that do not compete but link with private sector providers



Programme session

1st DAY

- Conceptual framework of networking
- **Situational analysis of Palestinian BSO networking**
- Concrete opportunities for outreaching
- How to network
- Cases
- First day conclusions
- Lab: finding common interest for a project / pooling fund

2nd DAY

- Foreign outreach? Not a perfect world outside
- Intercultural awareness
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Palestinian economy SWOT

Strengths	Weaknesses
• Products and heritage with international reputation, and with domestic reputation • Human resources: dedicated, persistent, linguistic skills, educated • Productivity, if restrictions lifted • Low incidence of bribery	• Infrastructure gaps, energy supply • Small domestic market affected by significant poverty (18%-39%) • Dependence on donor funds • Separation and closure of Gaza
Opportunities	Threats
• Funds from development partners including ENI collaborative funds, though need strategising first • Diaspora markets • International demand for high-reputation, typical or niche products • Presence of international diplomatic officers for bilateral economic relations	• People and good movement restrictions and permit system hampering endogenous development • Largest part of external business intermediated by other country • increasing number of settlements and loss of land • increasing tax collection but not enough to deliver better results

Elaboration on WB Economic Monitoring Report to the Ad Hoc Liaison Committee
Sept 2014



SWOT for BSO networking

Strengths	Weaknesses
• Relatively accessible and segmented membership (could largest companies be inquired to contribute more as a social responsibility mechanism for employment generation?) • Connections • A few leaders oriented to strategising, dynamising, professionalisation • Multilingual educated staffing • Persistence	• Static and generic nature of bylaws, management, HRM • Short-term orientation • Fragmentation and dependence on leader interpersonal attitude • Dependence on donor funds • Separation and closure of Gaza • Palestinian PS international invisibility • Staff skills not systematically expanded
Opportunities	Threats
• ENI collaborative funds and other funds • Different relevant web channels • Presence of int.l representative offices for bilateral networking • Many inactive members to re-attract • Possibility to focus on needs and BSOs of well targeted markets and on change management	• People movement restrictions and military activity • System of permits and visa affecting linkages and exchange • Increasing tax collection from members but shrinking public budget for BSO



Challenges for BSO networking 1/2

- **Jealousy** in a small, fragile and constrained market makes all more **sensitive to external shocks** while there are **opportunities** and other countries **flex** their capacities outside. This may not be a protected market.
- **Leaders** have important **responsibility**: it could be useful having more **long-term vision**, imaginative strategising, **managing change** and formalisation into proposals that can be shared, **unite people** and **cluster resources** for cohesive **concrete** long-term improvements.



Challenges for BSO networking 2/2

- Traditional business environment lobby service offer can be upgraded by enabling your **staff** to systematise **consultation** mechanisms with members, other BSOs and partners, move out of office, **segment** members needs and assemble complementary, coordinated and **relevant services** and **proposal management**.
- Small BSO dimensions and generalist nature, due to different reasons, may lead to more and accountable **outsourcing** of services to professionals and local NGOs (e.g. on the model of <http://pksf-bd.org/portal/> of Bangladesh).
- BSOs starting point: respected leaders, connections, educated generalist staff, external support, 6%-62% active members



Benefits of networking 1/2

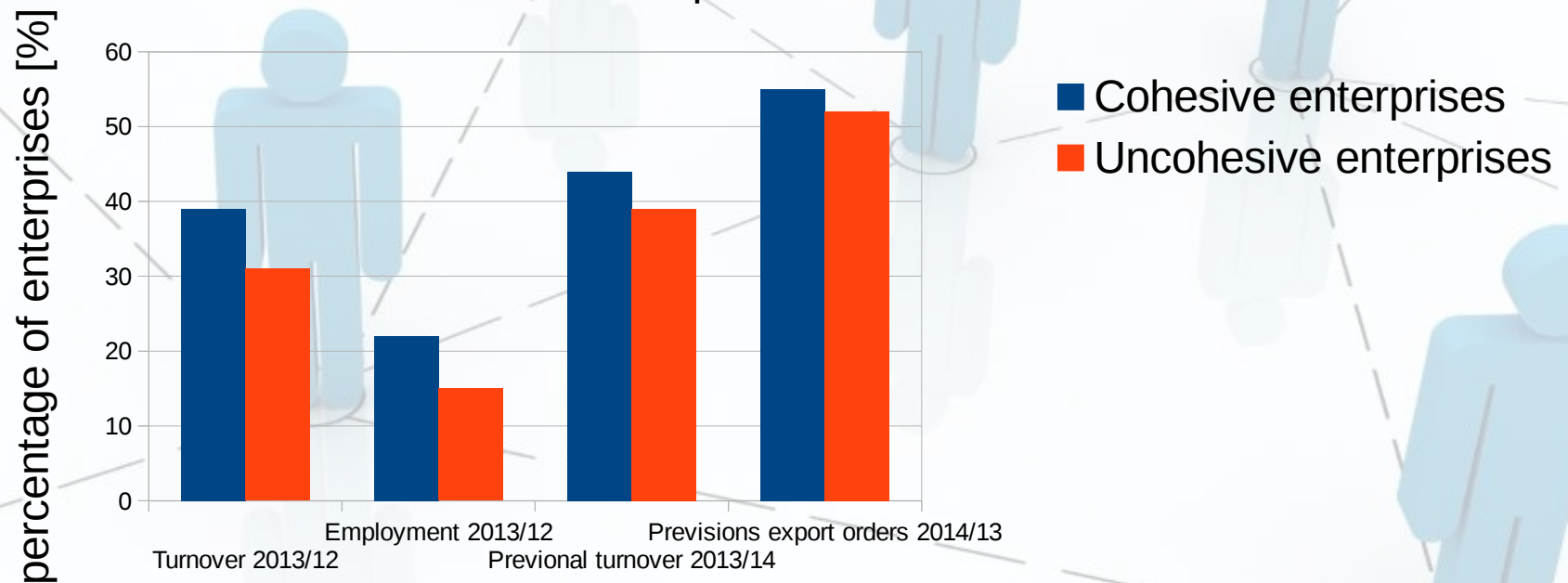
COHESION BENEFITS: Yearly variation of Italian enterprise collaborating with at least one partner (cohesive) selected indicators:

turnover 2013/12

Employment 2013/12

Previsional turnover 2014/13

Previsional export orders 2014/2013





Benefits of networking 2/2

- Reaching more members (and memberships) with better services, e.g.:
 - Easier access to data and information (database consolidation)
 - Expanded sectoral, thematic and dimensional capacity
 - Group purchasing (e.g. energy, raw materials)
 - Network of laboratories
 - Branding
- Introductions through mutually trusted network members e.g. in establishing bilateral chambers
- Attraction of and catering for young entrepreneurs
- Critical mass:
 - Representing a larger number of PS stakeholders
 - Resources for infrastructural investments
 - Fulfilment of stricter financial and project criteria in case of proposal management



Risks of non-networking

- Perpetuation of status-quo, with degrading competitiveness and shock resilience
- Degrading capacity to cope with modern service demand
- Obsolescent appeal for young entrepreneurs
- Dependence on external funds, prone to fluctuations
- Loss of chances to build positive Palestinian PS image
- Less Palestinian-generated foreign relationships
- Fragmentation, overlapping, competition on small market



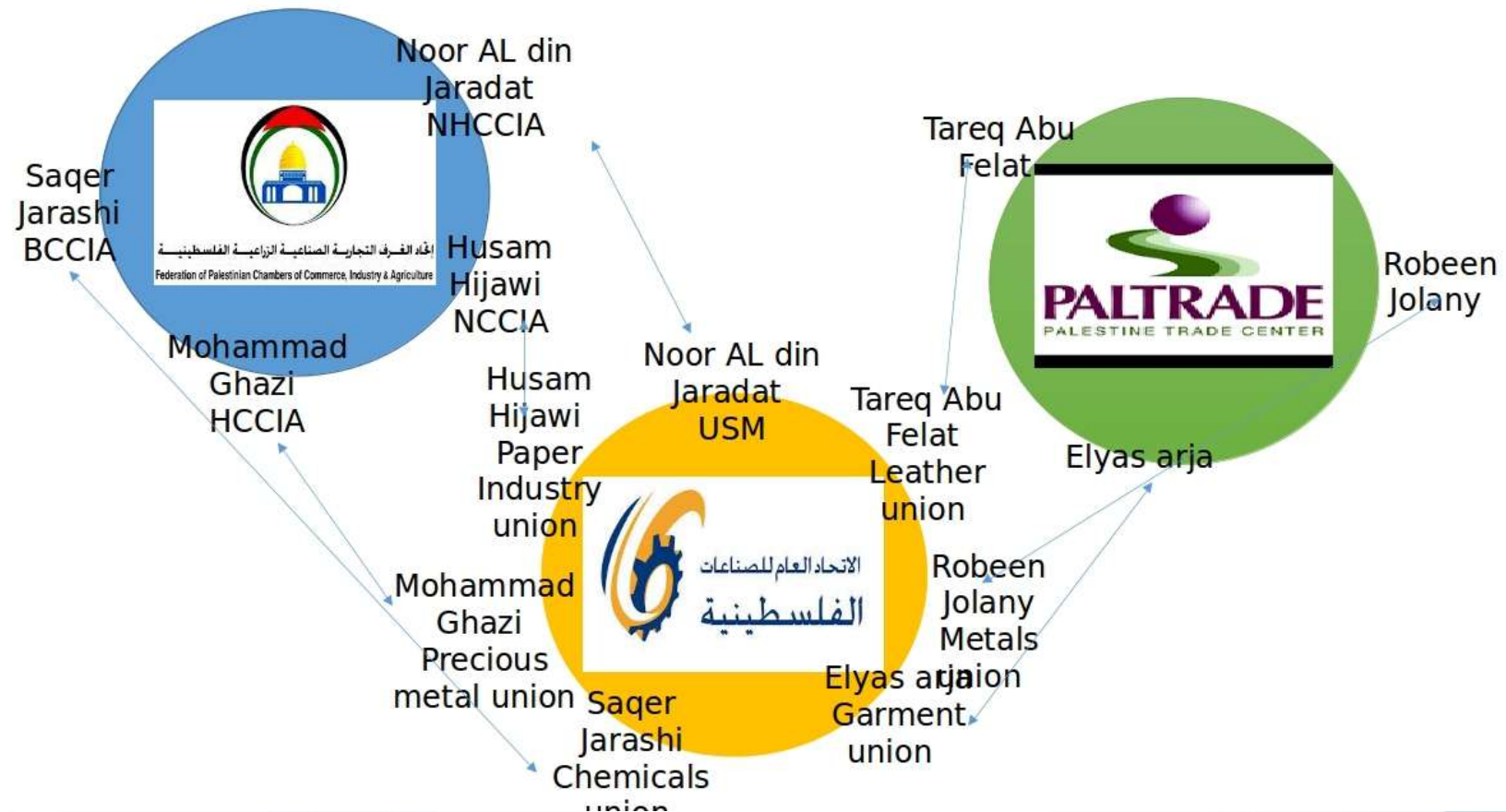
Triggers for BSO leaders to network

- It is for a **noble cause**: a systemic endogenous approach to increasing employment and nurturing new ideas of youth
- Visionary leaders **prove** they fight for others and get **social recognition** for this
- **Pragmatism** of stepping back if joint -rather than individual- solutions solve more problems and reduce costs
- **Be part of it**, even if critical
- Entrepreneurs **explore** new ways
- **Country** image and **reputational results** from professionalisation



Agents of networking

BSO's Networking agents





Programme session

1st DAY

- Conceptual framework of networking
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- **Concrete opportunities for outreaching**
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- Cases
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2nd DAY

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Missing inactive members

The priority opportunity for BSO is recuperating their inactive members (registered but not paying memberships): **they were already your clients!**

According to a study conducted by PSDCP, though with figures slightly different by source, **inactive members** appear to be:

- 4% to 70% of registered members;
- **66% weighed average** (on registered members to give more weigh large organisations);
- 86,000 USD/year weighed average potential additional contribution per CCIA on balance sheets reaching ??? USD/year.

Recuperating grasp with such members requires to study reasons, segment members and answers for registering and giving up payment



Appealing new members

- After -or while- regaining grasp on inactive members, strategy may target new Palestinian members
- Positive reference from active members is essential (**networking**)
- Relevant (best company-specific) and value-for-money **service portfolio is essential** (**networking**)
- Clear rules and conditions
- Bringing new market opportunities very relevant



Strategy first, funds second 1/2

- External funds may be a strong motivation for uniting efforts
- Bad practice:
 - Budget constrained BSO → international project funds → acceptance of potentially divergent priorities → risk of project irrelevance
 - If repeated → loss of focus → BSO may survive but spoiled
- It may be more effective for networked stakeholders to define a state-of-the-art common development strategy and effectively lobby to have it financed once submitted to selected sources



Strategy first, funds second 2/2

- Financing of common-strategy-first approach requires:
 - Deciding that it is time for a joint framework
 - Networking to lay down an impact strategy, including selected foreign partners when needed
 - Assess carefully what you can finance by pooling resources, including from PS
 - Professional forecast scouting including taking part to international events to detect trends
 - Lobbying on priorities throughout definition of calls
 - Professional proposal writing
 - Lobbying, in respect of evaluation procedures
- The project shall be monitored and kept on track, consistent with country priorities and member needs and may contribute to establish foreign paternariats



Pooling resources

Sources of financing: overall picture

Public Domestic Finance Total: 4.4tn Tax revenue: 4.3 tn Potential of removing harmful fossil fuel subsidies: 523bn Public External Borrowing: 85 bn Memo items Total Reserves, incl. gold: 5.4 tn Illicit financial outflows: 0.9 tn	Private Finance (domestic & international) Total: 4.8tn Domestic Private Investment: 3.5tn International Investments: 824bn Private External Borrowing: 92bn Remittances: 370bn Potential from reducing the transfer costs to 5%: 16bn per year. Private Charity: 56bn
Public International Finance Total: 0.2tn ODA Grants: 144bn Concessional Loans: 31bn Other official finance: 30bn UN-sanctioned international security operations: 7bn	

International Trade*

Total volume of developing countries' exports: 5.8tn

* Trade is not a financing source, but an instrument that facilitates private and public finance mobilisation. The impact of trade on growth and poverty reduction depends on the national context and the measures taken.

- Many are pooling resources (e.g. EU PS – IFI blending strategy, IFI syndication) to expand capacity, improve public investment portfolios and involve private sector
- Think you could pool resources of BSO, Private Sector and Government resources

Source: EC DG DEVCO presentation “The role of the private sector in EU development policy”



Pooling resources, another example

REGMIFA is a financial vehicle which fosters micro, small and medium enterprises in Sub-Saharan Africa.

INVESTORS
You want to know more about how to invest in Notes or Shares issued by the Fund.
[More info](#)

FINANCIAL INSTITUTIONS
You are interested in receiving long term debt financing and/or technical assistance support.
[More info](#)

DONORS
You wish to make a financial contribution to the Technical Assistance Facility of the Fund.
[More info](#)

CONSULTANTS
You wish to implement technical assistance projects in Sub-Saharan Africa.
[More info](#)

FUND INVESTMENT MANAGER AND TECHNICAL ASSISTANCE FACILITY MANAGER:
symbiotics

FUND LABELS:
LUXFLAG
the smart campaign

INVESTORS:
Caeid, afd, bio, European Investment Bank, Federal Ministry for Economic Cooperation and Development, FMO, IFC, KfW, Spanish Ministry of Economic Affairs and Development, mmi, CeEB, Proparco, symbiotics

No need to be donor driven:

Why not pooling Palestinian BSO and PS resources for a local fund to provide better services to mSME and BSOs?

This would need:

- Strategic agreement
- Regulatory framework
- Governance
- Networking
- Left image source: www.regmifa.com



Collaborative cofinancing (ENI funds)



- Total 2014-2020: € 15.4 b
- ENI Eastern and Southern Countries
- Priorities: democracy and human rights, good governance, market economy principles, sustainable dev.
- Programming: jointly agreed action plans, Single Support Framework 2014-17

- http://ec.europa.eu/europeaid/about-funding_en
- <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&nbPubliList=15&orderby=upd&orderbyad=Desc&searchtype=QS>



Collaborative cofinancing (ENI funds)

Current forecasts

Your selection returned 51 record(s) Display 10 - 15 - 25 - 50 calls per page.

Ref. # - Title	Published	Updated	Status	Type	Geographical Zone	Programme
137376 - Assistance Technique au Directeur Opérationnel du Programme d'Appui au Développement Local Durable et aux Actions Sociales du nord-ouest de l'Algérie (AT PADSEL-NOA)	1/09/2015	28/04/2016	Open » 22/05/2016	Services	Algeria	Neighbourhood
137902 - Recrutement de l'assistance technique pour le programme d'appui à la mise en œuvre de l'accord d'association (P3AIII)	5/03/2016	27/04/2016	Forecast	Services	Algeria	Neighbourhood
137037 - Etude sur la stratégie nationale et plan d'actions de la gestion des déchets et de la valorisation des déchets à l'horizon 2030	25/04/2016	23/04/2016	Open » 30/05/2016	Services	Algeria	Neighbourhood
137922 - Technical Assistance to the Renewable Energy and Energy Efficiency Programme in Jordan REEE II	12/03/2016	23/04/2016	Open » 23/05/2016	Services	Jordan	Neighbourhood
138018 - Support to Implementation of Strategies to Foster MSME development in Egypt	23/04/2016	23/04/2016	Forecast	Services	Egypt	Neighbourhood
138013 - Assistance technique pour l'accompagnement du « PROGRAMME D'APPUI A LA REFORME DU SECTEUR DE LA SANTE (PHASE II)-Rabat - Maroc »	22/04/2016	22/04/2016	Forecast	Services	Morocco	Neighbourhood
138008 - Caravane de visibilité du Partenariat Maroc/UE	19/04/2016	19/04/2016	Forecast	Services	Morocco	Neighbourhood
137930 - Assistance technique principale pour le programme d'Appui aux Médias en Tunisie	15/03/2016	16/04/2016	Open » 25/05/2016	Services	Tunisia	Neighbourhood
138002 - Recrutement de l'Assistance technique du programme d'appui au secteur de la Justice en Algérie	16/04/2016	16/04/2016	Forecast	Services	Algeria	Neighbourhood
137963 - Recrutement de l'unité d'appui à la mise en œuvre du Programme pour l'adéquation formation-emploi-qualification (AFEQ)	15/04/2016	15/04/2016	Forecast	Services	Algeria	Neighbourhood
137859 - Appui technique à l'amélioration de la performance en matière de gestion des ressources financières du Ministère de la Santé-Rabat - Maroc	19/02/2016	19/02/2016	Forecast	Services	Morocco	Neighbourhood
137838 - Appui à la promotion et au développement de nouveaux outils de statistique agricole Maroc	9/02/2016	9/02/2016	Forecast	Services	Morocco	Neighbourhood
137809 - Technical Assistance for Monitoring and Evaluation to the Office of the Prime Minister Delivery Unit (PMDU)	2/02/2016	2/02/2016	Forecast	Services	Jordan	Neighbourhood
137786 - Assistance technique pour l'appui à la réforme du secteur de l'éducation Rabat - Maroc	16/01/2016	16/01/2016	Forecast	Services	Morocco	Neighbourhood
137735 - Programme "Réussir le Statut Avancé" phase II	26/12/2015	26/12/2015	Forecast	Services	Morocco	Neighbourhood

« 1 2 3 4 » Display 10 - 15 - 25 - 50 calls per page.



Trends in EU procurement

- Larger contracts = **big consortia**
- Increased competition
- **Quality of consortia and complementarity**
- Large global price contracts
- Large horizontal, thematic programmes
- Increased indirect management with Int. Org.
- Blending grants & loans with Financial Institutions



Proposal management

- **Continue building reputation as a reliable partner in Mediterranean projects.** Definitely follow-up any engagement duly in time with strong networking activities
- Have at least one **proposal manager trained** (you may initially outsource the position but best is internalising expertise)
- Importance of **anticipate knowledge**, taking part to discussion, forecast scouting, early partnership building
- Keep on **scouting** forecasts, calls, tenders on different websites, attending conferences, networking
- Continue **reinforcing partnerships**, maintain contacts, exchange ideas, show your good changes, actively propose yourselves jointly and united



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Overcoming “human chemistry” 1/2

- Human chemistry is natural: people have first impressions, change their minds, learn to know others, tolerate or react
- Leaders
 - Built their position through intuition, capacity, hard work and networking, **however** they have important responsibilities because they:
 - represent other people and their organisation not only themselves
 - affect organisation's relationships through their attitudes
- If something unites for common betterment, sometimes it is good
 - Going beyond “I do not like her/him”
 - Stepping back in “I am better than her/him”
 - Accepting others' proposal



Overcoming “human chemistry” 2/2

- New channels may be opened by leaders, however staff may be requested to follow-up with their inter/national peers, no escape!
- Staff are affected by “human chemistry” too:
 - Timidity or Introversion
 - Language difficulties
 - Fear of irrelevance
- Such characteristics are worldwide spread, also in your potential counterpart
- “break the ice”, move out: your ideas are good and others might be **very interested** in discussing them and partnering
- **Clear mind, preparation, professionalism** and **empathy** are essential



Bottom-up vs. top-down

- Networks work better when voluntary and not imposed top-down
- People have enormous knowledge, even more of what is locally relevant and good
- Bottom-up approaches increases ownership and accountability, are to be preferred and bring priority needs, initiative and suggestions:
 - Base consultation (networking)
 - Partner consultations (networking)
 - Staff consultations (networking)



Structured approach to networking 1/3

- Have a reputation of personal integrity
- Clear mind on objectives, strategy and proposal (powerful contacts may ask straight what you want)
- Identify and target groups, relevance could be according to several different things, e.g.:
Geographic coverage, Size, Sector, Social grouping, Political grouping, Trading, Technical
- Be aware of group's needs, expectations, rules, composition and **adapt** style and methods



Structured approach to networking 2/3

- Consider **networking as a project**, which needs objectives, planning and focus to avoid dispersion
- **Follow-up to any commitment** otherwise affect effectiveness and reputation, rather do not take commitment if not relevant
- Be **positive**, professional, tolerant under stress, **calm** especially when others get agitated, objective, **avoid taking it personal**
- Build relationship and awareness till agreement can be achieved
- Keep open to unplanned relevant networking opportunities
- Keep being a person with a work / life balance and personal interest such as social, cultural, sport ... this will reduce anxiety, open a deeper knowledge and potential common interests



Structured approach to networking 3/3

- Help others
- Step-by-step growth of common targets
- Have a long-term orientation in partnerships, accept potential errors with the goal of eventual trust
- Avoid:
 - “Hard sale” pushy approaches
 - Going to networking events just to get “clients”, build relationship, say how you can help clearly but enjoy common experiences
 - Changing quality with quantity
 - Neglecting to follow-up



How to start 1/3

- Organise consultation days with ideas to pool for common needs
- Strategise, target and plan
- Leaders open channels, communicate strategy and willingness to join efforts and agree on macro terms
- In hierarchical cultures, channels may work this way: local BSO → BSO federation → federations → concerned partners
- Although, weighty BSO may go straight sometimes
- Organise socialisation days and working sessions



How to start 2/3

- Publish and maintain BSO profile under a common page or individual pages in different databases (not only individual website) such as:
 - LinkedIn (www.linkedin.com)
 - Devex (www.devex.com)
 - Enterprise Europe Network (<http://een.ec.europa.eu/>)
 - TCI (<http://www.tci-network.org/>)
 - Cluster observatory (<http://www.clusterobservatory.org>)
 - INSME international network for SMEs (<http://www.insme.org/insme-members>)
- Publish gathering events, thematic events, consultations in media, social networks and specialised websites to catch also younger entrepreneurs:
 - Facebook (www.facebook.com)
 - LinkedIn (www.linkedin.com)
 - Twitter (<https://twitter.com/>)
- You may also consider becoming visible with thematic videos in Youtube



How to start 3/3

In general:

- Move out of comfortable office and go to people
- Political representatives fight in political arenas
- Directors collaborate with other directors to segment roles in public fund utilisation e.g. during chambers boards of directors meetings
- Technostructures collaborate in operational matters



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Case 1, Unioncamere

- The Italian Union of Chambers of Commerce is a public organisation whose members are individual chambers of commerce
- It is mandatory and enforced by law registering to the local Chamber this contributing base of resources to the cameral system
- Chambers are governed by:
 - “Consiglio”/Council linking representatives from agriculture, artisanat/mSE, insurance, commerce, credit, industry, services, tourism and other territorially relevant sectors, worker union, consumer union
 - “Giunta”/Board, the executive organism with 5-30 representatives, meeting monthly, in which directors of different BSO discuss utilisation of public resources and other businesses
- The number of chambers is shrinking from 106 to 50-60 to increase global efficiency in economic downturn



Case 1, Unioncamere system

CAMERAL SYSTEM MAP

System structures and organisms
Special purpose entities
Arbitration organisms
Technical assistance
(research, associations)
Infocamere database
Indis

CHAMBERS OF
COMMERCE

REGIONAL
UNIONS OF
CHAMBERS

UNIONCAMERE
(NATIONAL)

Italian chambers abroad
Association of chambers
abroad

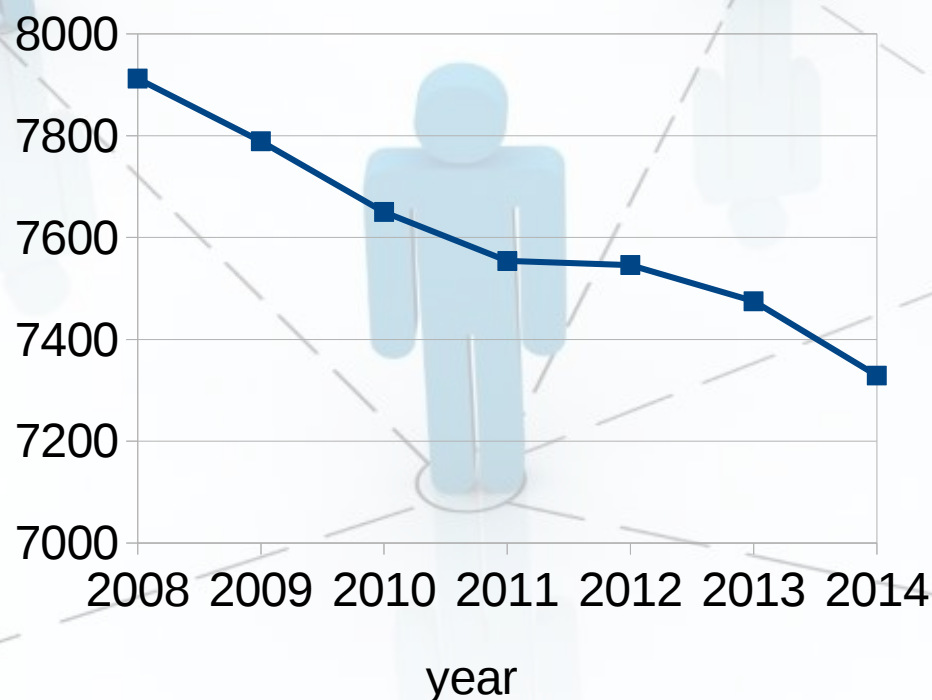
Trade regional centers
EEN members
Unioncamere Europe



Case 1, chamber system dimensions

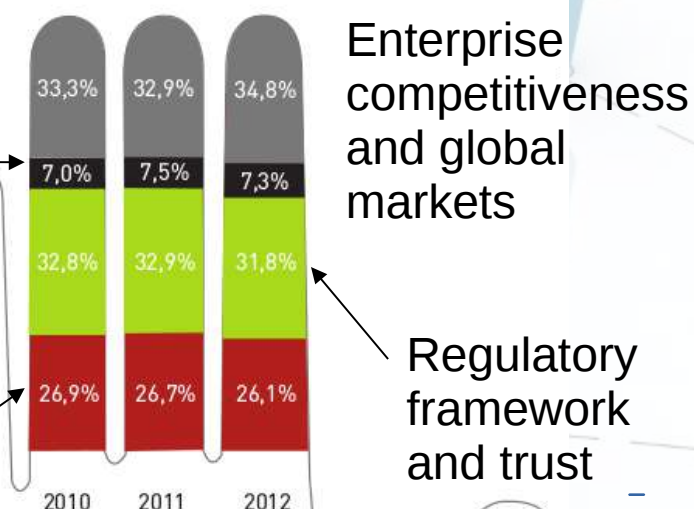
2765 members of councils

Open-term contract staff



Territorial competitiveness

Internal services and staff



Enterprise competitiveness and global markets

Regulatory framework and trust

Resource destination

[source: Unioncamere reports]



Case 1, good networking practices

Unioncamere systematises good practices under the principle of sharing, codesign, co-production:

- www.ago.camcom.it/buonepratiche or www.facebook.com/buonepratiche
- Already transferred from original application or replicated
- Innovative and sustainable with impact on the territory and quantitative indicators
- Possibility to mainstream (dissemination)
- Candidate practices are submitted from any chamber or their system
- Technical secretariat and methodological / result committee



Case 1, good networking practices 1/3

Good practice 1: microcredit partnership

- Partnership/network: Cameral system with Ministry of Economic Development
- Practice: promote microcredit for enterprise creation as start-ups have little credit story and access to financial resources

Good practice 2: laboratory network

- Partnership/network: network of laboratories of the Chambers of Commerce
- Practice: offering a range of analysis and tests in the agri-food, environmental, jewelry and other manufacturing sectors and voluntary traceability system in jewelry and fashion



Case 1, good networking practices 2/3

Good practice 3: Territorial branding (for typical products)

- Partnership/network: local chamber of commerce with local University
- Practice: adopting typical geographic branding policy to maximise appeal and quality perception and value addition of local wines

Good practice 4: women entrepreneurship

- Partnership: county and regional economic development agencies, commerce unions, training agencies, national and regional Union of Chambers, local chambers, incubators, prime minister office, research agencies
- Practice: women enterprises resisted better to economic downturn therefore investing in them means higher resilience. Mentoring, coaching, networking at national and european level



Case 1, good networking practices 3/3

Good practice 5: “door-to-door” service promotion

- Partnership/network: local chamber of commerce with local BSOs
- Practice: enterprises are often not aware of Chamber of Commerce services (e.g. e-government, databases) and do not get the best out of them. Networking “door-to-door” with trained promoters at enterprises and other BSOs

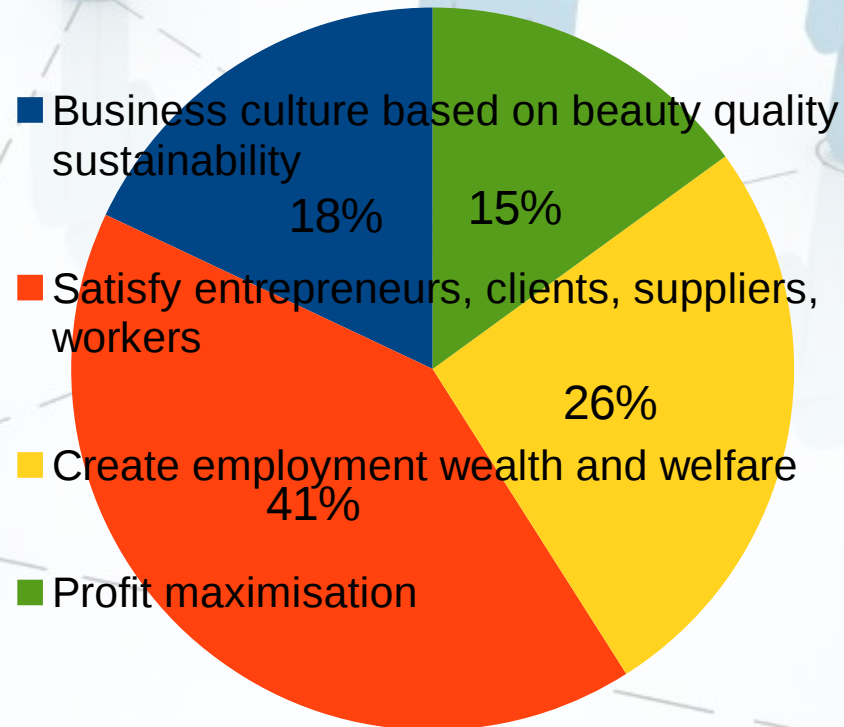
Good practice 6: enterprise network (reti di impresa)

- Partnership/network: regional union of chambers of commerce, Enterprise Europe Network, chambers university
- Practice: the local mesh of enterprises is made of mSME, with highly specialised market niches but affected by international competition of structured enterprises and multinationals. Sensitisation, focus groups and training in the advantages of the “enterprise network” legislation (an agile form of small clusters). In 2014, 12 “enterprise networks” were established.



Case 1, economic model values

Italy is assessing its economic and private sector performances to recognise whether a new typical economic mode is emerging from these economic downturn years. The following elements emerge in this Mediterranean model rooted and networked on territories and communities:



Entrepreneurs feeling of what is being part of an Italian model of business

[source: Unioncamere Symbola]



Case 2, Corporate Synergy Systems

- “United we stand, divided we fall. Together we shall be the leader” is the motto utilised by a former President of Corporate Synergy Development Center (CsDC) of ROC.
- His Country emerged from WW2 years achieving dramatic poverty reduction goals and becoming an innovation Country at international level (9.2% over 30 years since 1960 with income per capita growing from USD 197 to USD 16,800)
- He associated this to:
 - Collaboration among SMEs in capitalising their strengths and exploiting their potential; and,
 - Consistent and persistent measures undertaken by government to build a strong industrial base for advanced economic development



Case 2, Corporate Synergy Systems

Since the second part of the '90ies, the Corporate Synergy System (CSS) program sought industrial quality, competitiveness and environmental performance upgrades through cooperation of businesses, 98% SMEs.

CSS had two main components:

- Promotion of **voluntary formation of networks of 10-20** enterprises of which one is central and the others are called satellites, normally in a supply-chain
- Provision of competent and comprehensive technical assistance, incentives, awards, and strong policy support



Case 2, Corporate Synergy Systems

- Companies agreed on a common improvement plan, which:
 - lasted 12 months and can be extended in duration and in number of satellite members; and,
 - was monitored and enforced.
- “Compared to individual companies, networks:
 - achieved better economies of scales
 - Retained competitive advantages in a better way
 - Cooperated and networked with companies seeing themselves as allies, reducing negative competition and allowing simultaneous network-wise improvements.
- Literature reports that:
 - Firm level CSS investments paid back and generated revenues since 1st fiscal year
 - in 18 years, 194 CSS were formed involving 3350 plants and training of 700,000 industry workers



Case 2, Corporate Synergy Systems

Motivational factors:

- For satellites: not losing big client, long-term purchase contracts, better payment terms, training, investment support.
- For central firms: market position betterment, quality enhancements, expanded capacity, cost reductions, reputation, relationships

Also in this case, networking for collaboration among organisations of different sizes and needs but with mutual interests, led to improved systemic performances.



Case 2, CSDC

CSDC was initially a public sector creation implementing decisions of an inter-agency committee, then was moved to be a self-financing not-for-profit foundation, still active and expanding portfolio of services:

- Collaboration management
- Industry promotion (including creative industries and local cultural industries)
- Awards and certificates
- Operations enhancement
- Training and publications



Case 3, Shoe and leather cluster development in Palestine

Mr. Tareq Abu Al Fealat, Palestinian Leather Industries Union Chairman



Programme session

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- **Fist day conclusions**
- Lab: finding common interest for a project / pooling fund

2nd DAY

- Foreign outreach? Not a perfect world outside
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Conclusions

- There is correspondence between sematic conceptualisation and real cases →
- networking is possible, it has already been done and there are other cases
- World is moving towards pooling, what would you do? United and organised for a higher interest
- Definition of a clear strategy and use of funds to finance and pool around it, do not strategise on funds
- Not just informal relations but structured
- Use but do not be used by social networks
- Move, Move, Move to outreach people
- Specialise networking staff, allow board directors to be agents of networking, delegate teams to interact with peers
- When outreaching foreign organisations, have mutually beneficial concrete proposals in mind



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Lab: finding common interest for a project / pooling fund 1/2

Organisation:

- Divide in groups of 4-5 people
- Each group shall include -when possible- at least a chamber, a union and an NGO representative
- Each group will have an animator (cluster agent) with the role to ensure that all group members are voiced
- The group will identify a spokesperson who presents the outputs



Lab: finding common interest for a project / pooling fund 2/2

Task:

- The lab builds on the assumption that a concrete proposal attracts people to cluster and validly complements personal relationships
- Figure out a networked initiative, which could be undertaken to bring back 50% of inactive members into contributing members satisfied of their BSOs
- Define what your inter-BSO team would do to gather executive commitment and how you would network with peer BSOs
- Introduce with a 1-minute “elevator speech” and then explain in more details through a 5-10 minute voice presentation



Thank you for attending



Private Sector Development Cluster Project (PSDCP)

BSO networking seminar Day 2

How Palestinian BSO can increase capacity to outreach more members, stakeholders, partners through networking

Nicola Drago, PSD Consultant

May 3rd and 4th, 2016

ver. 3

1 / 45



Disclaimer

This presentation is the work of Mr. Nicola Drago in his personal capacity. The opinions expressed in this presentation are the author's own and may not reflect the opinions of PSDCP, AFD, ICON Institut or of any other organisation mentioned in the slides.



Rules for seminar enjoyment

Kindly:

- Do not smoke in closed areas
- Ring off phones and do not answer calls
- Do not undertake side discussions
- Turn-take during discussions
- Do your best in contributing to practical exercises



Scope of seminar

- Conceptualising on networking of BSO
- Awareness on networking relevance
- “How to do networking” advice
- Sharing national and international experiences
- Debate and exchange
- Uniting BSO and stakeholders for higher results



Brief resume of Day 1 concepts

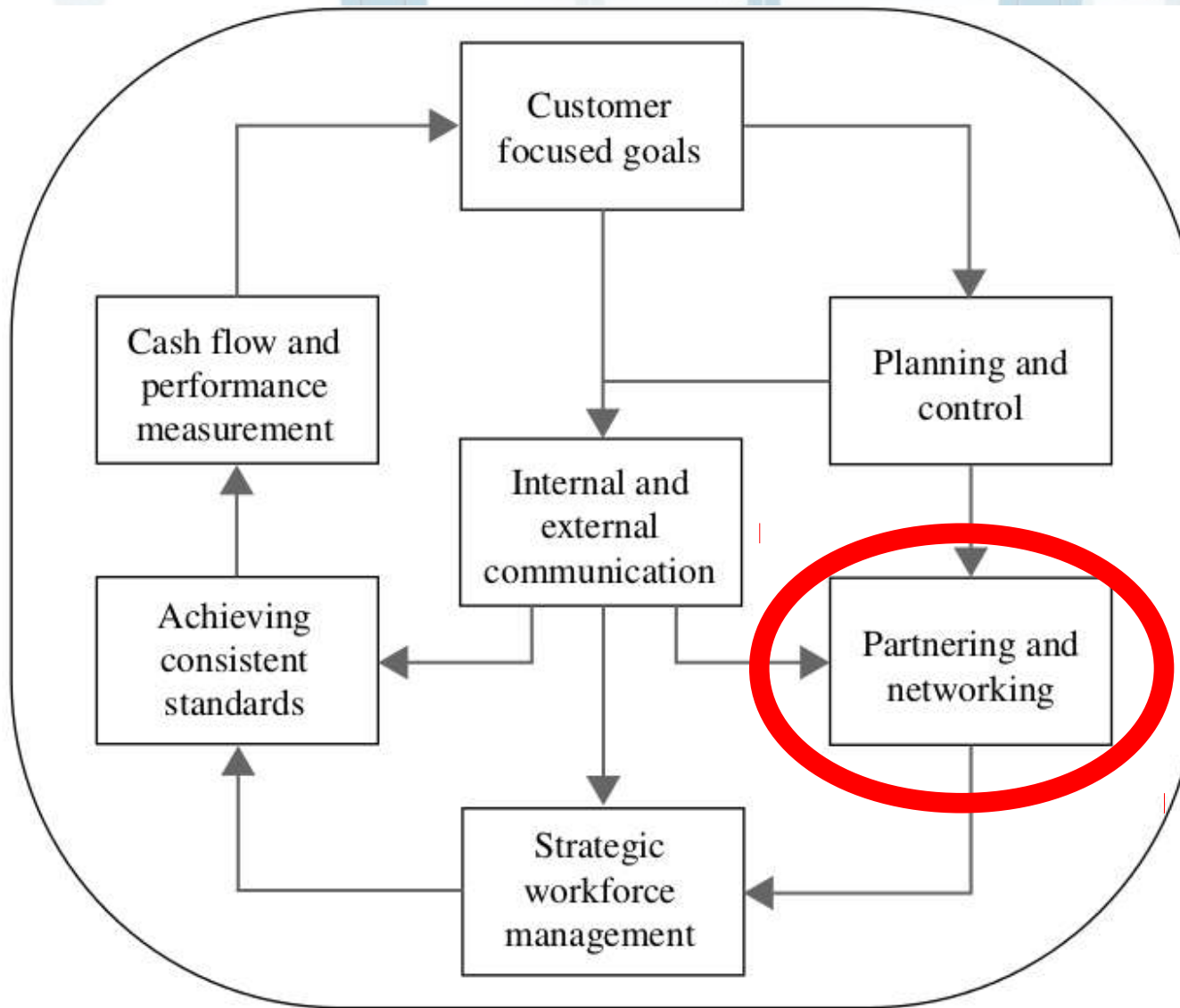
Two concepts from you:

- **We need to “feed our BSO”:**

- Different result of long-term strategy and short-term bidding → you can aim at positively influencing calls at debates when they are conceived
- Networking as part of a larger professionalisation scheme

- **This is our culture, nothing changes:**

- Identity is good but ... “Agents of change”



Networking
as a part of
a broader
scheme



Brief resume of Day 1 concepts

- Unite in a common strategy
- Professionalise:
 - Need and training analysis
 - Try composing segmented service portfolios
 - Intercultural management
 - Networking
- Visibility and reputation building
- Keep up-to-date and lobby where decisions are taken



Programme

1st DAY

- Conceptual framework of networking
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What would
you like to
start with?



Programme session

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Foreign outreach? Not a perfect world outside

Critical review of a SME BSO and an industrial BSO different from previously mentioned BSOs. Names and nationality will remain anonymous.

The data concerning such BSO come from semistructured interviews with informed stakeholders and from media. They shall be considered educated estimates.



Foreign outreach? Not a perfect world outside

MSE territorial BSO 1/2:

- one of the largest of its type in the Country,
- 15,000 members,
- membership USD 200 – USD 800,
- balance sheet $\leq$ USD 34 millions (2/3 from special purpose entity services at market rate, 1/3 from memberships),
- 500 employees of which 120 direct BSO employees, other 380 employees of special purpose entities



Foreign outreach? Not a perfect world outside

MSE territorial BSO 2/2:

- **Special purpose entities** mix resources from chambers, PS and other BSO, each with a board position. They provide profit generating services
- national level federation in capital city
- **Services:** contracts, tax consultancy, HRM, HSE, authorisations, declarations, training, temporary management, group-purchase energy, credit, export support, worker unions relations, lobby on legislation,



Foreign outreach? Not a perfect world outside

Industrial BSO system 1/2:

- Includes territorial BSO and their federation
- 3,000-5,000 employees in the whole system of federation, territorial members, special purpose entities,
- Federation Collects 10% of member BSOs revenues
- Membership to an individual BSO ranges USD 1,400 to USD 8 millions a year, members now include also banks, energy generation and insurance companies



Foreign outreach? Not a perfect world outside

Industrial BSO system 2/2:

- SMEs constitute largest part (**90%**) of revenues but weight is **lighter** than large firms,
- SMEs most **needy of services**. Large industry needs more high-level **lobby**
- **Services**: lobby on taxes, industrial relations, internationalisation, access to public financial facilities, presentations, training, debate, social security and tax advisory, new suppliers. Regulatory and policy lobby is carried progressively more out of Country, at Union-level Capital city.



A few governance pics

- **Reason for special purpose entities:** because they can generate profits by selling services, whereas their mother not-for-profit BSOs are not allowed
- **Alliances are especially done at Chamber boards** when it is time of allocation of **public resources** such as for infrastructures:
 - Directors of different BSO sit at Chamber board.
 - BSO representation is proportionate to contributions, employment and other dimensions of member enterprises.
 - Decisions are taken per head.
- Concerning provision of **corporate services**, **BSO tend to work in isolation or competition** apart a few best practices. **Specialisation** to be done based on **segmenting** enterprise needs.



Criticalities 1/2

- **Paradox** between lobbying for lighter regulations (membership-based services, not for profit side) and earning from services due to heavy regulations (special-purpose entity services)
- **Unfair competition** / distortions in service market between BSO established by law (mandatory membership) and privately established BSO (voluntary membership)
- **Overlapping** on groups of enterprises attracted to register to two or more BSOs
- Services to SMEs are often **more expensive** than professionals in the market moreover BSOs are ineffective in helping SMEs to access much sought finance



Criticalities 2/2

- **Conflicts of interest** between having energy, insurance and bank members and seek of competitiveness of BSO group purchases of such type of services for SME members
- **Industry overweighing** compared to SME despite SME are largest majority
- Non-public BSO may target same PS segments but be differentiated by **political** orientations and heavy weight BSOs are strongly into politics

Result? According to public opinion BSOs are **loosing grasp**, the largest are considered political launchers, not value-for-money, large structures are less and less justified



Foreign outreach

What are **your expectations** in outreaching Foreign BSO?



Foreign BSO expectations

- Business / markets
- Mutual interest concrete proposals
- Complementing project bid partnerships
- Some: compliance with politic or policy frameworks
- Some may have long-term relationship vision
others may have short-term common interest
deal vision



Programme session

1st DAY

- Conceptual framework of networking
- Situational analysis of Palestinian BSO networking
- Concrete opportunities for outreaching
- How to network
- Cases
- First day conclusions
- Lab: finding common interest for a project / pooling fund

2nd DAY

- Foreign outreach? Not a perfect world outside
- **Intercultural awareness**
- Cases
- Lab
- Wrap-up

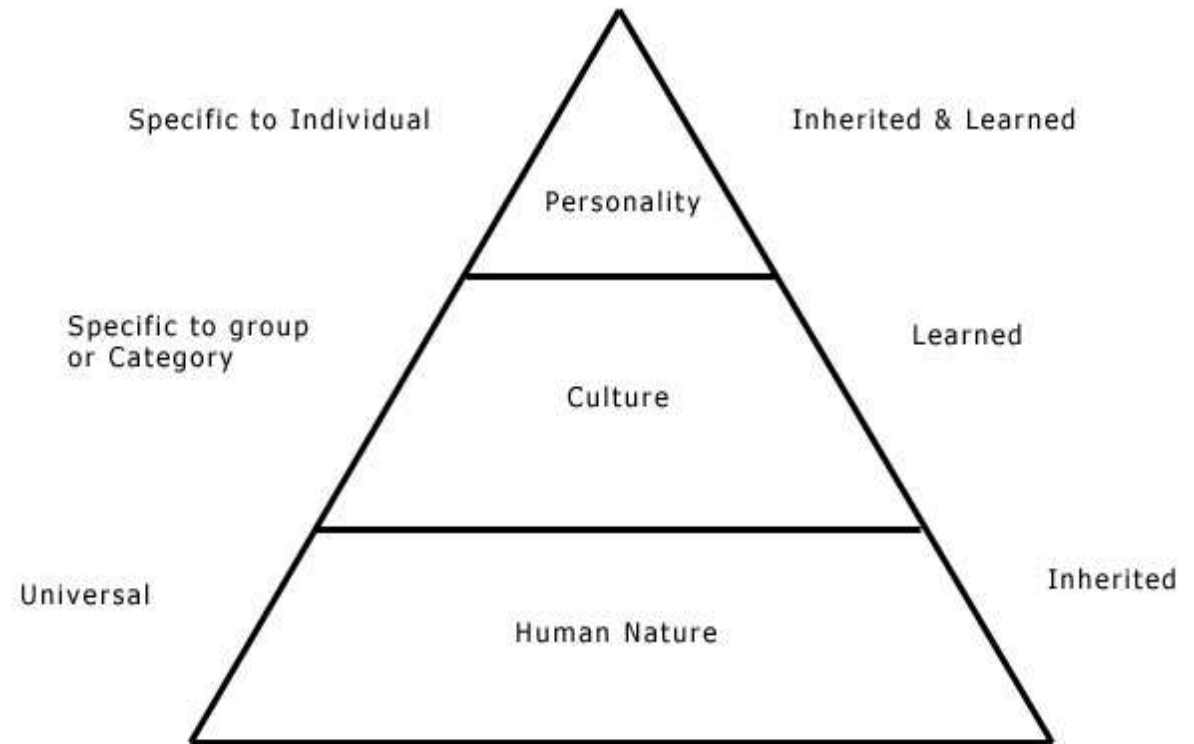
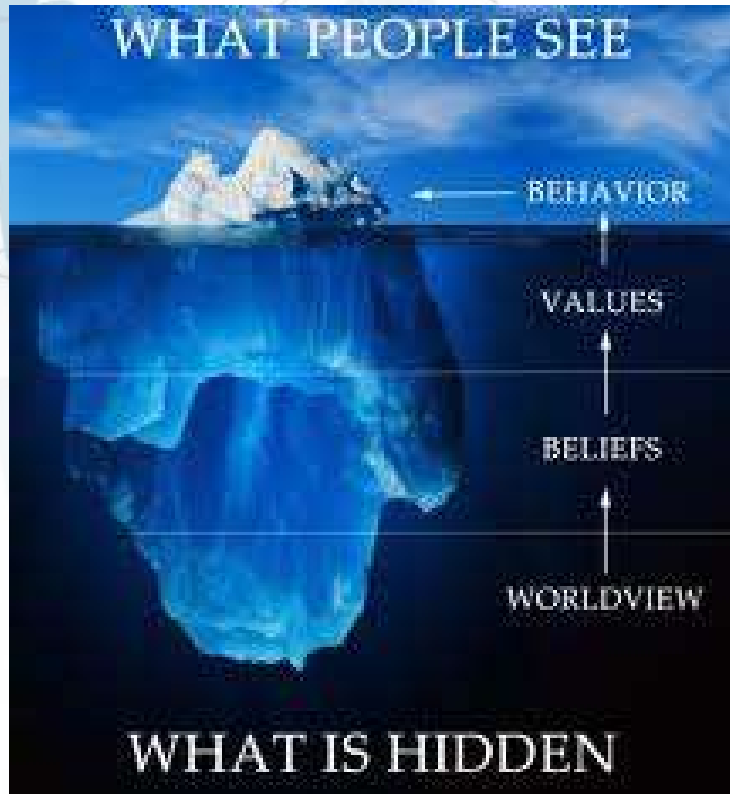
Intercultural management in dealing with foreign BSOs

- I daily commit many **inter-personal** mistakes here. Part of them may be rather my **inter-cultural** mistakes.
- I behave according to the **culture I was grown up** and unintentionally assume others to behave in the same manner. But they have another culture ...
- Language and empathy are a part of this but there is much more
- This part aims at awareness building, relativising expectations, providing basic inter-cultural elements
- Trust in your cultural identity, self-control, proposals in mind, and **prepare yourself in advance!**





Roots of behaviour



[Hofstede]



Cultural dimensions

Hofstede 6D work: Six dimensions reflect basic problems that any society has to cope with but for which solutions differ

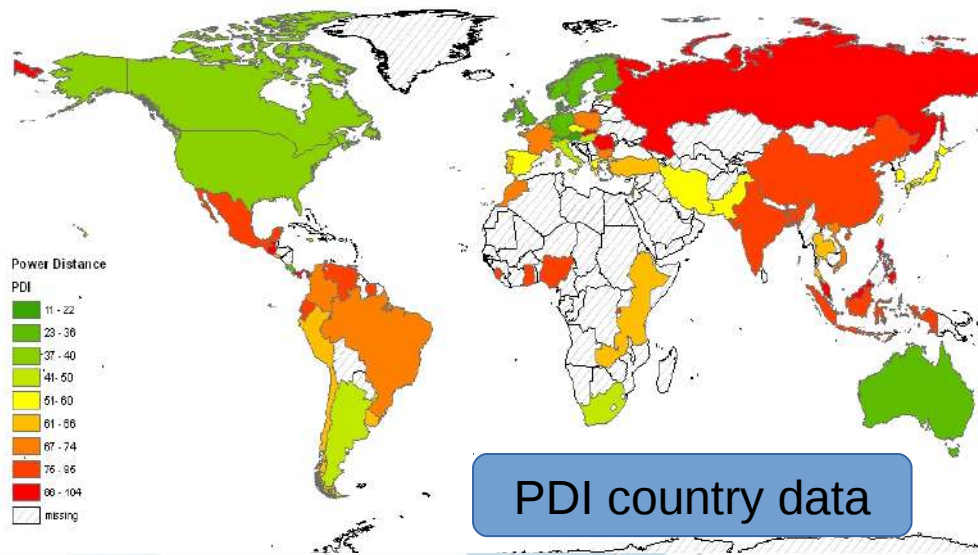
- Power distance (PDI) - father/son;
- Uncertainty avoidance (UAI) - truth;
- Individualism/Collectivism (IND) – individual/family;
- Masculinity/Femininity (MAS) – woman/man;
- Long- / Short- term orientation (LTO) – virtue.
- Indulgence vs. restraining (IVR)

Countries may be anywhere in between two pictured dimension extremes. Not all connotations apply to all countries.

Individuals within countries may vary from societal norms.



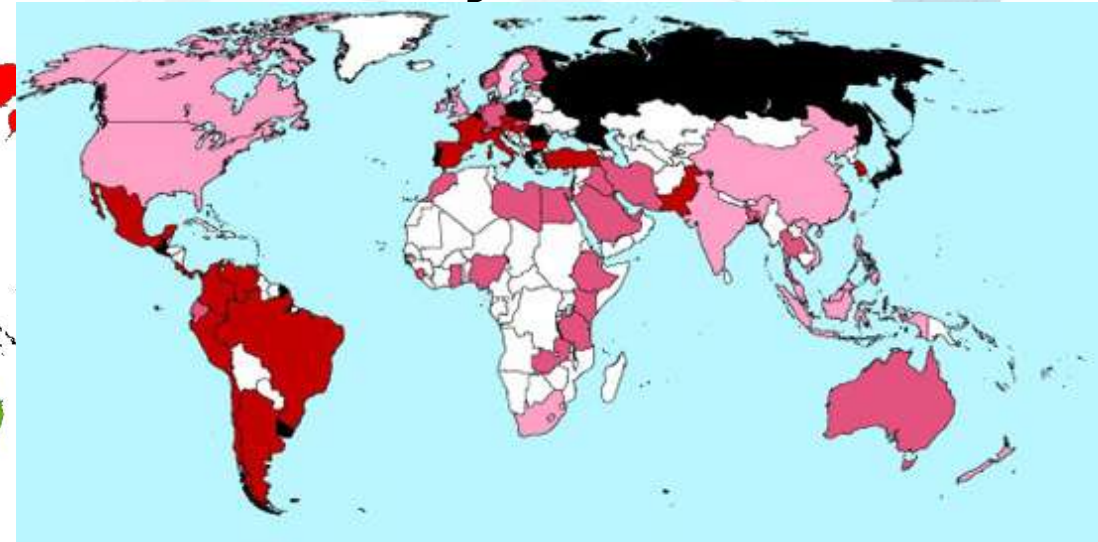
Power Distance and Uncertainty Avoidance



Power distance index

High power distance:

- More autocratic / paternalistic management style
- Close supervision
- Employees fear to disagree with boss
- Talk to the leader



Uncertainty Avoidance index

High uncertainty avoidance:

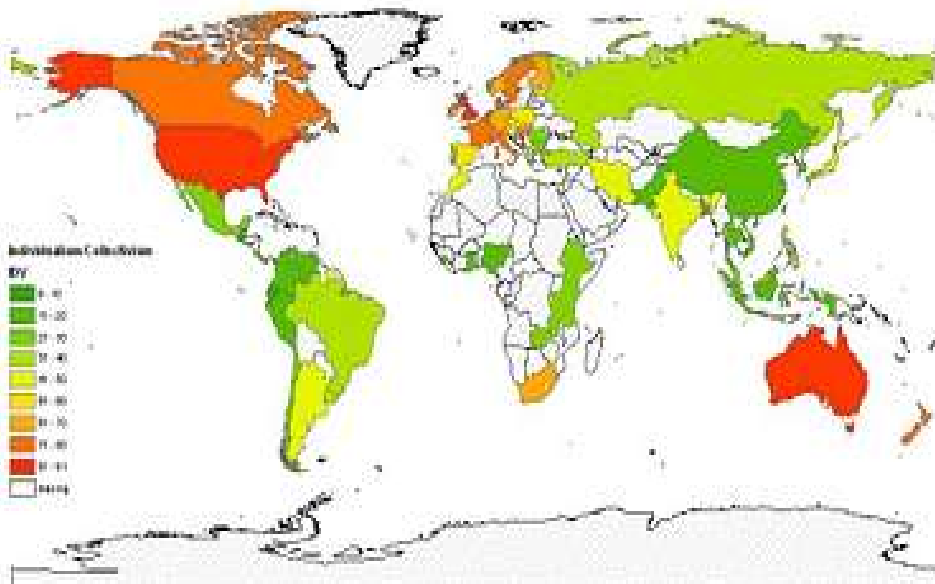
- Higher anxiety, stress, display of emotions
- Need for more formalisation (rules, procedures, norms)
- Preference for technological solutions
- Precision and punctuality



Individualism/collectivism

IDV - Individualism/Collectivism

Hofstede's Cultural Dimensions



Individualism:

- “I” instead of “we”
- Freedom and challenge
- Individual decisions
- Task and company prevail over personal relationships

Collectivism:

- “we” instead of “I”
- Employer-employee a moral connection, like a family
- Importance of training in job
- Relationships prevail over task and company



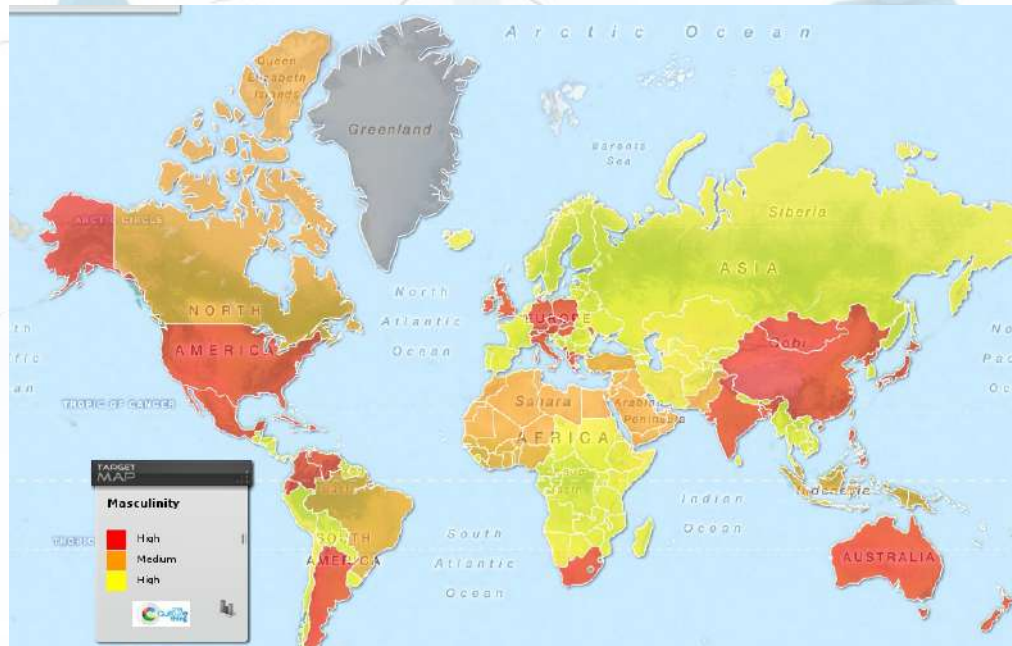
masculinity/femininity

Masculinity:

- preference for assertiveness, achievement, heroism, and material rewards for success.
- Society at large is more competitive. Advancement, earnings, training, up-to-dateness.

Femininity:

- preference for nurturing, cooperation, modesty, caring for the weak and quality of life.
- Society at large is more consensus-oriented.
- Friendly atmosphere, position security, physical conditions, manager, cooperation.





Long-term orientation

Long term orientation:

- Persistence, perseverance, build relationships and market position first, then expect results
- Thrift and high savings, real estate
- What is good or evil depends on circumstance
- Synthetic thinking

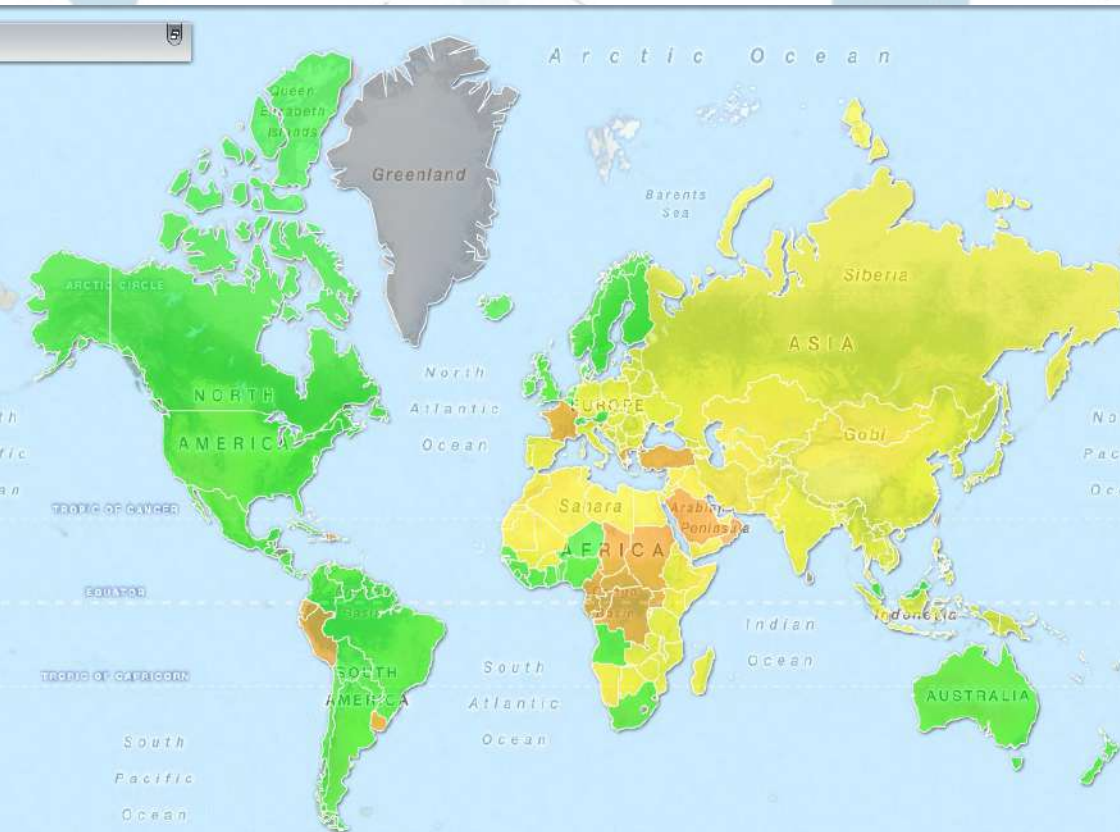
Short term orientation:

- Quick results expected
- Nice people know how to spend
- Belief in absolute guidelines about good and evil
- Analytic thinking





Indulgence vs. restraint



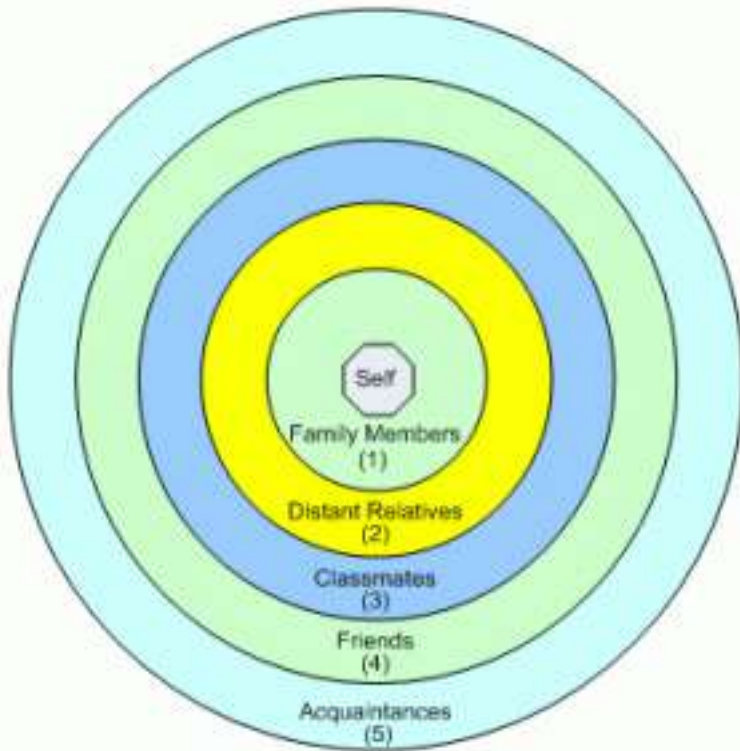
Indulgence

- Higher % of subjective happiness
- Perception of having control over own life
- Tolerance
- Enjoyment
- Less moral discipline

Restraint

- Lower % of subjective happiness
- Sense of impotence
- Rigid society
- Less importance to enjoyment
- Moral discipline

Chinese *Guanxi*



- Business relationship building
- Initiating stage and maintaining stage
- Long-term vs. short-term relationships
- Emphasis on community-based networks
- “Confucian capitalism”
- *Jiao pengyou*: making friends
- *Jianli ganqing*: developing connection of feeling between people
- *Yanxuxing touzi xingwei*: continued investment behaviour
- Friendship, trust, honesty, reciprocity and care are needed to achieve *guanxi*
- The more one helps others, the more he will get connected with people

Indian

Jan pehchan (Hindu)

Who you know

Criticality of familiarity and of right connections as a means of furthering business interests

Professionalism

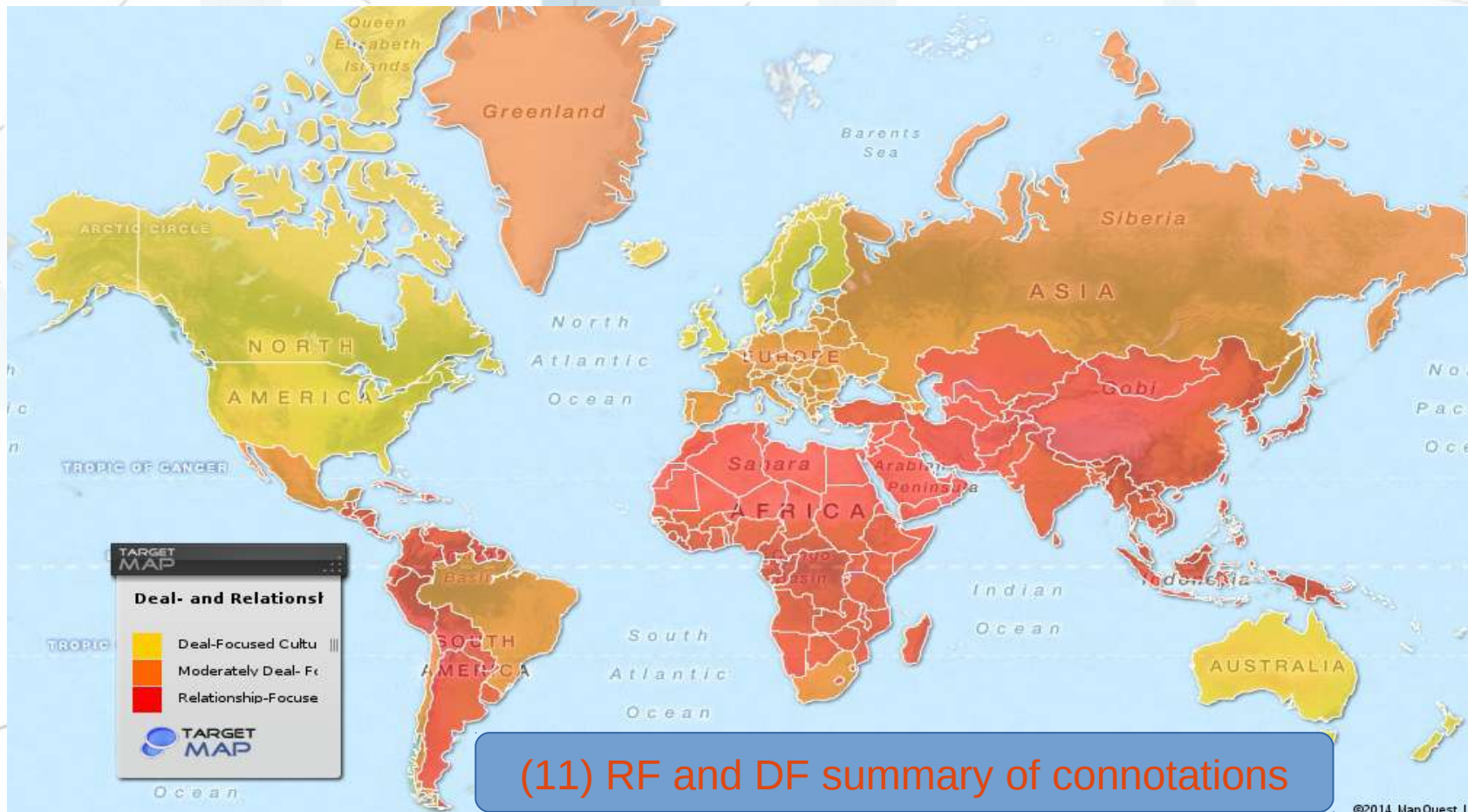
Sambandh

Firm bond developed from the right connections

Emotional connotation of a long-term tie



Deal-Focused (DF) and Relationship-Focused (RF)





Recommendations in RF cultures

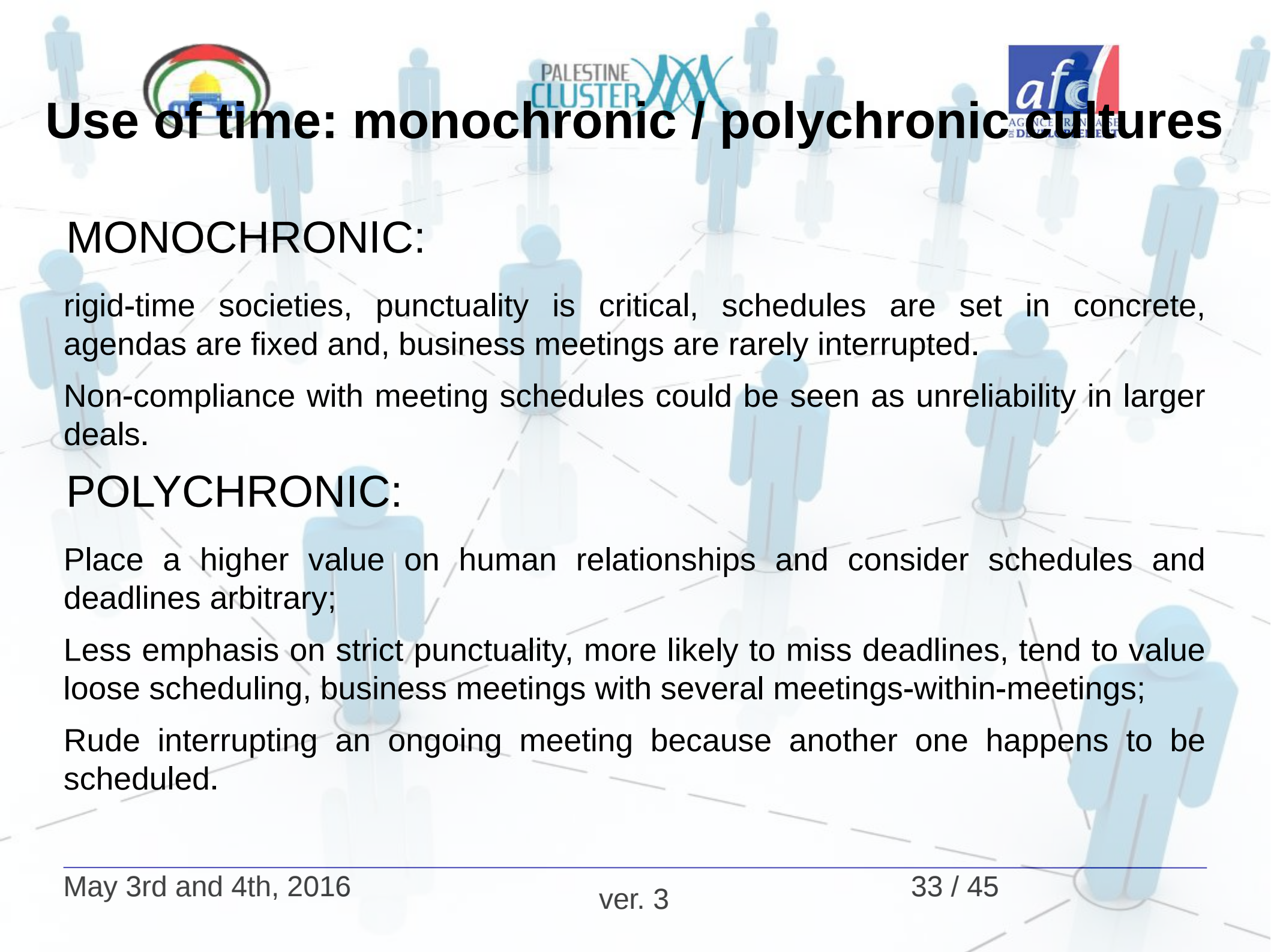
Develop relationships BEFORE talking business: first one makes a friend, then one makes a deal.

The ideal introducer is a high-status person or organisation known to both parties (examples), often Sr. male preferred

Direct contacts at international trade shows or by taking part to official trade missions.

Best giving time and planning no more than one or two meetings/visits per day, enjoy hospitality, demonstrate commitment to learning.

Personal continuity is maintained throughout the relationship.



Use of time: monochronic / polychronic cultures

MONOCHRONIC:

rigid-time societies, punctuality is critical, schedules are set in concrete, agendas are fixed and, business meetings are rarely interrupted.

Non-compliance with meeting schedules could be seen as unreliability in larger deals.

POLYCHRONIC:

Place a higher value on human relationships and consider schedules and deadlines arbitrary;

Less emphasis on strict punctuality, more likely to miss deadlines, tend to value loose scheduling, business meetings with several meetings-within-meetings;

Rude interrupting an ongoing meeting because another one happens to be scheduled.



Monochronic / Polychronic cultures

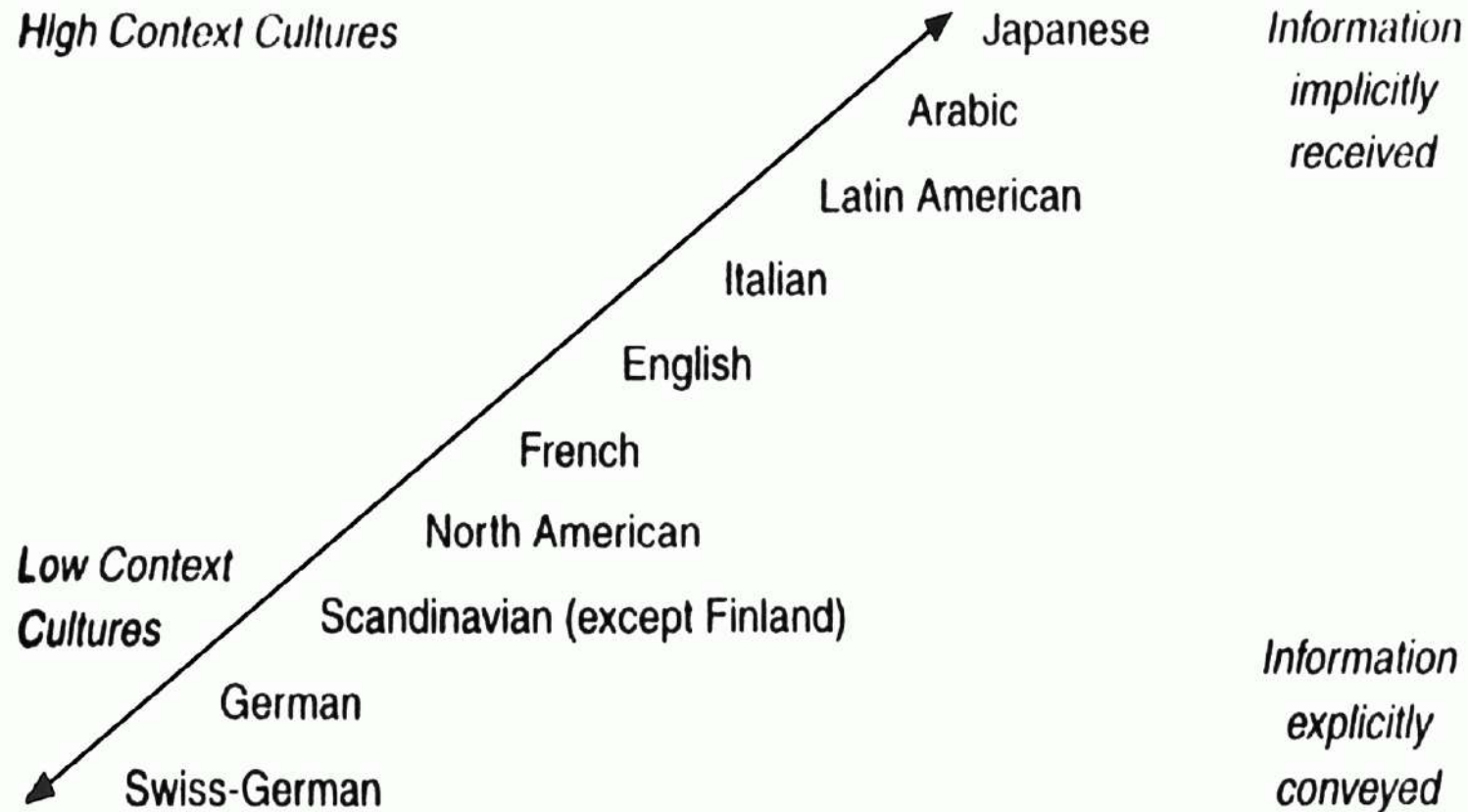
Monochronic cultures: Germany, Northern Europe, North America, Czech Republic, Hungary, Japan.

Variably monochronic cultures: Australia/New Zealand, Russian and most of East-Central Europe, Southern Europe, Singapore, Hong Kong, Taiwan, China, South Korea. In-country differences apply.

Polychronic business cultures: Africa, Arab region, Latin America, South and South-East Asia. In-country differences apply.



High Context / Low Context communication cultures





Expressiveness (affective - neutral)

MEDITERRANEAN PEOPLE tend to be highly expressive both verbally and non-verbally and to consider flatter styles as impassive, far;

In other cultures, excess of expressiveness may not work well e.g. for **SOUTH EAST ASIANS**:

talking loud tends to be interpreted as a sign of **anger**, loss of face or **may not be taken seriously**;

using too many facial expressions is often taboo and hand gestures tend to be interpreted as a sign of **mental insanity**.

E.g. for **NORTHERN EUROPEANS**, cool is good; excess of expressiveness can be interpreted as **lack of self-control** (unreliability) and **lack of solid arguments** (inconsistency)



Non-verbal communication, body-language, gesture

spatial behaviour and interpersonal distance (proxemics);

touch behaviour (haptics);

gaze behaviour and eye contact (in most of East Asian countries direct gaze can be interpreted as a hostile act if a man does it or as an explicit invitation if a woman is the one staring); and,

body movement and **gestures** (kinesics)



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- Intercultural awareness
- **Cases**
- Lab
- Wrap-up



Two international outreach cases

- FPCCIA relationship with Chamber of Commerce of Köln
- Palestinian BSO-networking success story in international networking with General Union of Arab Chambers (Mr. Jamal Jawabreh, Secretary General Federation of Palestinian Chambers of Commerce Industry and Agriculture)



Lessons learnt from the two cases

Take notes while speakers illustrate their experience:



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Lab: foreign outreach

Task: access to call for proposal websites

...



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- Lab
- **Wrap-up**



Wrap-up

- Leadership commitment for higher common interest
- Be prepared:
 - Train foreign outreach people in intercultural management
 - Train proposal manager
- Know your clients: analyse your member's varying needs
- Segment services and complement with others based on analysis
- Networking on sound strategies and business
- Step back and offer a joint, complementary specialised range of relevant services
- ...



Thank you for attending



Private Sector Development Cluster Project (PSDCP)

Assignment: Business Support Organisation (BSO) networking

Report

Revision 1, Date: May 12th, 2016

Author: Nicola Drago, PSD Consultant

Executive summary

This document summarises methodology used, inputs, outputs (attached as annexes), and outcomes expected from the assignment “Business Support Organisation networking” in the framework of the PSDCP project. The purpose of the assignment was raising Palestinian BSO awareness of importance of networking and outreach at domestic and international level. The assignment also aimed at providing intellectual framework and practical suggestions at different levels for improving networking capacity. Such objectives were tackled by contextualising Palestinian BSO business, tailor-making a two-day training in “BSO networking” and providing relevant recommendations for future work. The assignment wished conveying the following main messages: collaboration and pooling to mitigate external shock risks, strategy-based rather than necessity-based use of external funds, professionalisation and advance preparation.

PSDCP is a project aimed at increasing competitiveness of Palestinian companies, especially MSMEs, in order to increase their market share of domestic market and / or export markets. A cluster approach is being used to achieve this objective. implemented by the Ministry of National Economy (MoNE) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) and financed by Agence Française de Développement (AFD). The Consortium established by EGIS, ICON Institut, Sofia Antipolis Foundation and Massar was contracted to provide technical assistance services and hired PSD Consultant Nicola Drago to implement this specific assignment. The assignment, carried out from April 23rd to May 6th 2016, aimed at raising awareness on relevance of networking for BSOs and at providing BSO with practical suggestions at strategic and at daily operations level. Prior to drafting this document, the consultant held a two-day “BSO networking” training seminar organised by PSDCP and attended by 26 representatives of 20 BSOs (2 from MoNE, 1 from the University, 3 from PFI and afferent Unions, 2 from FPCCIA, 3 PSDCP Animators, 1 from Paltrade and the rest are from different Chambers) at Cesar Hotel in Ramallah on May 3rd and May 4th.

Acronyms

Acronym	Description
BSO	Business Support Organisation
CRM	Customer Relationship Management
ENI	European Neighborhood Instrument
EU	European Union
FPCCIA	Federation of Palestinian Chambers of Commerce, Industry and Agriculture
FPI	Federation of Palestinian Industries
IDO	Institutional Development Officer of PSDCP

Acronym	Description
MoNE	Ministry of National Economy
MSME	Micro, Small or Medium sized enterprise
OU	Operational Unit of the PSDCP project
PSDCP	Private Sector Development Cluster Project

Disclaimer

This report and its annexes are the work of Mr. Nicola Drago in his personal capacity. The opinions expressed in this report, annexes and any elaboration of external contents are the author's own and may not reflect the opinions of PSDCP, AFD, ICON Institut or of any other mentioned organisation.

Methodology used

Preparation of the two-day “BSO networking” seminar in the framework of the PSDCP was based on a combination of methodologies aimed at contextualising attendees, providing them with intellectual framework and tools and at interpreting a series of relevant international experiences, good practices. A series of interactive and creative activities were proposed to stimulate participation and retain attendees attention throughout the two days.

Individual introductions to make everybody acquainted with the variegated composition of attendance and with speaker profile.

Semistructured interviews to a series of national BSOs according to the agenda of meetings scheduled by project Operational Unit (OU). The semistructured interviews focused on getting acquainted with progressively more sensitive aspects of the different BSO met: dimension, services, governance, budget, concerns, motivating triggers. The purpose of such questions was to familiarise with the BSO context, service offer, staffing and staff competencies, decision-making mechanisms and weights, economic dimension including service cost incidence and donor fund dependence, relationships among BSOs, critical aspects of BSOs in Palestine, drivers and motivations of executives.

Semistructured interviews to international BSOs in particular to the research center of the Union of Italian Chambers of Commerce, Industry and Agriculture and the Public Relations officer of a foreign territorial small and medium enterprise business association. Such interviews focused on identifying international practices (including best practices) in BSO networking as well as gathering information on BSO dimensions, membership cost range, governance, services, concerns.

Literature, web and media review (please, refer to “Inputs Utilised” section for reviewed literature list). A literature review was carried out for different purposes, first to increase acquaintance with Palestinian BSO situation and high potential sectors. Literature review also permitted identifying relevant BSO international best practices and to describe situation of a few foreign BSOs, which could be helpful in awareness and in setting objectives for both domestic and foreign outreach. Relevant insights, analytics and suggestions for a development strategy of BSOs were drawn from IDO report “Strategy for capacity building of the cluster Business Support Organisations”. Literature review, including of 17 research articles, also permitted taking a relevant information concerning latest trends in networked pooling of resources and in drawing a conceptual framework concerning organisation networks. Though little research appeared available in the specific case of BSO networking, four articles were proposed as hardcopy information to deepen information on: BSO outreach in difficult-to-reach communities, supply-chain networking and integration, tourism networking,

and woman entrepreneurship.

SWOT analysis of general private sector and economic situation and of BSO networking aimed at providing an immediate and synoptical perception of strength points from which to build in BSO networking, the opportunities that could motivate BSOs to collaborate to improve weaknesses and to face dimension of external threats.

Success stories: Three Palestinian successful BSO networking stories and two international successful networking stories were illustrated to show others' experiences and to show that networking and outreach is possible also for Palestinian BSOs and has already taken place. The aim was to encourage and give confidence on local networking capacity. The presence of different speakers refreshed attendee attention.

Intercultural management in business was based on accreditation and lecturing experience in Hofstede 6 dimension model and aimed at raising awareness on the importance of cultural identity, being prepared to structural differences (and communalities) in cultures and relativisation of scales of values during international outreach. It also provided practical suggestions in business behavior and etiquette.

Interactive seminar management practices. Different energiser techniques had been assessed to animate the seminar and retain attendees attention, including: questions and answers all along the presentations, questions from speaker to silent attendees, simulation exercise in groups, decision of order of topics presentation by attendees, attendee-driven consultation of Europeaid Call for Proposal portal online.

Inputs used

Outputs of semistructured interviewees to national BSOs and international BSOs:

- Federation of Palestinian Chambers of Commerce Industry and Agriculture, Secretary General.
- Hebron Chamber of Commerce and Industry, CEO.
- Paltrade, CEO.
- Palestinian Federation of Industries, Secretary General.
- Palestinian Leather Industries Union, Chairman.
- Chamber of Commerce, Industry and Agriculture of Padova (Italy), head of Research and Studies.
- International micro- and small-sized enterprise BSO (preferred remaining anonymous).

Literature review (for detailed list, please see Annex 1: Literature and media utilised as inputs) including:

- Development Agencies literature;
- International BSO studies, presentations;
- Economic research articles; and,
- Websites of the above and international media.

Outputs produced

TOR: Scope of the assignment	TOR Point	Outputs
Familiarisation with PSDCP BSO strategy	1	No specific outputs were required
Outline of BSO networking seminar for IDO approval	2	• IDO and TL verbal approval of assignment planning on April 24th at PMU; • Annex 2: seminar agenda with content outline verbally approved by IDO and TL on April 27th

TOR: Scope of the assignment	TOR Point	Outputs
Preparation of BSO networking seminar and related materials	3	- Annex 3: BSO networking seminar presentations (day 1 and day 2) - No. 4 relevant economic literature articles provided to PSDCP for hardcopy distribution to attendees¹
Delivery of BSO networking seminar	4	- Annex 4: seminar attendees of day 1 session and day 2 session (respectively May 3rd and 4th 2016), - Seminar evaluation being processed by PSDCP PMU during preparation of this report. - Photos available at PSDCP PMU
Recommendations on integration of networking activities in BSO annual strategy and daily operations	5	Annex 5: Recommendations
Summary report of the assignment	6	This report
Further documents	Not applicable	- Annex 1: literature and media utilised as inputs - Annex 6: terms of reference - Annex 7: CV of the consultant

Expected outcomes

With a SWOT approach, the training focused on presenting strengths, weaknesses, opportunities and threats of Palestinian BSO networking. The training aimed especially at raising awareness and providing an intellectual, professional and practical framework for outreach and networking and was supported by relevant success stories both at domestic level and international level to increase participant confidence.

It may be expected that seminar attendees, in particular BSO leaders, are now more aware of the risks of maintaining current status-quo of inter-BSO relationships affected by lack of strategic approach, fragmentation and competition. In facts, the Palestinian market is small, severely constrained and prone to external shocks and at the same time globalisation imposes strategic approaches, strengthening capacities, collaborations and networks.

Training may also have enhanced BSO interest in collaborating with other BSO by leveraging concrete opportunities such as: wide pool of registered but unpaying members or international call for proposal for collaborative funds. If BSO pick-up on such opportunities, they would enhance their relevance and sustainability through collaboration, specialisation of services, professionalisation and continuous education of staff.

1 The articles were:

- EU Equal Programme, "Policy brief taking business support closer to hard to reach communities", September 2004;
- Kemppainen K., Vepsäläinen A.P.J., "Trends in industrial supply chains and networks", 2003, International Journal of Physical Distribution & Logistics Management, Vol. 33 Iss 8 pp. 701 – 719.
- Kyrö P., (2006), "Action research and networking benchmarking in developing Nordic statistics on woman entrepreneurship", Benchmarking: An International Journal, Vol. 13 Iss 1/2 pp. 93 – 105.
- Hwang, L.J.J., Lockwood, A., (2006), "Understanding the challenges of implementing best practices in hospitality and tourism SMEs", Benchmarking: An International Journal, Vol. 13 Iss 3 pp. 337 - 354.

BSO leaders and staff should have gained higher awareness about importance of advance preparation and intercultural management in external outreach whether for establishing new relationships or for more operational proposal preparation (to begin well before call forecasts are published). Such awareness shall increase relevance, mutual understanding and effectiveness in networking.

Padova, May 12th, 2016

Nicola Drago

A handwritten signature in black ink, appearing to read 'Nicola Drago', written over the printed name.

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Annex 1:

Literature and media utilised as inputs

The following literature was utilised as input:

1. PSDCP IDO report on “Strategy for capacity building of the cluster Business Support Organisations”
2. Italian Television RAI 3 “Report” on the Italian system of industrial representation.
3. World Bank report “Economic Monitoring Report to the Ad-Hoc Liaison Committee”, September 22nd, 2014.
4. Different international BSO and their special purpose entity websites including UK, Canadian and Italian BSOs.
5. Unioncamere, “Reti di impresa nel commercio e nei servizi, buone pratiche in 10 storie aziendali e configurazione del manager di rete” / enterprise networks in commerce and services, good practices in 10 network stories and network management, December 2013.
6. Unioncamere “Sistema camerale 2015, strutture e servizi per l'impresa” / Italian Chamber system 2015 report, structure and enterprise services.
7. Unioncamere “Coesione è competizione, nuove geografie della generazione del valore” / Cohesion is competition, new geographies in value generation, presentation June 2014.
8. Unioncamere, “Catalogo delle buone pratiche” / review of best practices of Italian BSOs, 2012, 2013, 2014”
9. Intercultural management research literature (Hofstede, G., Hofstede, G.J, Minkov, Cultures and organizations : software of the mind, 2010; Gesteland, R.R, Cross-cultural business behavior : a guide for global management).
10. Shen-Yann Chiu, “Applications of corporate synergy systems for promoting green productivity in small and medium enterprises in Taiwan”, Taiwan Environmental Management Association.
11. Shen-Yann Chiu, “The use of corporate synergy systems in promoting industrial waste minimization in small and medium enterprises in Taiwan”, Taiwan Environmental Management Association.
12. Chin Ho Su, Corporate Synergy System in Taiwan ROC, Corporate Synergy Development Center Taiwan
13. Palestinian export strategies (sectors: Tourism, Textile and Garments, Stone and Marble, Quality Management, Processed Meat, Olive Oil, ICT, Furniture, Fresh Fruits and Vegetables, Footwear and Leather, Logistics).
14. Antti Karhunen, Head of Unit "Private framework development, trade and regional integration", European Commission, “The role of the private sector in EU development policy”, presentation, Mar. 10th, 2016.
15. Jackie Church, Policy Officer Policies outside the EU, Brussels Office, “EIB Operations Outside the EU Blending and the Private Sector”, presentation, Mar. 10th, 2016.
16. EU Equal Programme, “Policy brief taking business support closer to hard to reach communities”, September 2004;
17. UNIDO, “Development of Clusters and networks of SMEs”, 2001.
18. Jim Tanburn, How Sustainable Can Business Development Services Really Be?, Donor Committee on Enterprise Development, October 1998.

Research literature (the first three articles were suggested to BSO attendees for deepening information)

19. Kemppainen K., Vepsäläinen A.P.J., “Trends in industrial supply chains and networks”, 2003, International Journal of Physical Distribution & Logistics Management, Vol. 33 Iss 8 pp. 701 – 719.
20. Kyrö P., (2006), "Action research and networking benchmarking in developing Nordic statistics on woman entrepreneurship", Benchmarking: An International Journal, Vol. 13 Iss 1/2 pp. 93 – 105.
21. Hwang, L.J.J., Lockwood, A., (2006), "Understanding the challenges of implementing best practices in hospitality and tourism SMEs", Benchmarking: An International Journal, Vol. 13 Iss 3 pp. 337 - 354.
22. Sheena Carlisle, Martin Kunc, Eleri Jones, Scott Tiffin, “Supporting innovation for tourism development through multi-stakeholder approaches: Experiences from Africa”, Tourism Management 35 (2013) 59 - 69.
23. Franz Todtling, Michaela Trippl, “One size fits all? Towards a differentiated regional innovation policy approach”, Research Policy 34 (2005) 1203–1219.

24. Ines Mergel, "Social media adoption and resulting tactics in the U.S. federal government", *Government Information Quarterly* 30 (2013) 123–130.
25. Anna Bergek, Charlotte Norrman, "Incubator best practice: A framework", *Technovation* 28 (2008) 20–28.
26. Bram Wauters, (2005), "The added value of facilities management: benchmarking work processes", *Facilities*, Vol. 23 Iss 3/4 pp. 142 – 151.
27. Peter Finch, (2004), "Supply chain risk management", *Supply Chain Management: An International Journal*, Vol. 9 Iss 2 pp. 183 - 196.
28. Andrew McAuley Ian Fillis, (2005), "The Orkney based craft entrepreneur: remote yet global?", *Journal of Small Business and Enterprise Development*, Vol. 12 Iss 4 pp. 498 – 509.
29. Alexandra Kalev, Frank Dobbin, Erin Kelly, "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies", *American Sociological Review*, 2006, Vol. 71 (August: 589–617).
30. Caroline W. Lee, "Is There a Place for Private Conversation in Public Dialogue? Comparing Stakeholder Assessments of Informal Communication in Collaborative Regional Planning", *American Journal of Sociology*, Volume 113 Number 1 (July 2007): 41–96.
31. David Yarrow, Philip Hanson, Andrew Robson, "Made in the 21st century: how far have we come on the journey to excellence?", *Total Quality Management*, Vol. 15, no. 5-6, 829-839, July – August 2004.
32. David Smallbone, Robert Baldock, David North, "Policy support for small firms in rural areas: the English experience", *Environment and Planning C: Government and Policy* 2003, volume 21, pages 825 – 841.
33. Monder Ram, Kiran Trehan, John Rouse, Kassa Woldeesenbet, Trevor Jones, "Ethnic minority business support in the West Midlands: challenges and developments", *Environment and Planning C: Government and Policy* 2012, volume 30, pages 504–519.
34. David Deakins, Monder Ram, David Smallbone, "Addressing the business support needs of ethnic minority firms in the United Kingdom", *Environment and Planning C: Government and Policy* 2003, volume 21, pages 843 – 859.

Websites and media:

35. Europeaid, practical and interactive consultation of ENI call for proposal database including review of forecasts, open calls and documentation: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&PubliList=15&orderby=upd&orderbyad=Desc&searchtype=AS&pgm=&ZGEO=35582&ccnt=7573876&debpub=&finpub=&aoet=36538&aoet=36539>
36. Unioncamere "Good Practice Catalogues": [Buone pratiche Unioncamere](#).
37. [Invest in Palestine BSO | ANIMA Investment Network](#).
38. [BSO Business Support Organisation EuroMedAlliance](#).
39. [Canada Business support organizations - Canada Business Network](#).
40. [UK Business support contacts in Hampshire](#).
41. [Tecnopoli | Rete Alta Tecnologia](#).
42. [EEN Lombardia Emilia Servizi Regionali – SIMPLERNET](#).
43. [Aster | Innovazione attiva](#).
44. <http://www.report.rai.it/dl/Report/puntata/ContentItem-341d2e49-3816-40e7-a04d-2703ea1c1a7c.html> RAI 3 "Padroni si nasce"

Annex 2:

seminar agenda with content outline verbally approved by IDO and TL on April 27th

Private Sector Development Cluster Project (PSDCP)

Business Support Organisation networking seminar

First day: May 3rd, 2016, Venue: Cesar Hotel

09:00 – 09:30

Registration

09:30 – 11:15

Introductions and scope of seminar

Framework of networking

Situational analysis of Palestinian BSO networking

Concrete opportunities for outreaching

Q&A

11:15 – 11:30

Coffee break and prayer

11:30 – 13:30

how to network

Cases:

- Unioncamere, Italy
- Corporate Synergy Systems, Taiwan
- A Palestinian BSO-networking success story: Shoe and Leather cluster development (Mr. Tareq Abu Al Fealat, Palestinian Leather Industries Union Chairman)

Drawing conclusions and correspondence between initial framework and cases; Q&A

13:30 – 14:30

Lunch and prayer

14:30 – 16:00

Practical exercise: finding common interest for a project / pooling fund

First day closure

19:00 – 20:00

Social dinner

Private Sector Development Cluster Project (PSDCP)

Business Support Organisation networking seminar

Second day: May 4th, 2016, Venue: Cesar Hotel

09:30 – 11:30

Day 1 resume

Q&A concerning the three cases presented in Day 1

Foreign outreach awareness framework:

- Not a perfect world
- Intercultural awareness in dealing with foreign BSOs

11:30 – 12:00

Coffee break and prayer

11:20 – 14:15

Two international outreach cases:

- BSO international collaboration case 1: FPCCIA relationship with Chamber of Commerce of Kohn, Isayed Taysir;
- Palestinian BSO-networking success story in international networking with General Union of Arab Chambers (Mr. Jamal Jawabreh, Secretary General Federation of Palestinian Chambers of Commerce Industry and Agriculture);
- drawing lessons learnt, Q&A

Practical exercise: foreign outreach: identification and substantiation of potential foreign BSO partners

Wrap-up, conclusion and closure of works

14:15 – 15:00

Salutation lunch

Annex 3:

BSO networking seminar presentations (day 1 and day 2)



Private Sector Development Cluster Project (PSDCP)

BSO networking seminar Day 1

How Palestinian BSO can increase capacity to outreach more members, stakeholders, partners through networking

Nicola Drago, PSD Consultant

May 3rd and 4th, 2016

ver. 3

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Disclaimer

This presentation is the work of Mr. Nicola Drago in his personal capacity. The opinions expressed in this presentation are the author's own and may not reflect the opinions of PSDCP, AFD, ICON Institut or of any other organisation mentioned in the slides.



Rules for seminar enjoyment

Kindly:

- Do not smoke in closed areas
- Ring off phones and do not answer calls
- Do not undertake side discussions
- Turn-take during discussions
- Do your best in contributing to practical exercises



Scope of seminar

- Conceptualising on networking of BSO
- Awareness on networking relevance
- “How to do networking” advice
- Sharing national and international experiences
- Debate and exchange
- Uniting BSO and stakeholders for higher results



Programme

1st DAY

- Conceptual framework of networking
- Situational analysis of Palestinian BSO networking
- Concrete opportunities for outreaching
- How to network
- Cases
- First day conclusions
- Lab: finding common interest for a project / pooling fund

2nd DAY

- Foreign outreach? Not a perfect world outside
- Intercultural awareness
- Cases
- Lab
- Wrap-up



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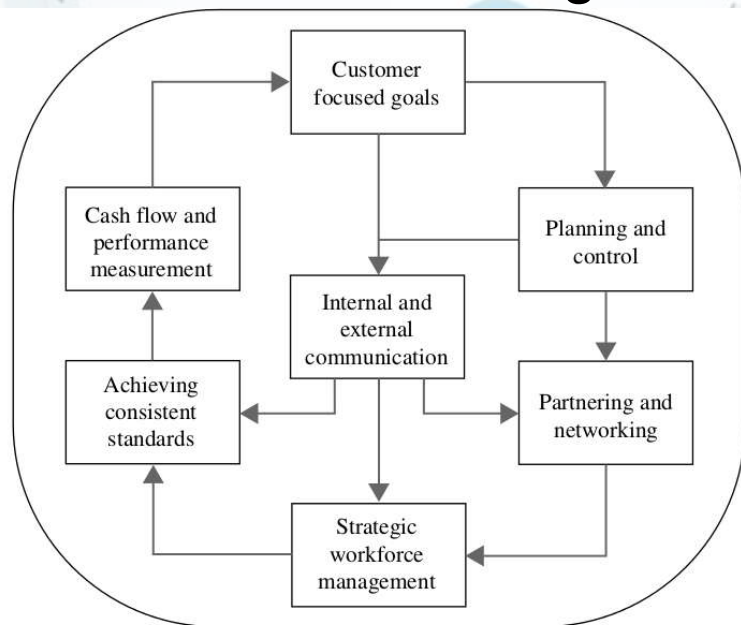
Defining BSO networks and networking 1/2

- We can define BSO network as the **mesh** of soft connections established among representatives of members, BSOs and other stakeholders (poles of the network);
- BSO networking is the art of operating, creating and **maintaining** connections among pole representatives for common purposes;
- Common purposes and mutual benefits are for a network, what blood is for veins. No common purposes, network dries.
- Networking is a kind of fast track to decision makers, sometimes it is the only way to get to a sought result.
- Networking has to be genuine, authentic, honest



Defining BSO networks and networking 2/2

- Networking has normally a two way interaction
- Networking could be established by **directly** promoting connections or by having **trusted third bodies** to facilitate the connection through introductions, referrals or trusted platforms;



- Networking is part of the challenges to implement best practices and achieve results
- Ref. Katariina Kemppainen and Ari P.J. Vepsäläinen, (2003), "Trends in industrial supply chains and networks", International Journal of Physical Distribution & Logistics Management, Vol. 33 Iss 8 pp. 701 - 719



Classifications of networks 1/3

A general classification of networks can be done according to two factors:

- grade of strategic cohesion;
- grade of technic/economic integration;

[ref. Unioncamere, Istituto Nazionale Distribuzione e Servizi, “Reti di impresa nel commercio e nei servizi”, Dec. 2013]

Strategic cohesion	high	Independent and convergent networks	Complementary and convergent networks
	low	Independent and divergent networks	Complementary and divergent networks
		low	high
		Techno-economic integration	



Classifications of networks 2/3

SNA concept	Brief description	Illustration	Advantages/ benefits	Limits
(a) Degree centrality	Number of direct ties an actor has with others in the network		Easy access to information, knowledge, and any type of resource	Too many connections can be time-consuming, not always rewarding
(b) Bonacich centrality	Centrality of an actor dependent on the centrality of its direct contacts (alters)		Power (if alters have low centrality), access to resources (if alters have high centrality)	Too many connections may overload the actor
(c) Betweenness centrality (see also “structural holes”)	Degree to which an actor is able to connect others that will be otherwise disconnected		Gatekeeping, influence, dependence, control	If there are only a few actors with high betweenness centrality, they may easily disrupt the network (vulnerability risk)
(d) Closed ties	High local connectivity between an actor's alters		High trust, high-quality knowledge, joint problem-solving, reduction of transaction costs	Too much closure is detrimental and leads to lock-in

Examples of networks with related advantages and limits

[Pietrobelli C. et al, 2011, Social Network Analysis of cluster development programs, IADB]



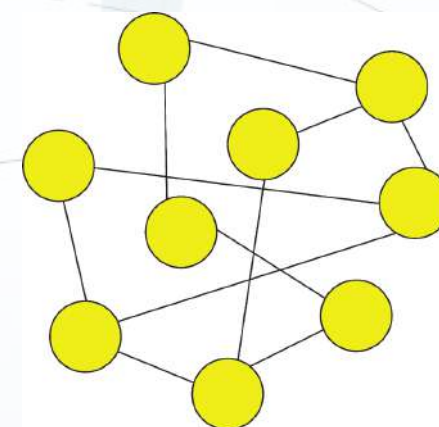
Classifications of networks 3/3

(e) Structural holes (see also “betweenness centrality”)	When an actor’s alters are not/are poorly connected to each other		High level of knowledge diversity, high opportunities for creativity and radical innovations, efficiency and control in ties	Does not have the advantages of network closure
---	--	--	--	---

(f) Brokerage roles	<i>Itinerant broker</i>		It is possible to identify the degree to which an actor plays any of these roles. Actors connecting different communities or subgroups (signalled by different node shapes in the figure) have access to resources that are different, and they can also exert control on the actors that they are connecting. The advantages and limits of any of these roles depend very much on the nature of linkages and context.
	<i>Gatekeeper</i>		
	<i>Representative</i>		
	<i>Liaison</i>		

Examples of networks with related
advantages and limits

[Pietrobelli C. et al, 2011, Social Network Analysis of
cluster development programs, IADB]



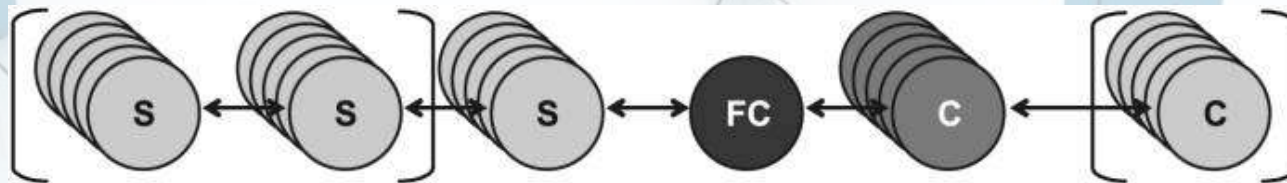
A peer network
[ref. Unioncamere,
Istituto Nazionale
Distribuzione e Servizi,
“Reti di impresa nel
commercio e nei
servizi”, Dec. 2013]



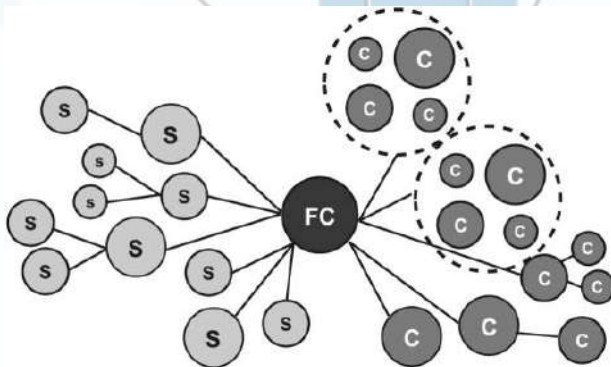
Intermeshing evolution of supply-chains

Supply-chain networking first relationships are being built between individuals and organizations, and then more units are included under common control for scale economies.

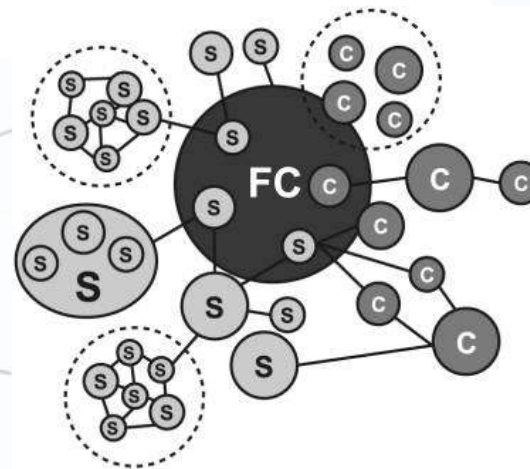
While relationship building comes more naturally, encapsulation needs more of political and business visions



Note: S = supplier, FC = focal company, C = customer



Note: S = supplier, FC = focal company, C = customer



Note: S = supplier, FC = focal company, C = customer

Katariina
Kemppainen and Ari
P.J. Vepsäläinen,
(2003), "Trends in
industrial supply
chains and networks",
International Journal of
Physical Distribution &
Logistics
Management, Vol. 33
Iss 8 pp. 701 - 719



Why networking 1/2

- Efficiency (Economic downturn taught virtues of coordination soon enough, and new business models were justified using innovative coordination mechanisms [Kemppainen et al.]
- Critical mass, gravitation of stakeholders (risks of excessive concentration, politicisation)
- Mobilisation of larger resources for investments



Why networking 2/2

Also:

- Vision, sharing, something bigger as a system, rewarding on the long term
- Social responsibility, sense of belonging
- Provision of more relevant and tailor-made services to client members
- Faster and privileged access to information and hard data



What about you?

Think your BSO as a company in a supply-chain and your members as your clients of top-quality public and corporate services.

You are surrounded by peer organisations, professionals, specialised institutions with which it is probably possible defining:

- Synergies based on segmentation (by client dimension, geographic area, sector, internal competencies) and complementarity
- Larger specialist service portfolios that do not compete but link with private sector providers



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Palestinian economy SWOT

Strengths	Weaknesses
• Products and heritage with international reputation, and with domestic reputation • Human resources: dedicated, persistent, linguistic skills, educated • Productivity, if restrictions lifted • Low incidence of bribery	• Infrastructure gaps, energy supply • Small domestic market affected by significant poverty (18%-39%) • Dependence on donor funds • Separation and closure of Gaza
Opportunities	Threats
• Funds from development partners including ENI collaborative funds, though need strategising first • Diaspora markets • International demand for high-reputation, typical or niche products • Presence of international diplomatic officers for bilateral economic relations	• People and good movement restrictions and permit system hampering endogenous development • Largest part of external business intermediated by other country • increasing number of settlements and loss of land • increasing tax collection but not enough to deliver better results

Elaboration on WB Economic Monitoring Report to the Ad Hoc Liaison Committee
Sept 2014



SWOT for BSO networking

Strengths	Weaknesses
• Relatively accessible and segmented membership (could largest companies be inquired to contribute more as a social responsibility mechanism for employment generation?) • Connections • A few leaders oriented to strategising, dynamising, professionalisation • Multilingual educated staffing • Persistence	• Static and generic nature of bylaws, management, HRM • Short-term orientation • Fragmentation and dependence on leader interpersonal attitude • Dependence on donor funds • Separation and closure of Gaza • Palestinian PS international invisibility • Staff skills not systematically expanded
Opportunities	Threats
• ENI collaborative funds and other funds • Different relevant web channels • Presence of int.l representative offices for bilateral networking • Many inactive members to re-attract • Possibility to focus on needs and BSOs of well targeted markets and on change management	• People movement restrictions and military activity • System of permits and visa affecting linkages and exchange • Increasing tax collection from members but shrinking public budget for BSO



Challenges for BSO networking 1/2

- **Jealousy** in a small, fragile and constrained market makes all more **sensitive to external shocks** while there are **opportunities** and other countries **flex** their capacities outside. This may not be a protected market.
- **Leaders** have important **responsibility**: it could be useful having more **long-term vision**, imaginative strategising, **managing change** and formalisation into proposals that can be shared, **unite people** and **cluster resources** for cohesive **concrete** long-term improvements.



Challenges for BSO networking 2/2

- Traditional business environment lobby service offer can be upgraded by enabling your **staff** to systematise **consultation** mechanisms with members, other BSOs and partners, move out of office, **segment** members needs and assemble complementary, coordinated and **relevant services** and **proposal management**.
- Small BSO dimensions and generalist nature, due to different reasons, may lead to more and accountable **outsourcing** of services to professionals and local NGOs (e.g. on the model of <http://pksf-bd.org/portal/> of Bangladesh).
- BSOs starting point: respected leaders, connections, educated generalist staff, external support, 6%-62% active members



Benefits of networking 1/2

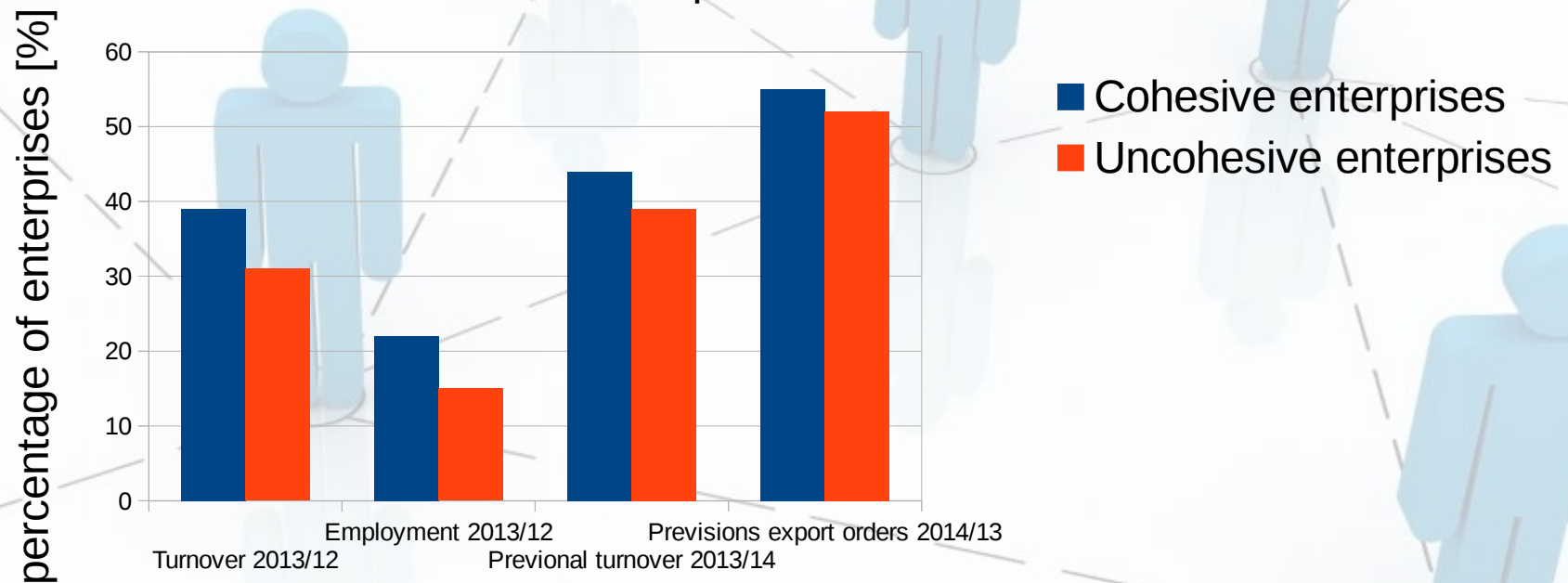
COHESION BENEFITS: Yearly variation of Italian enterprise collaborating with at least one partner (cohesive) selected indicators:

turnover 2013/12

Employment 2013/12

Previsional turnover 2014/13

Previsional export orders 2014/2013





Benefits of networking 2/2

- Reaching more members (and memberships) with better services, e.g.:
 - Easier access to data and information (database consolidation)
 - Expanded sectoral, thematic and dimensional capacity
 - Group purchasing (e.g. energy, raw materials)
 - Network of laboratories
 - Branding
- Introductions through mutually trusted network members e.g. in establishing bilateral chambers
- Attraction of and catering for young entrepreneurs
- Critical mass:
 - Representing a larger number of PS stakeholders
 - Resources for infrastructural investments
 - Fulfilment of stricter financial and project criteria in case of proposal management



Risks of non-networking

- Perpetuation of status-quo, with degrading competitiveness and shock resilience
- Degrading capacity to cope with modern service demand
- Obsolescent appeal for young entrepreneurs
- Dependence on external funds, prone to fluctuations
- Loss of chances to build positive Palestinian PS image
- Less Palestinian-generated foreign relationships
- Fragmentation, overlapping, competition on small market



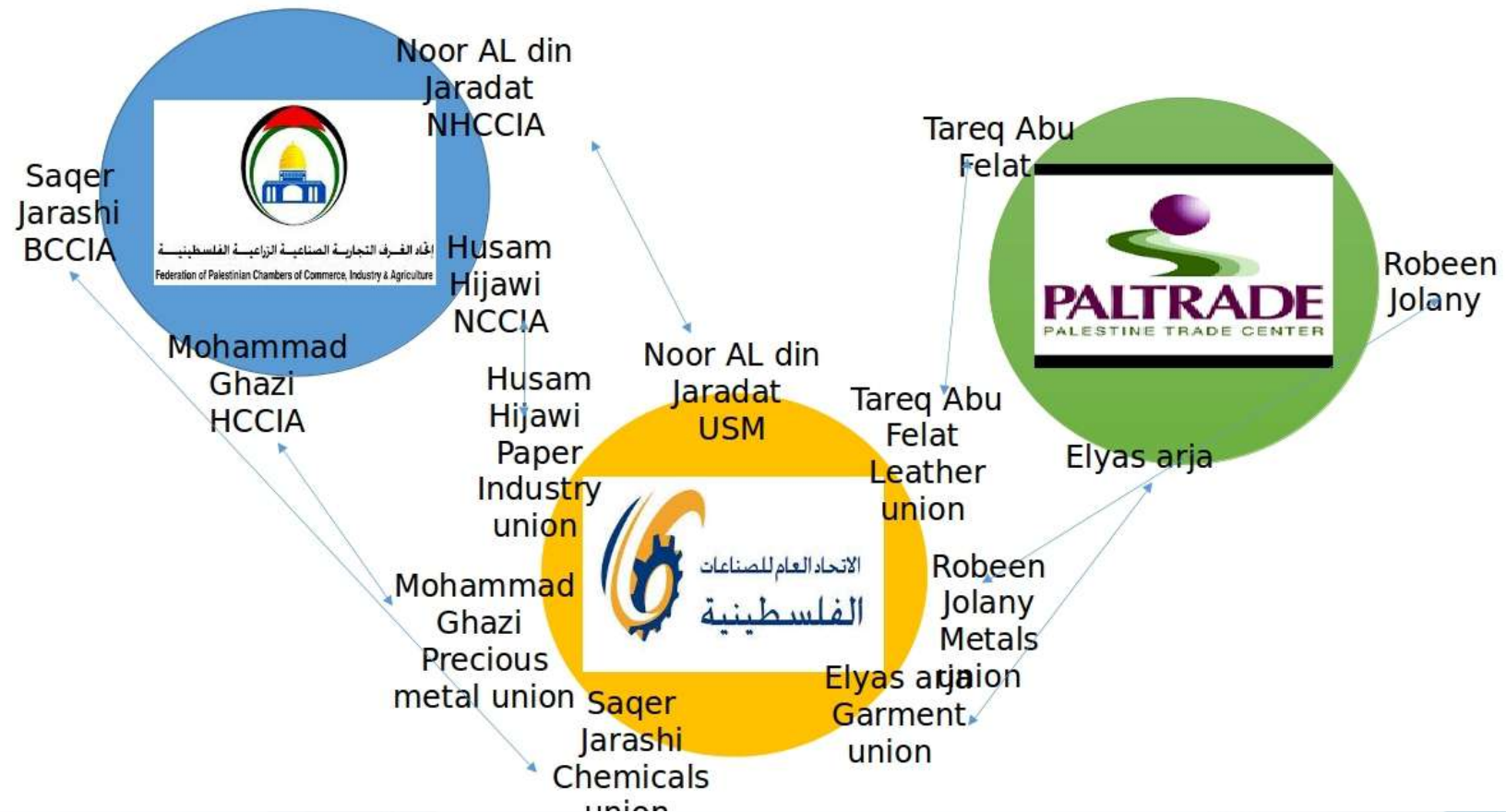
Triggers for BSO leaders to network

- It is for a **noble cause**: a systemic endogenous approach to increasing employment and nurturing new ideas of youth
- Visionary leaders **prove** they fight for others and get **social recognition** for this
- **Pragmatism** of stepping back if joint -rather than individual- solutions solve more problems and reduce costs
- **Be part of it**, even if critical
- Entrepreneurs **explore** new ways
- **Country** image and **reputational results** from professionalisation



Agents of networking

BSO's Networking agents





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Missing inactive members

The priority opportunity for BSO is recuperating their inactive members (registered but not paying memberships): **they were already your clients!**

According to a study conducted by PSDCP, though with figures slightly different by source, **inactive members** appear to be:

- 4% to 70% of registered members;
- **66% weighed average** (on registered members to give more weigh large organisations);
- 86,000 USD/year weighed average potential additional contribution per CCIA on balance sheets reaching ??? USD/year.

Recuperating grasp with such members requires to study reasons, segment members and answers for registering and giving up payment



Appealing new members

- After -or while- regaining grasp on inactive members, strategy may target new Palestinian members
- Positive reference from active members is essential (**networking**)
- Relevant (best company-specific) and value-for-money **service portfolio is essential** (**networking**)
- Clear rules and conditions
- Bringing new market opportunities very relevant



Strategy first, funds second 1/2

- External funds may be a strong motivation for uniting efforts
- Bad practice:
 - Budget constrained BSO → international project funds → acceptance of potentially divergent priorities → risk of project irrelevance
 - If repeated → loss of focus → BSO may survive but spoiled
- It may be more effective for networked stakeholders to define a state-of-the-art common development strategy and effectively lobby to have it financed once submitted to selected sources



Strategy first, funds second 2/2

- Financing of common-strategy-first approach requires:
 - Deciding that it is time for a joint framework
 - Networking to lay down an impact strategy, including selected foreign partners when needed
 - Assess carefully what you can finance by pooling resources, including from PS
 - Professional forecast scouting including taking part to international events to detect trends
 - Lobbying on priorities throughout definition of calls
 - Professional proposal writing
 - Lobbying, in respect of evaluation procedures
- The project shall be monitored and kept on track, consistent with country priorities and member needs and may contribute to establish foreign paternariats



Pooling resources

Sources of financing: overall picture

Public Domestic Finance Total: 4.4tn Tax revenue: 4.3 tn Potential of removing harmful fossil fuel subsidies: 523bn Public External Borrowing: 85 bn Memo items Total Reserves, incl. gold: 5.4 tn Illicit financial outflows: 0.9 tn	Private Finance (domestic & international) Total: 4.8tn Domestic Private Investment: 3.5tn International Investments: 824bn Private External Borrowing: 92bn Remittances: 370bn Potential from reducing the transfer costs to 5%: 16bn per year. Private Charity: 56bn
Public International Finance Total: 0.2tn ODA Grants: 144bn Concessional Loans: 31bn Other official finance: 30bn UN-sanctioned international security operations: 7bn	

International Trade*

Total volume of developing countries' exports: 5.8tn

* Trade is not a financing source, but an instrument that facilitates private and public finance mobilisation. The impact of trade on growth and poverty reduction depends on the national context and the measures taken.

- Many are pooling resources (e.g. EU PS – IFI blending strategy, IFI syndication) to expand capacity, improve public investment portfolios and involve private sector
- Think you could pool resources of BSO, Private Sector and Government resources

Source: EC DG DEVCO presentation “The role of the private sector in EU development policy”



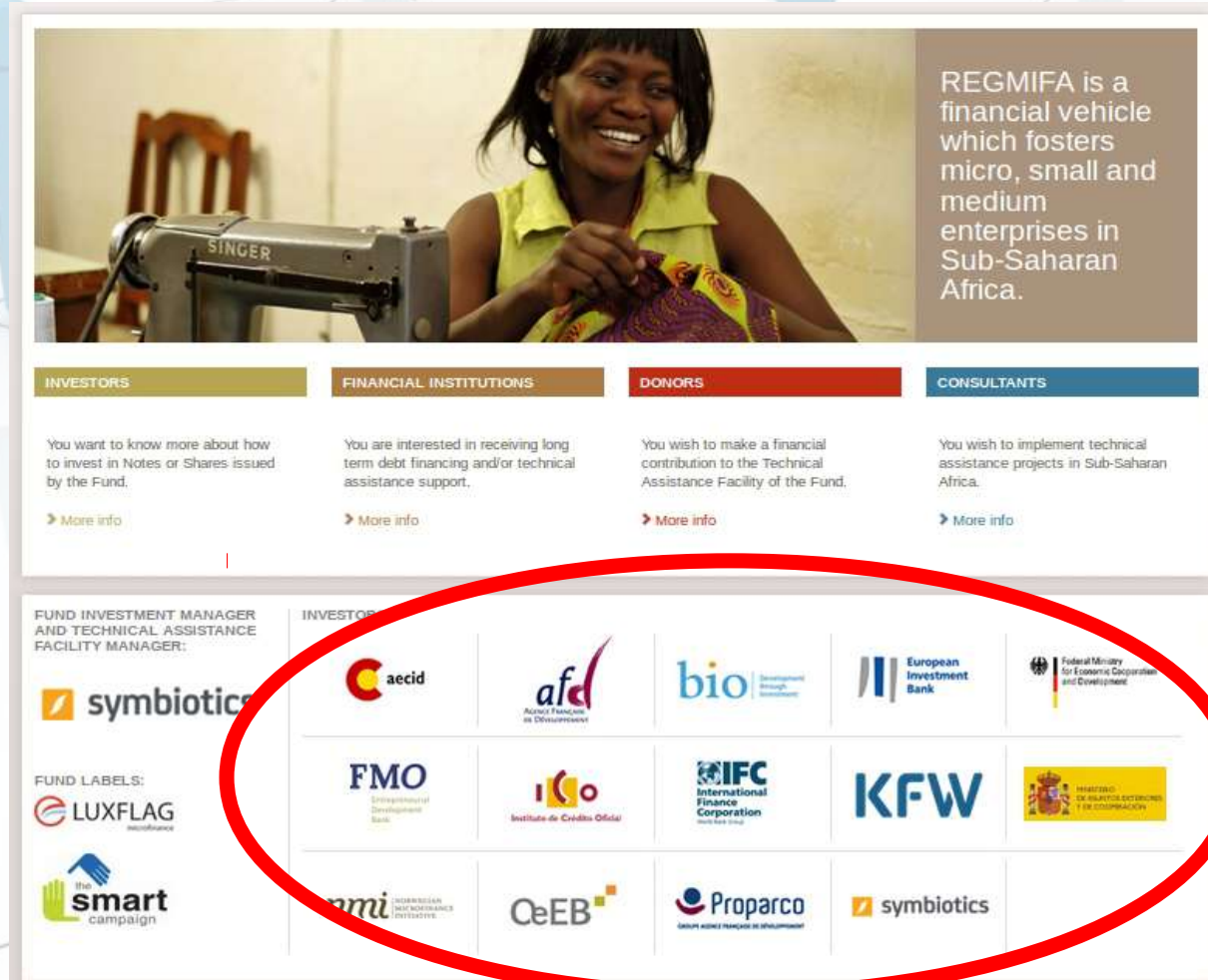
Pooling resources, another example

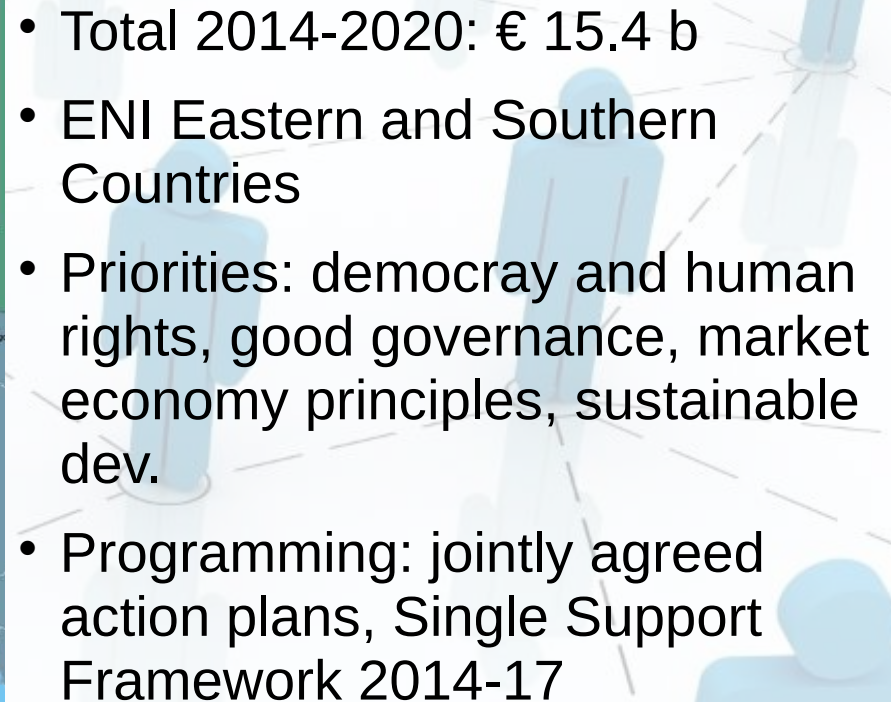
No need to be donor driven:

Why not pooling Palestinian BSO and PS resources for a local fund to provide better services to mSME and BSOs?

This would need:

- Strategic agreement
- Regulatory framework
- Governance
- Networking
- Left image source: www.regmifa.com





- http://ec.europa.eu/europeaid/about-funding_en
- <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&nbPubliList=15&orderby=upd&orderbyad=Desc&searchtype=QS>



Collaborative cofinancing (ENI funds)

Current forecasts

Your selection returned 51 record(s) Display 10 - 15 - 25 - 50 calls per page.

Ref. # - Title	Published	Updated	Status	Type	Geographical Zone	Programme
137376 - Assistance Technique au Directeur Opérationnel du Programme d'Appui au Développement Local Durable et aux Actions Sociales du nord-ouest de l'Algérie (AT PADSEL-NOA)	1/09/2015	28/04/2016	Open » 22/05/2016	Services	Algeria	Neighbourhood
137902 - Recrutement de l'assistance technique pour le programme d'appui à la mise en œuvre de l'accord d'association (P3AIII)	5/03/2016	27/04/2016	Forecast	Services	Algeria	Neighbourhood
137037 - Etude sur la stratégie nationale et plan d'actions de la gestion des déchets et de la valorisation des déchets à l'horizon 2030	25/04/2016	23/04/2016	Open » 30/05/2016	Services	Algeria	Neighbourhood
137922 - Technical Assistance to the Renewable Energy and Energy Efficiency Programme in Jordan REEE II	12/03/2016	23/04/2016	Open » 23/05/2016	Services	Jordan	Neighbourhood
138018 - Support to Implementation of Strategies to Foster MSME development in Egypt	23/04/2016	23/04/2016	Forecast	Services	Egypt	Neighbourhood
138013 - Assistance technique pour l'accompagnement du « PROGRAMME D'APPUI A LA REFORME DU SECTEUR DE LA SANTE (PHASE II)-Rabat - Maroc »	22/04/2016	22/04/2016	Forecast	Services	Morocco	Neighbourhood
138008 - Caravane de visibilité du Partenariat Maroc/UE	19/04/2016	19/04/2016	Forecast	Services	Morocco	Neighbourhood
137930 - Assistance technique principale pour le programme d'Appui aux Médias en Tunisie	15/03/2016	16/04/2016	Open » 25/05/2016	Services	Tunisia	Neighbourhood
138002 - Recrutement de l'Assistance technique du programme d'appui au secteur de la Justice en Algérie	16/04/2016	16/04/2016	Forecast	Services	Algeria	Neighbourhood
137963 - Recrutement de l'unité d'appui à la mise en œuvre du Programme pour l'adéquation formation-emploi-qualification (AFEQ)	15/04/2016	15/04/2016	Forecast	Services	Algeria	Neighbourhood
137859 - Appui technique à l'amélioration de la performance en matière de gestion des ressources financières du Ministère de la Santé-Rabat - Maroc	19/02/2016	19/02/2016	Forecast	Services	Morocco	Neighbourhood
137838 - Appui à la promotion et au développement de nouveaux outils de statistique agricole Maroc	9/02/2016	9/02/2016	Forecast	Services	Morocco	Neighbourhood
137809 - Technical Assistance for Monitoring and Evaluation to the Office of the Prime Minister Delivery Unit (PMDU)	2/02/2016	2/02/2016	Forecast	Services	Jordan	Neighbourhood
137786 - Assistance technique pour l'appui à la réforme du secteur de l'éducation Rabat - Maroc	16/01/2016	16/01/2016	Forecast	Services	Morocco	Neighbourhood
137735 - Programme "Réussir le Statut Avancé" phase II	26/12/2015	26/12/2015	Forecast	Services	Morocco	Neighbourhood

« 1 2 3 4 » Display 10 - 15 - 25 - 50 calls per page.



Trends in EU procurement

- Larger contracts = **big consortia**
- Increased competition
- **Quality of consortia and complementarity**
- Large global price contracts
- Large horizontal, thematic programmes
- Increased indirect management with Int. Org.
- Blending grants & loans with Financial Institutions



Proposal management

- **Continue building reputation as a reliable partner in Mediterranean projects.** Definitely follow-up any engagement duly in time with strong networking activities
- Have at least one **proposal manager trained** (you may initially outsource the position but best is internalising expertise)
- Importance of **anticipate knowledge**, taking part to discussion, forecast scouting, early partnership building
- Keep on **scouting** forecasts, calls, tenders on different websites, attending conferences, networking
- Continue **reinforcing partnerships**, maintain contacts, exchange ideas, show your good changes, actively propose yourselves jointly and united



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Overcoming “human chemistry” 1/2

- Human chemistry is natural: people have first impressions, change their minds, learn to know others, tolerate or react
- Leaders
 - Built their position through intuition, capacity, hard work and networking, **however** they have important responsibilities because they:
 - represent other people and their organisation not only themselves
 - affect organisation's relationships through their attitudes
- If something unites for common betterment, sometimes it is good
 - Going beyond “I do not like her/him”
 - Stepping back in “I am better than her/him”
 - Accepting others' proposal



Overcoming “human chemistry” 2/2

- New channels may be opened by leaders, however staff may be requested to follow-up with their inter/national peers, no escape!
- Staff are affected by “human chemistry” too:
 - Timidity or Introversion
 - Language difficulties
 - Fear of irrelevance
- Such characteristics are worldwide spread, also in your potential counterpart
- “break the ice”, move out: your ideas are good and others might be **very interested** in discussing them and partnering
- **Clear mind, preparation, professionalism** and **empathy** are essential



Bottom-up vs. top-down

- Networks work better when voluntary and not imposed top-down
- People have enormous knowledge, even more of what is locally relevant and good
- Bottom-up approaches increases ownership and accountability, are to be preferred and bring priority needs, initiative and suggestions:
 - Base consultation (networking)
 - Partner consultations (networking)
 - Staff consultations (networking)



Structured approach to networking 1/3

- Have a reputation of personal integrity
- Clear mind on objectives, strategy and proposal (powerful contacts may ask straight what you want)
- Identify and target groups, relevance could be according to several different things, e.g.:
Geographic coverage, Size, Sector, Social grouping, Political grouping, Trading, Technical
- Be aware of group's needs, expectations, rules, composition and **adapt** style and methods



Structured approach to networking 2/3

- Consider **networking as a project**, which needs objectives, planning and focus to avoid dispersion
- **Follow-up to any commitment** otherwise affect effectiveness and reputation, rather do not take commitment if not relevant
- Be **positive**, professional, tolerant under stress, **calm** especially when others get agitated, objective, **avoid taking it personal**
- Build relationship and awareness till agreement can be achieved
- Keep open to unplanned relevant networking opportunities
- Keep being a person with a work / life balance and personal interest such as social, cultural, sport ... this will reduce anxiety, open a deeper knowledge and potential common interests



Structured approach to networking 3/3

- Help others
- Step-by-step growth of common targets
- Have a long-term orientation in partnerships, accept potential errors with the goal of eventual trust
- Avoid:
 - “Hard sale” pushy approaches
 - Going to networking events just to get “clients”, build relationship, say how you can help clearly but enjoy common experiences
 - Changing quality with quantity
 - Neglecting to follow-up



How to start 1/3

- Organise consultation days with ideas to pool for common needs
- Strategise, target and plan
- Leaders open channels, communicate strategy and willingness to join efforts and agree on macro terms
- In hierarchical cultures, channels may work this way: local BSO → BSO federation → federations → concerned partners
- Although, weighty BSO may go straight sometimes
- Organise socialisation days and working sessions



How to start 2/3

- Publish and maintain BSO profile under a common page or individual pages in different databases (not only individual website) such as:
 - LinkedIn (www.linkedin.com)
 - Devex (www.devex.com)
 - Enterprise Europe Network (<http://een.ec.europa.eu/>)
 - TCI (<http://www.tci-network.org/>)
 - Cluster observatory (<http://www.clusterobservatory.org>)
 - INSME international network for SMEs (<http://www.insme.org/insme-members>)
- Publish gathering events, thematic events, consultations in media, social networks and specialised websites to catch also younger entrepreneurs:
 - Facebook (www.facebook.com)
 - LinkedIn (www.linkedin.com)
 - Twitter (<https://twitter.com/>)
- You may also consider becoming visible with thematic videos in Youtube



How to start 3/3

In general:

- Move out of comfortable office and go to people
- Political representatives fight in political arenas
- Directors collaborate with other directors to segment roles in public fund utilisation e.g. during chambers boards of directors meetings
- Technostructures collaborate in operational matters



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Case 1, Unioncamere

- The Italian Union of Chambers of Commerce is a public organisation whose members are individual chambers of commerce
- It is mandatory and enforced by law registering to the local Chamber this contributing base of resources to the cameral system
- Chambers are governed by:
 - “Consiglio”/Council linking representatives from agriculture, artisanat/mSE, insurance, commerce, credit, industry, services, tourism and other territorially relevant sectors, worker union, consumer union
 - “Giunta”/Board, the executive organism with 5-30 representatives, meeting monthly, in which directors of different BSO discuss utilisation of public resources and other businesses
- The number of chambers is shrinking from 106 to 50-60 to increase global efficiency in economic downturn



Case 1, Unioncamere system

CAMERAL SYSTEM MAP

System structures and organisms
Special purpose entities
Arbitration organisms
Technical assistance
(research, associations)
Infocamere database
Indis

CHAMBERS OF
COMMERCE

REGIONAL
UNIONS OF
CHAMBERS

UNIONCAMERE
(NATIONAL)

Italian chambers abroad
Association of chambers
abroad

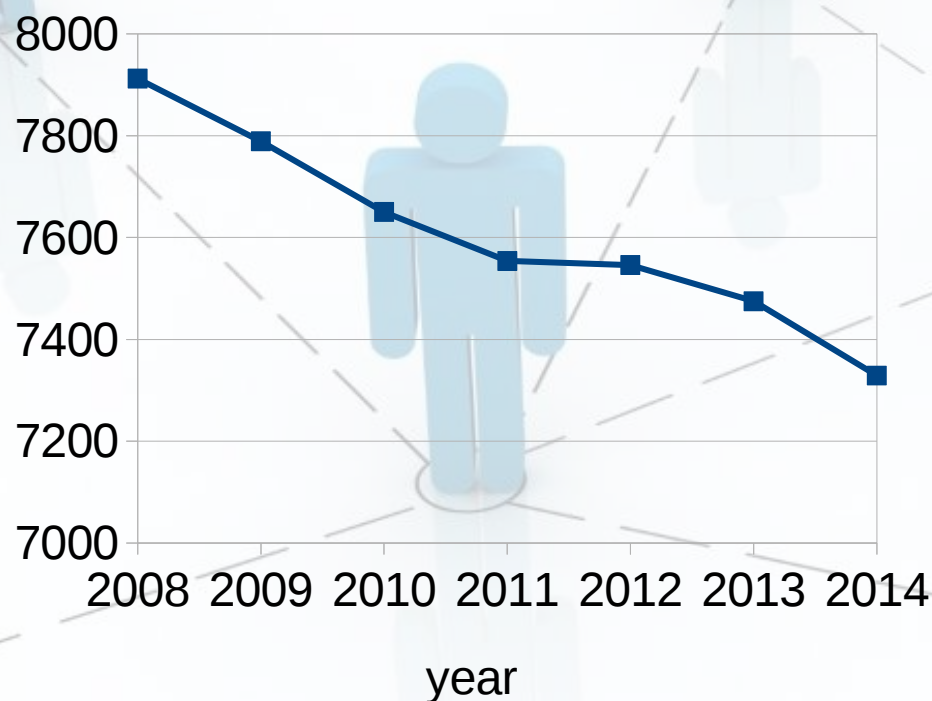
Trade regional centers
EEN members
Unioncamere Europe



Case 1, chamber system dimensions

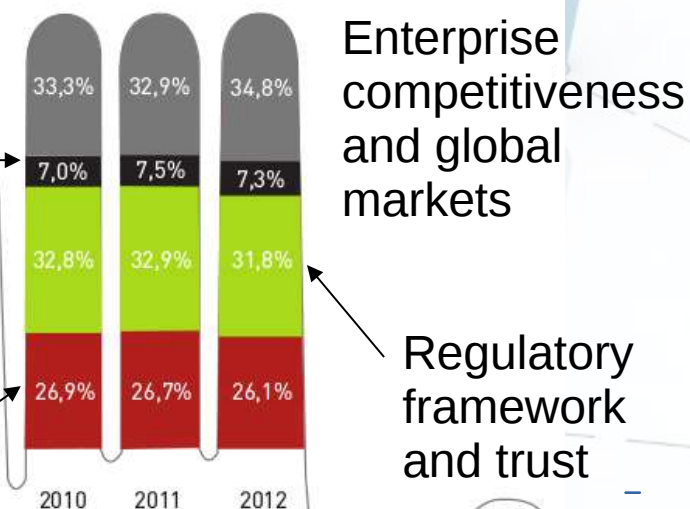
2765 members of councils

Open-term contract staff



Territorial competitiveness

Internal services and staff



Enterprise competitiveness and global markets

Regulatory framework and trust

Resource destination

[source: Unioncamere reports]



Case 1, good networking practices

Unioncamere systematises good practices under the principle of sharing, codesign, co-production:

- www.ago.camcom.it/buonepratiche or www.facebook.com/buonepratiche
- Already transferred from original application or replicated
- Innovative and sustainable with impact on the territory and quantitative indicators
- Possibility to mainstream (dissemination)
- Candidate practices are submitted from any chamber or their system
- Technical secretariat and methodological / result committee



Case 1, good networking practices 1/3

Good practice 1: microcredit partnership

- Partnership/network: Cameral system with Ministry of Economic Development
- Practice: promote microcredit for enterprise creation as start-ups have little credit story and access to financial resources

Good practice 2: laboratory network

- Partnership/network: network of laboratories of the Chambers of Commerce
- Practice: offering a range of analysis and tests in the agri-food, environmental, jewelry and other manufacturing sectors and voluntary traceability system in jewelry and fashion



Case 1, good networking practices 2/3

Good practice 3: Territorial branding (for typical products)

- Partnership/network: local chamber of commerce with local University
- Practice: adopting typical geographic branding policy to maximise appeal and quality perception and value addition of local wines

Good practice 4: women entrepreneurship

- Partnership: county and regional economic development agencies, commerce unions, training agencies, national and regional Union of Chambers, local chambers, incubators, prime minister office, research agencies
- Practice: women enterprises resisted better to economic downturn therefore investing in them means higher resilience. Mentoring, coaching, networking at national and european level



Case 1, good networking practices 3/3

Good practice 5: “door-to-door” service promotion

- Partnership/network: local chamber of commerce with local BSOs
- Practice: enterprises are often not aware of Chamber of Commerce services (e.g. e-government, databases) and do not get the best out of them. Networking “door-to-door” with trained promoters at enterprises and other BSOs

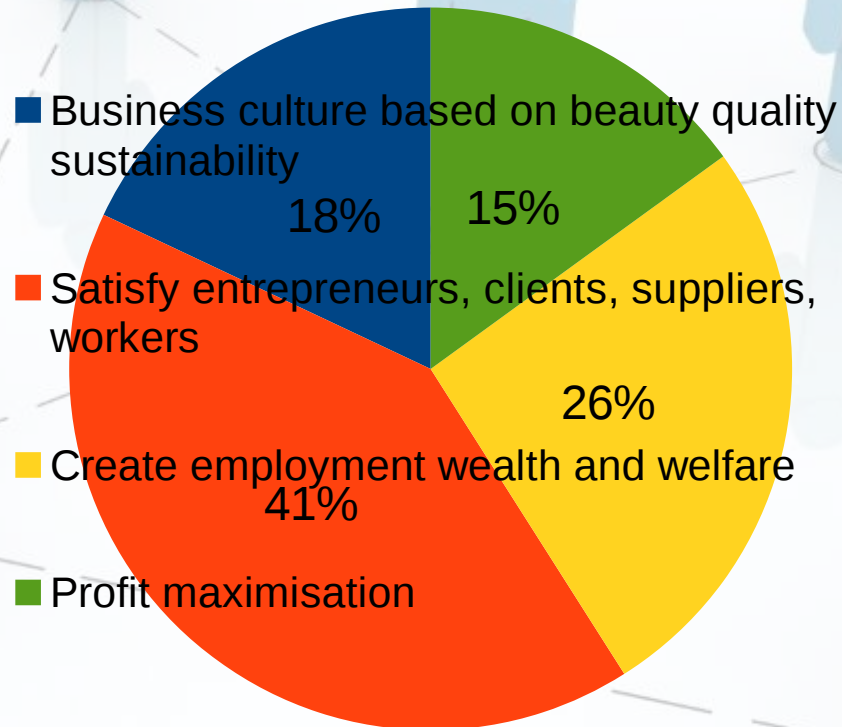
Good practice 6: enterprise network (reti di impresa)

- Partnership/network: regional union of chambers of commerce, Enterprise Europe Network, chambers university
- Practice: the local mesh of enterprises is made of mSME, with highly specialised market niches but affected by international competition of structured enterprises and multinationals. Sensitisation, focus groups and training in the advantages of the “enterprise network” legislation (an agile form of small clusters). In 2014, 12 “enterprise networks” were established.



Case 1, economic model values

Italy is assessing its economic and private sector performances to recognise whether a new typical economic mode is emerging from these economic downturn years. The following elements emerge in this Mediterranean model rooted and networked on territories and communities:



Entrepreneurs feeling of what is being part of an Italian model of business

[source: Unioncamere Symbola]



Case 2, Corporate Synergy Systems

- “United we stand, divided we fall. Together we shall be the leader” is the motto utilised by a former President of Corporate Synergy Development Center (CsDC) of ROC.
- His Country emerged from WW2 years achieving dramatic poverty reduction goals and becoming an innovation Country at international level (9.2% over 30 years since 1960 with income per capita growing from USD 197 to USD 16,800)
- He associated this to:
 - Collaboration among SMEs in capitalising their strengths and exploiting their potential; and,
 - Consistent and persistent measures undertaken by government to build a strong industrial base for advanced economic development



Case 2, Corporate Synergy Systems

Since the second part of the '90ies, the Corporate Synergy System (CSS) program sought industrial quality, competitiveness and environmental performance upgrades through cooperation of businesses, 98% SMEs.

CSS had two main components:

- Promotion of **voluntary formation of networks of 10-20** enterprises of which one is central and the others are called satellites, normally in a supply-chain
- Provision of competent and comprehensive technical assistance, incentives, awards, and strong policy support



Case 2, Corporate Synergy Systems

- Companies agreed on a common improvement plan, which:
 - lasted 12 months and can be extended in duration and in number of satellite members; and,
 - was monitored and enforced.
- “Compared to individual companies, networks:
 - achieved better economies of scales
 - Retained competitive advantages in a better way
 - Cooperated and networked with companies seeing themselves as allies, reducing negative competition and allowing simultaneous network-wise improvements.
- Literature reports that:
 - Firm level CSS investments paid back and generated revenues since 1st fiscal year
 - in 18 years, 194 CSS were formed involving 3350 plants and training of 700,000 industry workers



Case 2, Corporate Synergy Systems

Motivational factors:

- For satellites: not losing big client, long-term purchase contracts, better payment terms, training, investment support.
- For central firms: market position betterment, quality enhancements, expanded capacity, cost reductions, reputation, relationships

Also in this case, networking for collaboration among organisations of different sizes and needs but with mutual interests, led to improved systemic performances.



Case 2, CSDC

CSDC was initially a public sector creation implementing decisions of an inter-agency committee, then was moved to be a self-financing not-for-profit foundation, still active and expanding portfolio of services:

- Collaboration management
- Industry promotion (including creative industries and local cultural industries)
- Awards and certificates
- Operations enhancement
- Training and publications



Case 3, Shoe and leather cluster development in Palestine

Mr. Tareq Abu Al Fealat, Palestinian Leather Industries Union Chairman



Programme session

1st DAY

- Conceptual framework of networking
- Situational analysis of Palestinian BSO networking
- Concrete opportunities for outreaching
- How to network
- Cases
- **Fist day conclusions**
- Lab: finding common interest for a project / pooling fund

2nd DAY

- Foreign outreach? Not a perfect world outside
- Intercultural awareness
- Cases
- Lab
- Wrap-up



Conclusions

- There is correspondence between sematic conceptualisation and real cases →
- networking is possible, it has already been done and there are other cases
- World is moving towards pooling, what would you do? United and organised for a higher interest
- Definition of a clear strategy and use of funds to finance and pool around it, do not strategise on funds
- Not just informal relations but structured
- Use but do not be used by social networks
- Move, Move, Move to outreach people
- Specialise networking staff, allow board directors to be agents of networking, delegate teams to interact with peers
- When outreaching foreign organisations, have mutually beneficial concrete proposals in mind



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Lab: finding common interest for a project / pooling fund 1/2

Organisation:

- Divide in groups of 4-5 people
- Each group shall include -when possible- at least a chamber, a union and an NGO representative
- Each group will have an animator (cluster agent) with the role to ensure that all group members are voiced
- The group will identify a spokesperson who presents the outputs



Lab: finding common interest for a project / pooling fund 2/2

Task:

- The lab builds on the assumption that a concrete proposal attracts people to cluster and validly complements personal relationships
- Figure out a networked initiative, which could be undertaken to bring back 50% of inactive members into contributing members satisfied of their BSOs
- Define what your inter-BSO team would do to gather executive commitment and how you would network with peer BSOs
- Introduce with a 1-minute “elevator speech” and then explain in more details through a 5-10 minute voice presentation



Thank you for attending



Private Sector Development Cluster Project (PSDCP)

BSO networking seminar Day 2

How Palestinian BSO can increase capacity to outreach more members, stakeholders, partners through networking

Nicola Drago, PSD Consultant

May 3rd and 4th, 2016

ver. 3

1 / 45



Disclaimer

This presentation is the work of Mr. Nicola Drago in his personal capacity. The opinions expressed in this presentation are the author's own and may not reflect the opinions of PSDCP, AFD, ICON Institut or of any other organisation mentioned in the slides.



Rules for seminar enjoyment

Kindly:

- Do not smoke in closed areas
- Ring off phones and do not answer calls
- Do not undertake side discussions
- Turn-take during discussions
- Do your best in contributing to practical exercises



Scope of seminar

- Conceptualising on networking of BSO
- Awareness on networking relevance
- “How to do networking” advice
- Sharing national and international experiences
- Debate and exchange
- Uniting BSO and stakeholders for higher results



Brief resume of Day 1 concepts

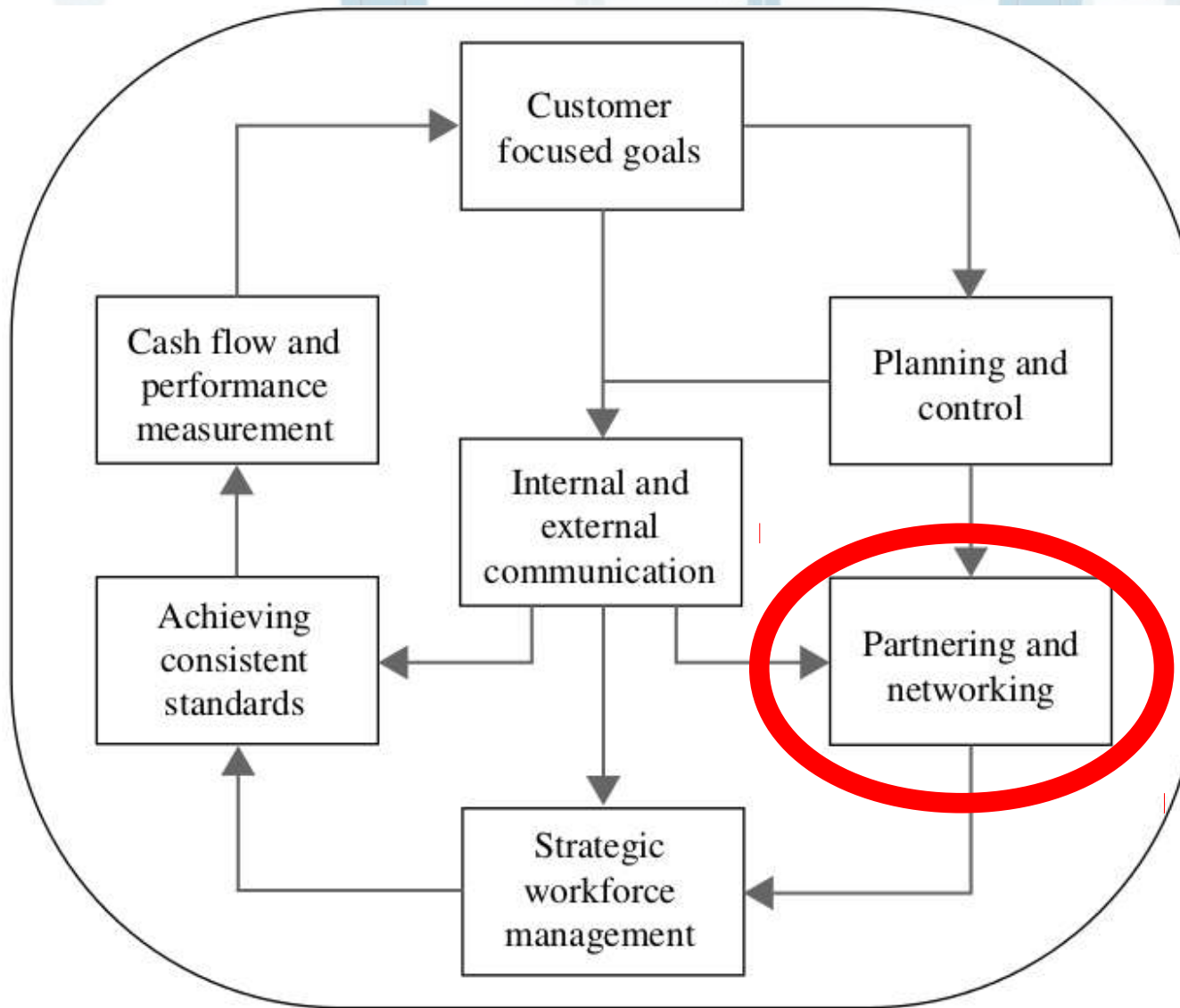
Two concepts from you:

- **We need to “feed our BSO”:**

- Different result of long-term strategy and short-term bidding → you can aim at positively influencing calls at debates when they are conceived
- Networking as part of a larger professionalisation scheme

- **This is our culture, nothing changes:**

- Identity is good but ... “Agents of change”



Networking
as a part of
a broader
scheme



Brief resume of Day 1 concepts

- Unite in a common strategy
- Professionalise:
 - Need and training analysis
 - Try composing segmented service portfolios
 - Intercultural management
 - Networking
- Visibility and reputation building
- Keep up-to-date and lobby where decisions are taken



Programme

1st DAY

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- Cases
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2nd DAY

- Foreign outreach? Not a perfect world outside
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What would
you like to
start with?



Programme session

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Foreign outreach? Not a perfect world outside

Critical review of a SME BSO and an industrial BSO different from previously mentioned BSOs. Names and nationality will remain anonymous.

The data concerning such BSO come from semistructured interviews with informed stakeholders and from media. They shall be considered educated estimates.



Foreign outreach? Not a perfect world outside

MSE territorial BSO 1/2:

- one of the largest of its type in the Country,
- 15,000 members,
- membership USD 200 – USD 800,
- balance sheet $\leq$ USD 34 millions (2/3 from special purpose entity services at market rate, 1/3 from memberships),
- 500 employees of which 120 direct BSO employees, other 380 employees of special purpose entities



Foreign outreach? Not a perfect world outside

MSE territorial BSO 2/2:

- **Special purpose entities** mix resources from chambers, PS and other BSO, each with a board position. They provide profit generating services
- national level federation in capital city
- **Services:** contracts, tax consultancy, HRM, HSE, authorisations, declarations, training, temporary management, group-purchase energy, credit, export support, worker unions relations, lobby on legislation,



Foreign outreach? Not a perfect world outside

Industrial BSO system 1/2:

- Includes territorial BSO and their federation
- 3,000-5,000 employees in the whole system of federation, territorial members, special purpose entities,
- Federation Collects 10% of member BSOs revenues
- Membership to an individual BSO ranges USD 1,400 to USD 8 millions a year, members now include also banks, energy generation and insurance companies



Foreign outreach? Not a perfect world outside

Industrial BSO system 2/2:

- SMEs constitute largest part (**90%**) of revenues but weight is **lighter** than large firms,
- SMEs most **needy of services**. Large industry needs more high-level **lobby**
- **Services**: lobby on taxes, industrial relations, internationalisation, access to public financial facilities, presentations, training, debate, social security and tax advisory, new suppliers. Regulatory and policy lobby is carried progressively more out of Country, at Union-level Capital city.



A few governance pics

- **Reason for special purpose entities:** because they can generate profits by selling services, whereas their mother not-for-profit BSOs are not allowed
- **Alliances are especially done at Chamber boards** when it is time of allocation of **public resources** such as for infrastructures:
 - Directors of different BSO sit at Chamber board.
 - BSO representation is proportionate to contributions, employment and other dimensions of member enterprises.
 - Decisions are taken per head.
- Concerning provision of **corporate services**, **BSO tend to work in isolation or competition** apart a few best practices. **Specialisation** to be done based on **segmenting** enterprise needs.



Criticalities 1/2

- **Paradox** between lobbying for lighter regulations (membership-based services, not for profit side) and earning from services due to heavy regulations (special-purpose entity services)
- **Unfair competition** / distortions in service market between BSO established by law (mandatory membership) and privately established BSO (voluntary membership)
- **Overlapping** on groups of enterprises attracted to register to two or more BSOs
- Services to SMEs are often **more expensive** than professionals in the market moreover BSOs are ineffective in helping SMEs to access much sought finance



Criticalities 2/2

- **Conflicts of interest** between having energy, insurance and bank members and seek of competitiveness of BSO group purchases of such type of services for SME members
- **Industry overweighing** compared to SME despite SME are largest majority
- Non-public BSO may target same PS segments but be differentiated by **political** orientations and heavy weight BSOs are strongly into politics

Result? According to public opinion BSOs are **loosing grasp**, the largest are considered political launchers, not value-for-money, large structures are less and less justified



Foreign outreach

What are **your expectations** in outreaching Foreign BSO?



Foreign BSO expectations

- Business / markets
- Mutual interest concrete proposals
- Complementing project bid partnerships
- Some: compliance with politic or policy frameworks
- Some may have long-term relationship vision
others may have short-term common interest
deal vision



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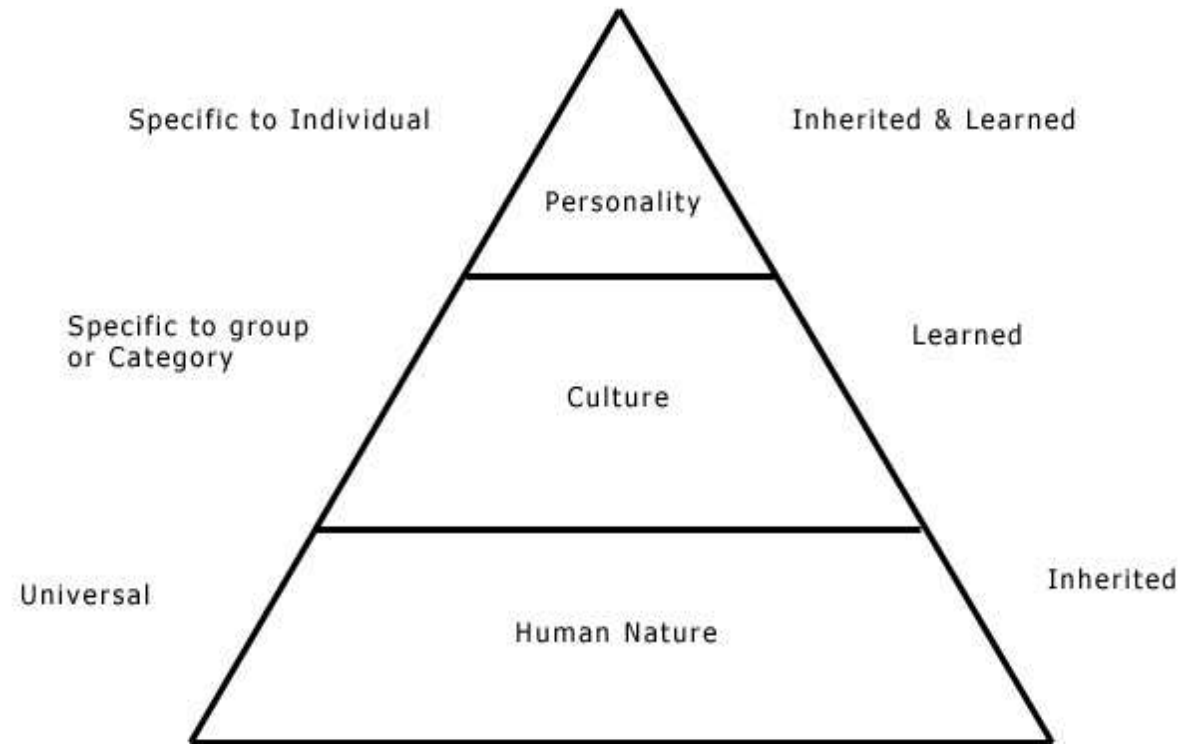
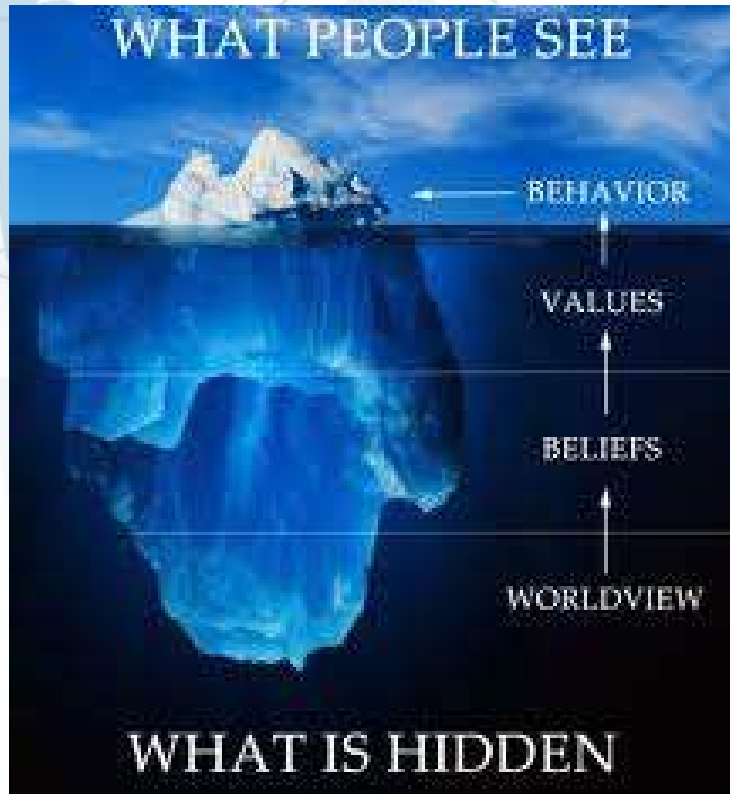
Intercultural management in dealing with foreign BSOs

- I daily commit many **inter-personal** mistakes here. Part of them may be rather my **inter-cultural** mistakes.
- I behave according to the **culture I was grown up** and unintentionally assume others to behave in the same manner. But they have another culture ...
- Language and empathy are a part of this but there is much more
- This part aims at awareness building, relativising expectations, providing basic inter-cultural elements
- Trust in your cultural identity, self-control, proposals in mind, and **prepare yourself in advance!**





Roots of behaviour



[Hofstede]



Cultural dimensions

Hofstede 6D work: Six dimensions reflect basic problems that any society has to cope with but for which solutions differ

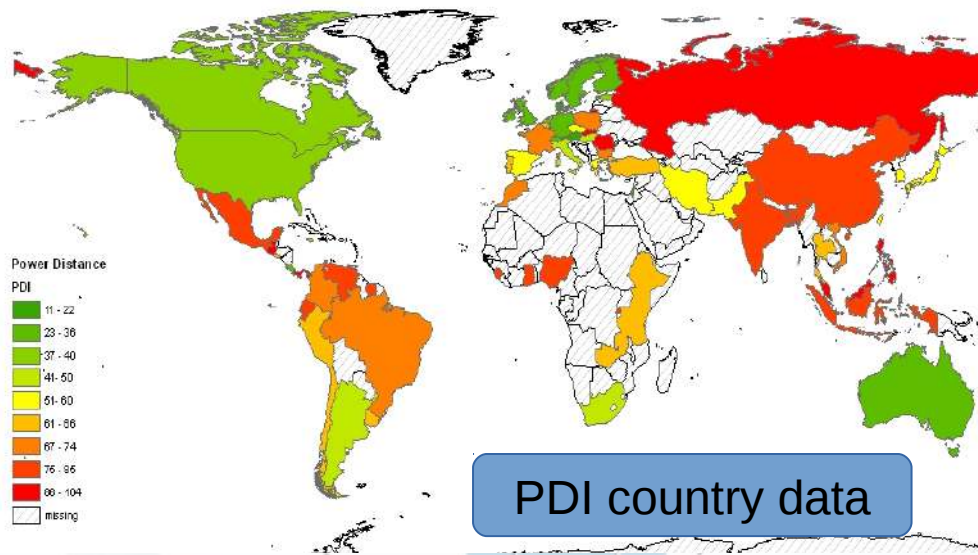
- Power distance (PDI) - father/son;
- Uncertainty avoidance (UAI) - truth;
- Individualism/Collectivism (IND) – individual/family;
- Masculinity/Femininity (MAS) – woman/man;
- Long- / Short- term orientation (LTO) – virtue.
- Indulgence vs. restraining (IVR)

Countries may be anywhere in between two pictured dimension extremes. Not all connotations apply to all countries.

Individuals within countries may vary from societal norms.



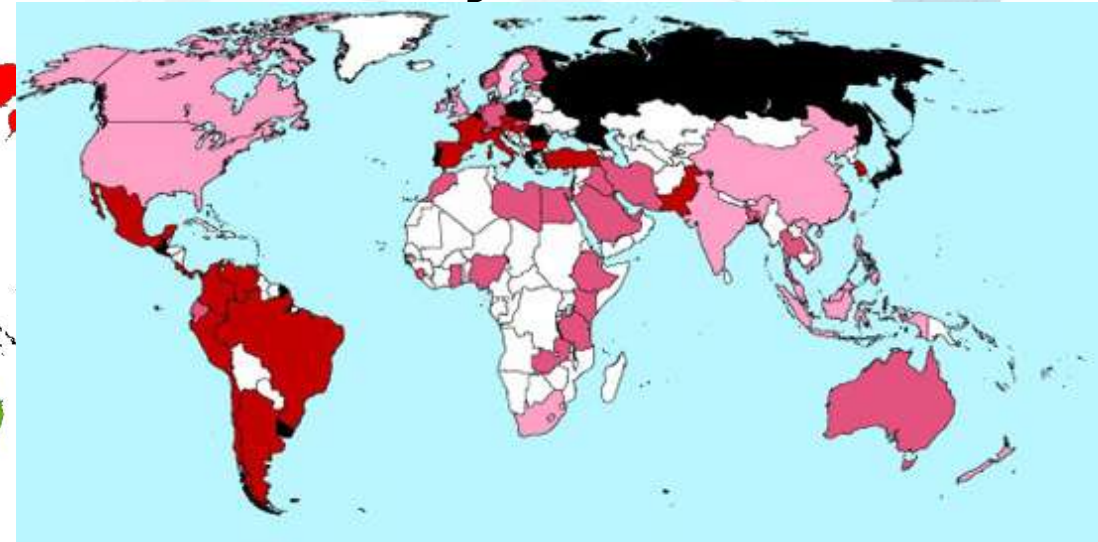
Power Distance and Uncertainty Avoidance



Power distance index

High power distance:

- More autocratic / paternalistic management style
- Close supervision
- Employees fear to disagree with boss
- Talk to the leader



Uncertainty Avoidance index

High uncertainty avoidance:

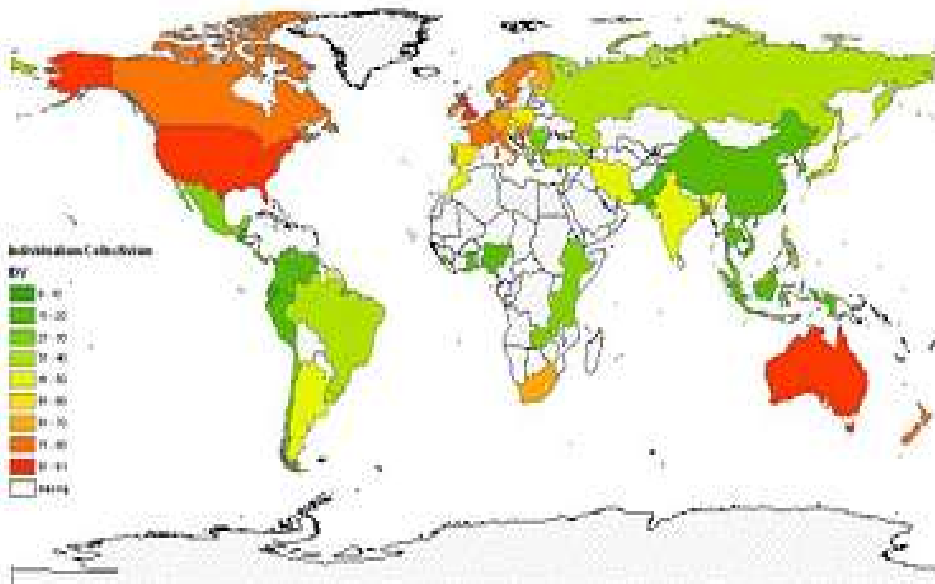
- Higher anxiety, stress, display of emotions
- Need for more formalisation (rules, procedures, norms)
- Preference for technological solutions
- Precision and punctuality



Individualism/collectivism

IDV - Individualism/Collectivism

Hofstede's Cultural Dimensions



Individualism:

- “I” instead of “we”
- Freedom and challenge
- Individual decisions
- Task and company prevail over personal relationships

Collectivism:

- “we” instead of “I”
- Employer-employee a moral connection, like a family
- Importance of training in job
- Relationships prevail over task and company



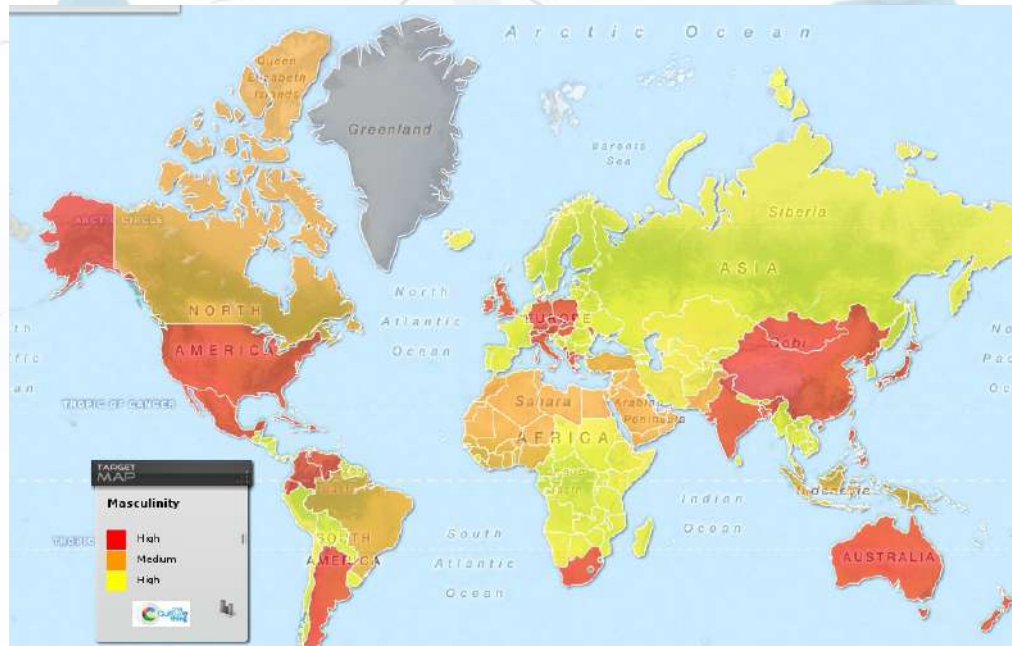
masculinity/femininity

Masculinity:

- preference for assertiveness, achievement, heroism, and material rewards for success.
- Society at large is more competitive. Advancement, earnings, training, up-to-dateness.

Femininity:

- preference for nurturing, cooperation, modesty, caring for the weak and quality of life.
- Society at large is more consensus-oriented.
- Friendly atmosphere, position security, physical conditions, manager, cooperation.





Long-term orientation

Long term orientation:

- Persistence, perseverance, build relationships and market position first, then expect results
- Thrift and high savings, real estate
- What is good or evil depends on circumstance
- Synthetic thinking

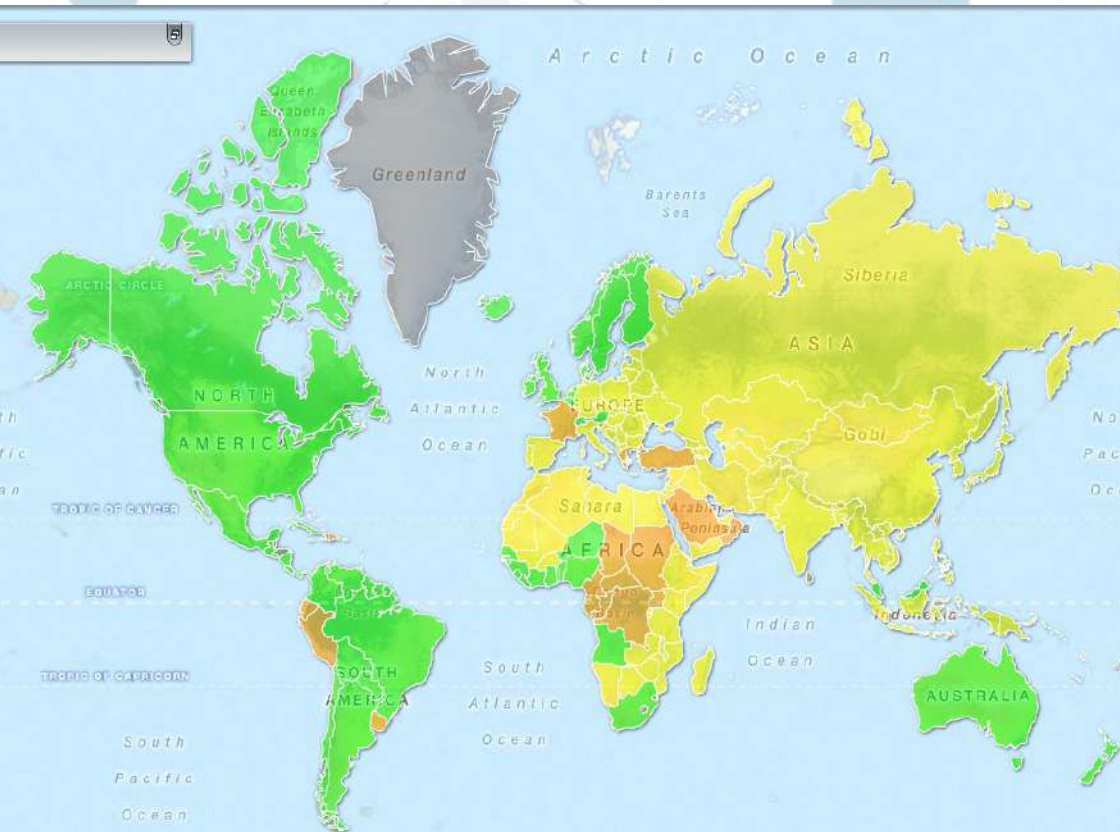
Short term orientation:

- Quick results expected
- Nice people know how to spend
- Belief in absolute guidelines about good and evil
- Analytic thinking





Indulgence vs. restraint



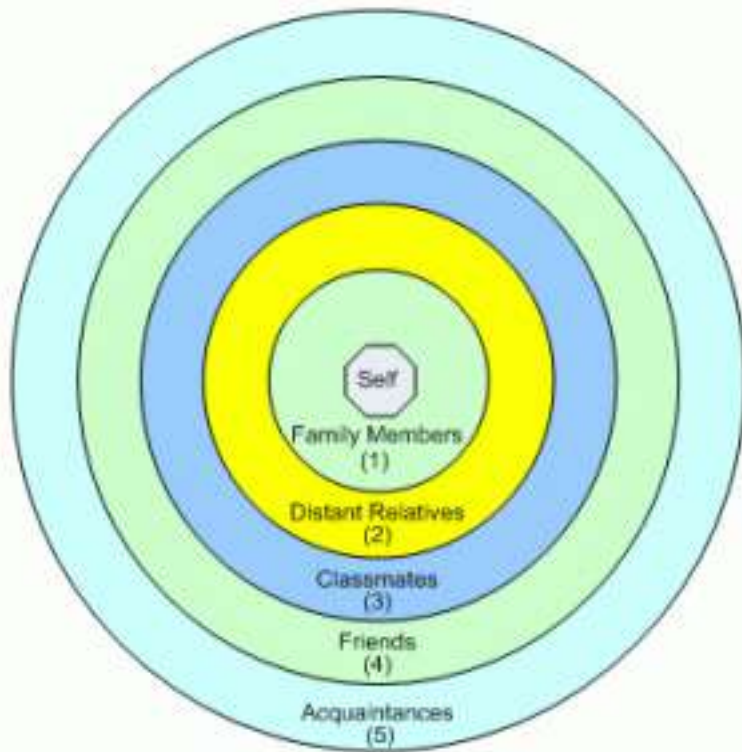
Indulgence

- Higher % of subjective happiness
- Perception of having control over own life
- Tolerance
- Enjoyment
- Less moral discipline

Restraint

- Lower % of subjective happiness
- Sense of impotence
- Rigid society
- Less importance to enjoyment
- Moral discipline

Chinese *Guanxi*



- Business relationship building
- Initiating stage and maintaining stage
- Long-term vs. short-term relationships
- Emphasis on community-based networks
- “Confucian capitalism”
- *Jiao pengyou*: making friends
- *Jianli ganqing*: developing connection of feeling between people
- *Yanxuxing touzi xingwei*: continued investment behaviour
- Friendship, trust, honesty, reciprocity and care are needed to achieve *guanxi*
- The more one helps others, the more he will get connected with people

Indian

Jan pehchan (Hindu)

Who you know

Criticality of familiarity and of right connections as a means of furthering business interests

Professionalism

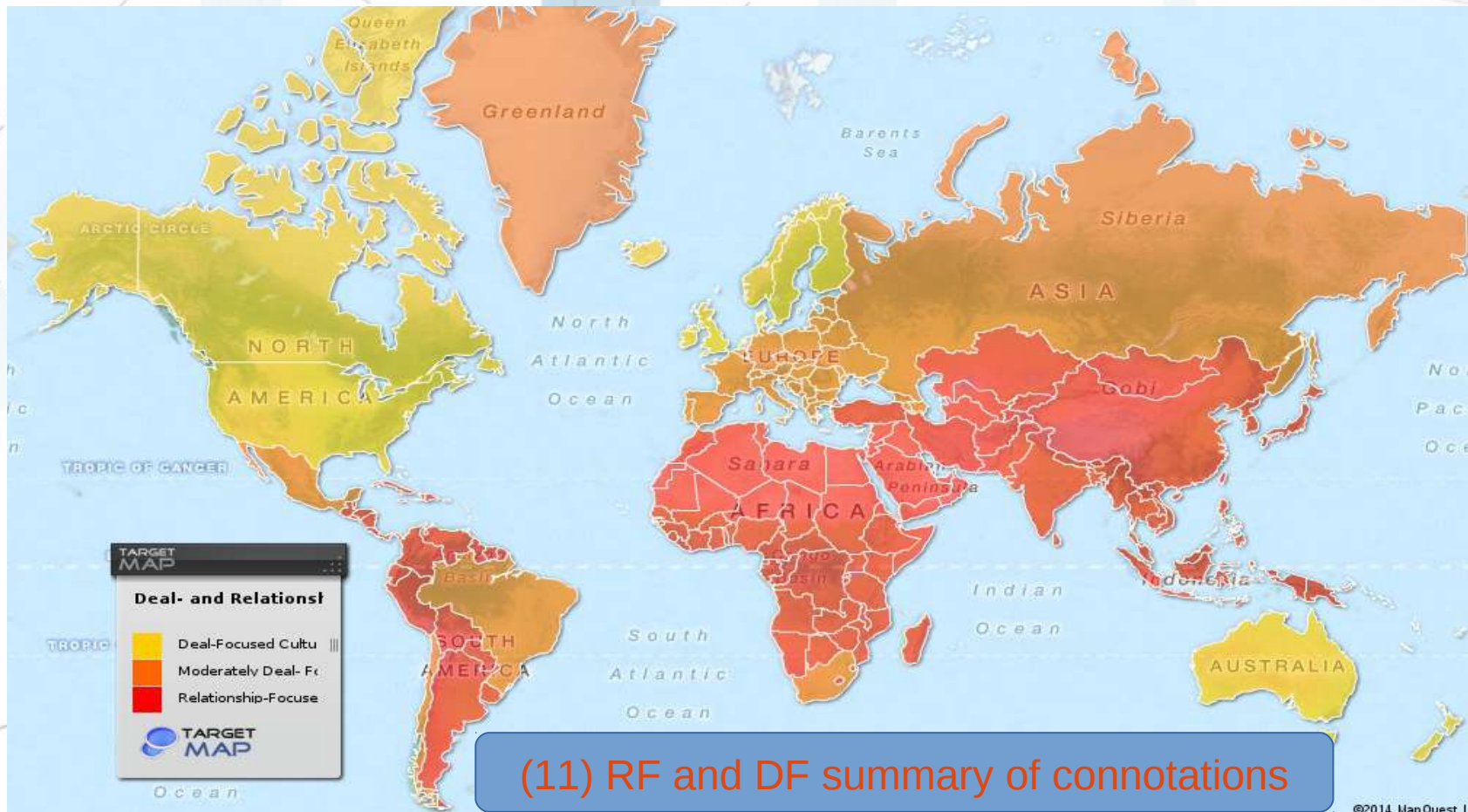
Sambandh

Firm bond developed from the right connections

Emotional connotation of a long-term tie



Deal-Focused (DF) and Relationship-Focused (RF)





Recommendations in RF cultures

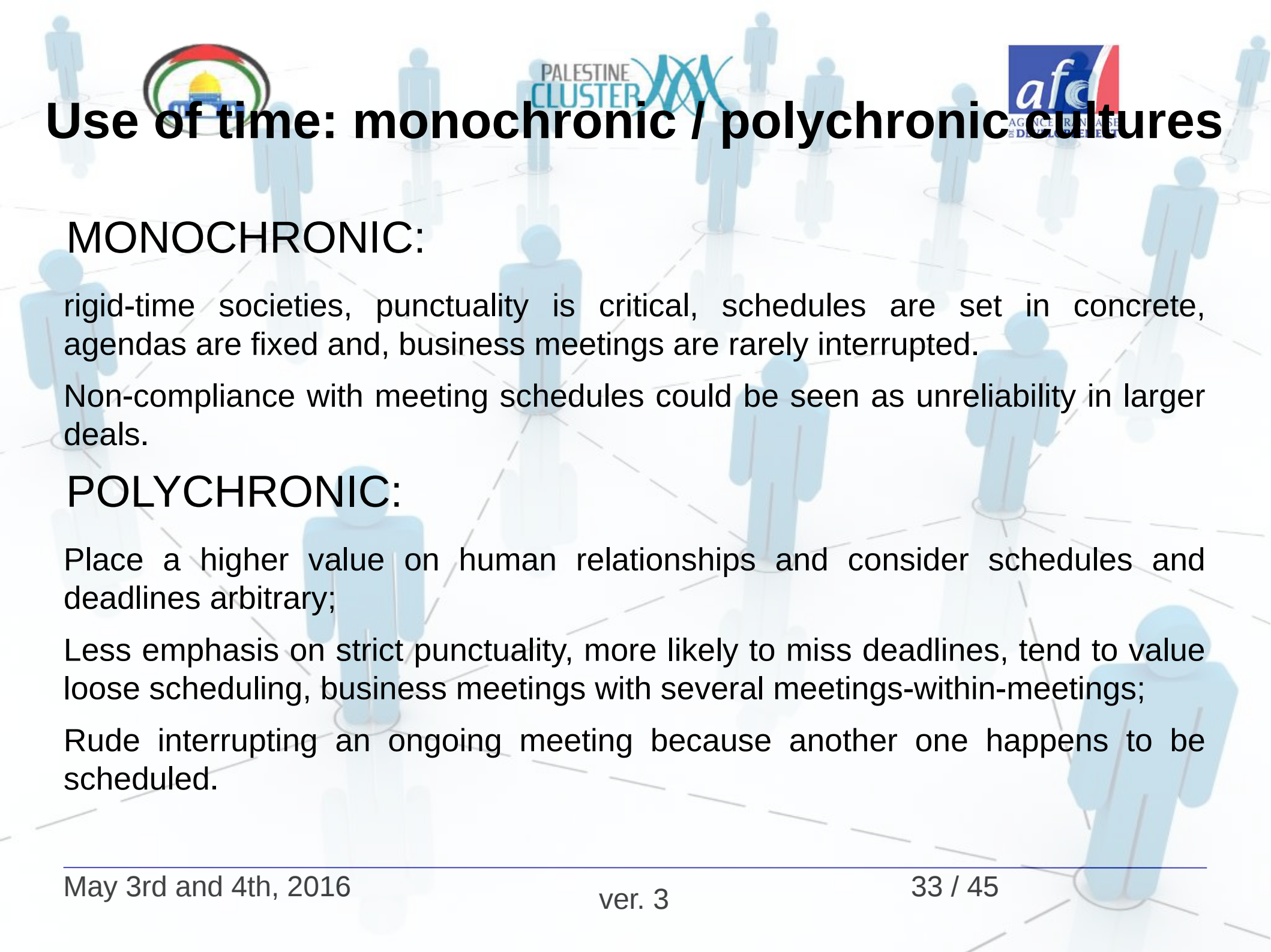
Develop relationships BEFORE talking business: first one makes a friend, then one makes a deal.

The ideal introducer is a high-status person or organisation known to both parties (examples), often Sr. male preferred

Direct contacts at international trade shows or by taking part to official trade missions.

Best giving time and planning no more than one or two meetings/visits per day, enjoy hospitality, demonstrate commitment to learning.

Personal continuity is maintained throughout the relationship.



Use of time: monochronic / polychronic cultures

MONOCHRONIC:

rigid-time societies, punctuality is critical, schedules are set in concrete, agendas are fixed and, business meetings are rarely interrupted.

Non-compliance with meeting schedules could be seen as unreliability in larger deals.

POLYCHRONIC:

Place a higher value on human relationships and consider schedules and deadlines arbitrary;

Less emphasis on strict punctuality, more likely to miss deadlines, tend to value loose scheduling, business meetings with several meetings-within-meetings;

Rude interrupting an ongoing meeting because another one happens to be scheduled.



Monochronic / Polychronic cultures

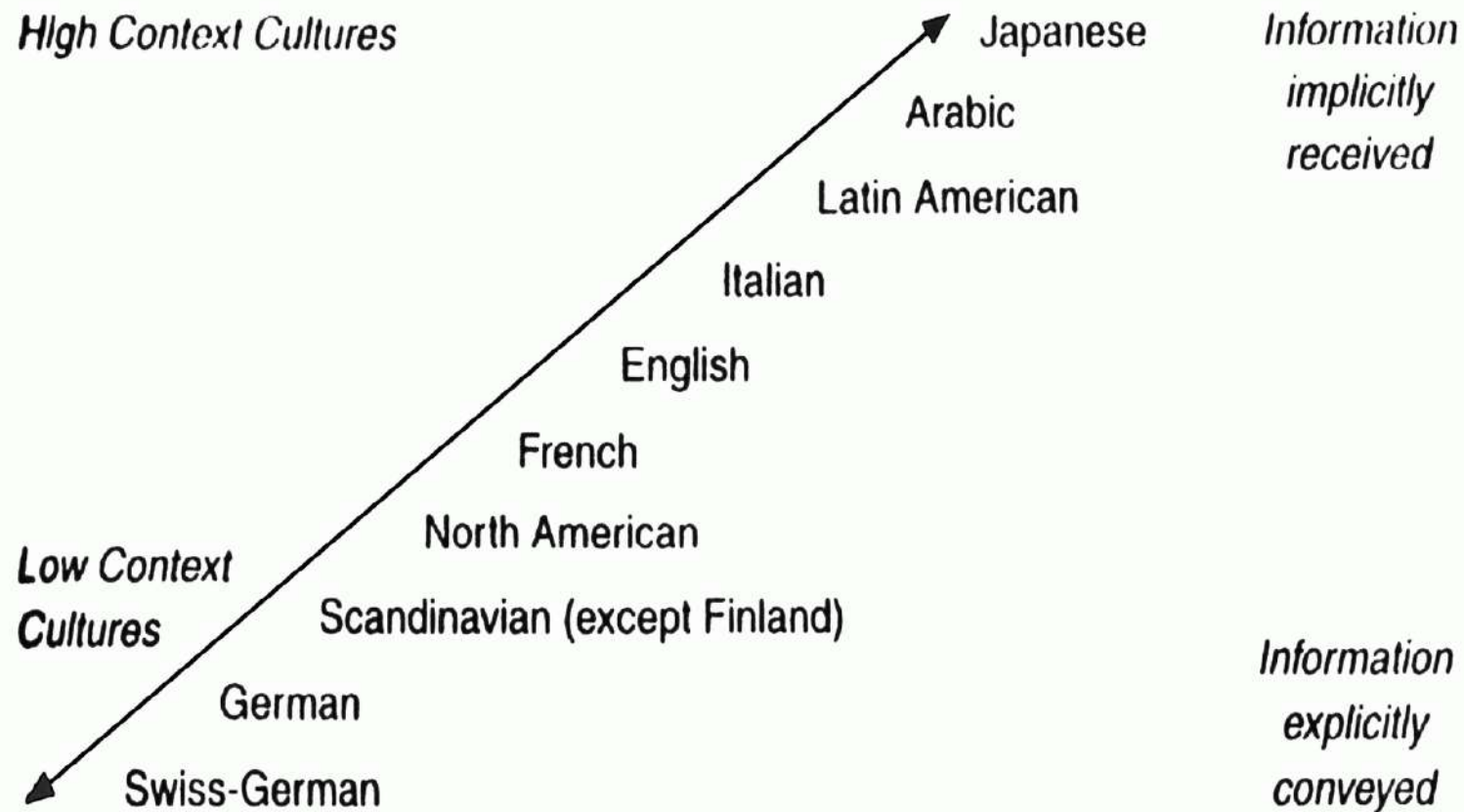
Monochronic cultures: Germany, Northern Europe, North America, Czech Republic, Hungary, Japan.

Variably monochronic cultures: Australia/New Zealand, Russian and most of East-Central Europe, Southern Europe, Singapore, Hong Kong, Taiwan, China, South Korea. In-country differences apply.

Polychronic business cultures: Africa, Arab region, Latin America, South and South-East Asia. In-country differences apply.



High Context / Low Context communication cultures





Expressiveness (affective - neutral)

MEDITERRANEAN PEOPLE tend to be highly expressive both verbally and non-verbally and to consider flatter styles as impassive, far;

In other cultures, excess of expressiveness may not work well e.g. for **SOUTH EAST ASIANS**:

talking loud tends to be interpreted as a sign of **anger**, loss of face or **may not be taken seriously**;

using too many facial expressions is often taboo and hand gestures tend to be interpreted as a sign of **mental insanity**.

E.g. for **NORTHERN EUROPEANS**, cool is good; excess of expressiveness can be interpreted as **lack of self-control** (unreliability) and **lack of solid arguments** (inconsistency)



Non-verbal communication, body-language, gesture

spatial behaviour and interpersonal distance (proxemics);

touch behaviour (haptics);

gaze behaviour and eye contact (in most of East Asian countries direct gaze can be interpreted as a hostile act if a man does it or as an explicit invitation if a woman is the one staring); and,

body movement and **gestures** (kinesics)



Programme session

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2nd DAY

- Foreign outreach? Not a perfect world outside
- Intercultural awareness
- **Cases**
- Lab
- Wrap-up



Two international outreach cases

- FPCCIA relationship with Chamber of Commerce of Köln
- Palestinian BSO-networking success story in international networking with General Union of Arab Chambers (Mr. Jamal Jawabreh, Secretary General Federation of Palestinian Chambers of Commerce Industry and Agriculture)



Lessons learnt from the two cases

Take notes while speakers illustrate their experience:



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Lab: foreign outreach

Task: access to call for proposal websites

...



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Wrap-up

- Leadership commitment for higher common interest
- Be prepared:
 - Train foreign outreach people in intercultural management
 - Train proposal manager
- Know your clients: analyse your member's varying needs
- Segment services and complement with others based on analysis
- Networking on sound strategies and business
- Step back and offer a joint, complementary specialised range of relevant services
- ...



Thank you for attending

Annex 4:

seminar attendees of day 1 session and day 2 session (respectively May 3rd and 4th 2016)



إتحاد الغرف التجارية الصناعية الزراعية الفلسطينية
Federation of Palestinian Chambers of Commerce, Industry & Agriculture



Networking Workshop ATTENDANCE REGISTER

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Isra' Gaisiah	South Hebron chamber	Israa_gaisiah@gmail.com	0592367355		
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(NABIC center)

[illegible]



إتحاد الغرف التجارية الصناعية الزراعية الفلسطينية
Federation of Palestinian Chambers of Commerce, Industry & Agriculture



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Mekky Al					
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إتحاد الغرف التجارية الصناعية الزراعية الفلسطينية
Federation of Palestinian Chambers of Commerce, Industry & Agriculture

PALESTINE
CLUSTER

Networking Workshop

ATTENDANCE REGISTER

[illegible]

Annex 5:

Recommendations



Private Sector Development Cluster Project (PSDCP)

Assignment: Business Support Organisation (BSO) networking

Recommendations on integration of networking practices into BSO annual strategy and daily work

Date: May 5th, 2016

Author: Nicola Drago, PSD Consultant

Executive summary of recommendations

This document summarises recommendations for improving Palestinian BSO networking and outreach at domestic and international level in the framework of the PSDCP project. PSDCP is a project aimed at increasing competitiveness of Palestinian companies, especially MSMEs, in order to increase their market share of domestic market and / or export markets. A cluster approach is being used to achieve this objective. implemented by the Ministry of National Economy (MoNE) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) and financed by Agence Française de Développement (AFD). The Consortium established by EGIS, ICON Institut, Sofia Antipolis Foundation and Massar was contracted to provide technical assistance services and hired PSD Consultant Nicola Drago to implement this specific assignment. The assignment, carried out from April 23rd to May 6th 2016, aimed at raising awareness on relevance of networking for BSOs and at providing BSO with practical suggestions at strategic and at daily operations level. Prior to drafting this document, the consultant held a two-day “BSO networking” training seminar organised by PSDCP and attended by 26 representatives of 20 BSOs (8 from MoNE, Union system, university, export promotion agency and three projects and 12 from the Chamber system) at Cesar Hotel in Ramallah on May 3rd and May 4th. BSO sustainability is affected by low memberships, low membership enforcement and competition among BSO in a small and severely constrained domestic market. Together with external threats, relevance of proposed services and a traditional and static system of vision, human resource management and bylaws appear to be causes of the above problems. Professional networking, as part of a wider good-practice management can help: reducing overlapping and competition among BSOs, improving service portfolio relevance, coordination and synergies among domestic BSOs and with foreign BSOs. Long-term vision, clear and shared strategy shall drive fund raising, not the contrary. Recommendations are suggested at general, yearly strategic and daily operations levels.

Acronyms

BSO	Business Support Organisation
CRM	Customer Relationship Management
ENI	European Neighborhood Instrument
EU	European Union
FPCCIA	Federation of Palestinian Chambers of Commerce, Industry and Agriculture
MoNE	Ministry of National Economy
MSME	Micro, Small or Medium sized enterprise
PSDCP	Private Sector Development Cluster Project

Networking recommendations

BSO situation

1. This section outlines the situation of Palestine BSOs as emerged during mission meetings and secondary source analysis. BSOs expressed concern for competition and scarcity of available resources, which affects their capacity and sustainability. Their incomes are linked to donor project funds and memberships, mandatory for Chambers and voluntary for other BSOs but not enforced. According to PSDCP report “Strategy for capacity building of the cluster Business Support Organisations” of May 29th 2014 circulated to all BSOs, 6% to 62% of registered members do not pay relatively affordable memberships (inactive members). Twice as such number of inactive members did not register in any BSO. A few cases of collaboration were identified¹, which could be leveraged as success stories for spillover effects. However, despite the small and severely constrained market, external threats and the raising global competitiveness, BSOs compete among them for funds, ideas and visibility with no advantage for the Country. Short-term vision, prone to externally-induced changes of priorities, fragmentation, high personalism, traditional and static vision, human resource management and bylaws eventually cause lack of service relevance and risk spoiling BSOs further. If BSOs do not undertake change initiatives, the status quo will continue for their progressive detriment and further external dependence for survival.
2. BSOs would benefit from having a plan and from clustering resources around it rather than changing priorities in the seek of funds without a strategy. The consultant believes that networking -as part of a wider best practice management framework- can help uniting and synchronising BSOs, members and other stakeholders and increase BSO relevance and sustainability. It would also increase critical mass and mobilisation of resources for investments. Networking requires not only building and maintaining relationships but also concrete mutually beneficiary objectives. A one-year key objective for a few (e.g. 2-3) progressive BSOs could be to regain a significant percentage of inactive members, relevance and credibility. This could be achieved through long-term vision and a strategy based on: (1) coordinating and complementing client-oriented services, (2) continuous expansion of staff skills and (3) promotion to members and membership yielding. Outcomes may include higher strategic and technical integration of BSOs. In the following years, such BSO network may expand in scope or include other potentially interested BSOs and may induce spillover effects.

General recommendations for professional networking

3. Having and maintaining a reputation of integer organisation with integer persons focused on member good;
4. Conceiving professional networking as (1) mutually relevant relationship-building based on common interests and (2) a project² to be managed and monitored;
5. Having clear and common objectives is essential, the sole personal relationship-building may not suffice to networking especially when outreaching foreign BSOs;
6. Targeting of relevant organisations or people to network with;
7. Planning networking activities;
8. In case of foreign outreach, getting well prepared on (1) culture of foreign BSOs, (2) possibly language, and (3) qualitative and -as much as possible- quantitative substantiation of collaboration proposals;
9. Fulfilling any commitment taken with networked partners. If something is not feasible or not

1 Namely: shoe and leather union of industries collaborating with Hebron chamber, definition of the national export strategy by Paltrade and other BSOs, design and submission of an industrial estate project (Hebron chamber and local authorities).

2 Palestinian culture is much in favor of human personal relationships and this is a strength. Conceiving networking as a project shall not be intended as a cynical approach but rather as (1) nurturing the personal empathy and (2) improving the professional part of such relationship, which would benefit from cultural awareness, clarification of mutual objectives, and mitigation of “human chemistry” mislike risks.

- relevant rather say “no” or avoid taking commitment since the beginning;
10. Building relationships with a long-term orientation, raising awareness in all involved parties on common objectives till achievement of goals;
 11. Celebrating and congratulating achievements;
 12. **Maintaining** and enjoying relationships, helping each other.

Recommendations for annual strategies

13. **Long-term orientation:** rather than looking for personal visibility (or at least beside), progressive BSO leaders may consider having longer-term orientation -possibly beyond their mandate- in developing their BSOs. They may consider BSO as a company to service client members with high quality services, which eventually lead to much sought employment, wealth and positive visibility of the Palestinian private sector and population.

Suggested networking activities:

- PSDCP sensitises BSOs through organising a few purposeful meetings;
 - BSO leaders hold ad-hoc discussions among them and identify other BSO with common vision and interests;
 - Such BSOs plan a networking campaign, define objectives consistent with (1) current capacity and (2) aim to prepare a strategy preparation, target persons or organisations to network with;
 - Registration of BSO in different social media³ and relevant communities⁴ so that to involve young entrepreneurs.
14. **Knowing client needs:** BSO leaders with the above orientation may pool and launch a consultation or a survey concerning demand of services from their members. Such consultation may lead to segmenting member needs by member dimension, sector, location and other relevant factors. Interested BSOs may pool resources to pay a professional team (team leader, 1-2 consultants or -if a survey is planned- a few enumerators) to conceive, implement and analyse this initial consultation. Each BSO may appoint an internal project manager who coordinates with other BSO project managers and team leader during consultation. Team leader is responsible for the consultation. Project managers are responsible for facilitating enterprises talk to consultation team.
- #### Suggested networking activities:
- If there is not enough momentum, PSDCP may consider hosting a few leader meetings to ignite it but the core process shall be generated, managed and paid by BSOs for ownership. PSDCP cluster BSOs may be initial targets depending on BSO interest.
 - Interested BSOs meet to agree on consultation terms and team, and to pool resources.
 - Project managers and team leader meet periodically while consultation is implemented and keep BSO leaders informed.
 - Involved BSO organise a gathering to discuss results.
 - PSDCP may organise a meeting with other BSOs to induce spillover effects.

15. **Client-oriented mosaic or synergic service strategy:** BSO project managers may draft a strategy based on tailor-making services according to the segmented service-need analysis and aimed at increasing member willingness to be active members and pay membership. One or more sessions with partner BSOs, members and other stakeholders may help validating the strategy. Strategy may be based on a **mosaic logic** (networked BSOs provide a complementary and coordinated portfolio of services that avoid overlapping and competition on same segments) or on a **synergy logic** (each networked BSO promotes the complementary services of the other BSOs to their its members). Strategy may also consider **pooling resources** to outsource specialist service packages to competent private national professionals at negotiated conditions. In this case, largest and wealthiest companies

3 E.g.: www.linkedin.com, www.facebook.com, <https://twitter.com>.

4 E.g.: www.tci-network.com; www.clusterobservatory.org; <https://een.ec.europa.eu>; www.insme.org.

may be proposed providing a large stake of resources for social responsibility. Once approved, services are activated and Project managers become member-service managers. Expected result is progressive BSO higher strategic and technical integration, professionalisation and scale economies.

Suggested networking activities:

- BSO project managers meet periodically to coordinate strategy drafting;
- BSOs organise validation sessions with members and other stakeholders;
- Expand networking campaign, set objectives consistent with new strategy, target persons or organisations to network with.

16. **Promotion:** once the framework is ready, it is time to promote the new service portfolio to members and to sustain strategy with memberships. Different information and promotion activities may take place.

Suggested networking activities:

- Social gatherings with members at the launch of the campaign, after six months and at the achievement of significant results;
- Information campaign including social networks and traditional media;
- BSO introduction through the other BSOs to their members for integrated “Door to door” promotion⁵;
- Re-contact service-users for feedback on quality and suggestions, which shall be registered in a Customer Relationship Management system (CRM).

17. **Financial and human resources:** Palestinian BSOs balance sheets are mainly constituted by donor projects. Managing the initial consultation, analysing its data, brokering service packages, launching communication campaigns, monitoring customer satisfaction and supplier quality, networking different stakeholders including foreign ones may require financial resources and new skills in human resources. While fund raising may be part of Leaders responsibilities at first stage, it may be justified submitting proposals to different sources (including international organisations such as EU and ENI funds) for financing a well defined and clear strategy. BSOs may consider recruiting a proposal manager, capable to select key international events (e.g. seminars, consultations) relevant for lobbying or for monitoring donor programmatic trends and evolving policies, scout and prepare successful proposal, build partnerships.

Suggested networking activities:

- BSO leaders with the support of networking officers, explore potential for partnerships with foreign BSO through open source analysis, international gatherings, established connections.

Further to networking activities, BSOs may continue expanding staff capabilities through training in:

- Networking and communication;
- Project management;
- Proposal management; and,
- Intercultural management.

The above potential strategy is proposed to create a common motivating ground for progressive BSOs to network and collaborate. The strategy may be expanded, step-by-step, in:

- Duration (1 year, 2 years, 5 years);
- Scope to include more services or more ambitious targets; or,
- Number of BSO members.

5 Ref. good practice indicated in “BSO networking seminar day 1 presentation”: Unioncamere “Catalogo delle buone pratiche 2014”/Good practice catalogue 2014. Contact Mr. Mauro Sfreddo, mauro.sfreddo@vi.camcom.it, tel.: +39.0444.99.48.22 “Promozione dei servizi camerali door-to-door” (door-to-door promotion of chamber services through other territorial non-chamber BSOs).

Networking practices in operations

BSOs may consider the following:

18. Daily operations:

- Attend other BSO events when relevant -planned or not-, ensuring to say in advance when you cannot attend.
- Be visible and update social network profile with BSO events, public discussions, awards, successful initiatives and expand to new members;
- Monitor respect of deadlines of projects or other commitments taken with networked partners and alert relevant contacts for follow up when necessary;
- Follow-up any taken commitment;
- Take active part to scheduled networking meetings, project coordination and discussion meetings and prepare such meetings in advance;
- Scout publication of calls for proposals in different websites or publications;
- Scout worldwide policy events or early stage call-for-proposal-information seminars relevant to influencing policies or call for proposal definition in a way that is more compliant to BSO needs;
- Input in a CRM, reference contacts, relevant information, participation to activities, claims, demand, feedback of active members, refresh contact data of inactive members and periodically those of active ones, input data of any new member or contact including feedbacks;
- Input in a CRM: partner BSO contacts, reference people, activities carried out, requests, claims.

19. Weekly

- Verify status of proposals under evaluation.
- Organise socialisation events within BSO and with other BSO ranging from informal going out for lunch in small groups, or joint informal week-end tours to more structured parties, social events;
- Organise weekly meeting with management and peers of other functions in same BSO to be acquainted with any new to publish or any relevant commitment taken with external people or organisation;
- Monitor, in contact with foreign NGOs, weekly any project undertaken.

20. Monthly

- Correlate variations of number of active memberships and revenues with social media visualisation and budget invested in communication/networking. Report to management;

21. Half-yearly

- In collaboration with officers in charge of service management or relevant project managers, organise focus groups with targeted segments of members to update their demand for services and report to management to fine-tune offer of services;
- Organise meetings with partner BSOs to harmonise service system and information;
- Organise half-yearly or yearly social gatherings to celebrate and promote service packages and partnership with other BSOs.

Annex 6:

Terms of Reference



**Technical Assistance to Private Sector Development Cluster
Project (PSDCP)**

Terms of Reference

Business Support Organizations Networking

MARCH, 2016



*in association with
ICON Institut, Fondation Sophia Antipolis and
Massar*

Project Background, Context and Objectives

This Private Sector Development Cluster Project (PSDCP) is being implemented by the Ministry of National Economy (MoNE) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) with funding from the French Development Agency.

The overall objective of the PSDCP is to strengthen the competitiveness of local companies, especially MSMEs, in order to increase their market share of the domestic market and / or explore new markets for export. A cluster approach is being used to achieve this objective and there is a variety of support for the chosen clusters which have growth potential. The MoNE will capitalise on the cluster approach and create an improvement in public-private dialogue and use this to inform on industrial policy.

Whilst a cluster approach to economic development is well known in many economies, where it has provided significant increases in competitiveness, it is new for Palestine. The PSDCP represents an opportunity to develop clusters through a series of individual cluster activities and, as such, it will act as a pilot model, demonstrating in a very pragmatic and results-oriented way, how to channel effective support to chosen clusters and to improve the competitiveness of cluster enterprises. The project implements a bottom-up process in order to reinforce the private sector's capacity to lead its own future development and to develop competitive linkages between the cluster companies and their local environment. Such bottom-up leadership from the private sector, coupled with top-down guidance from the public sector and the project's Operational Unit, is the overarching approach.

Short Term Assignment Objective

PSDCP has selected five clusters which are receiving project assistance to develop their competitiveness. Cluster initiatives for each have been designed and are currently being implemented with the help of a dedicated Cluster Manager, one for each cluster. The projects clusters are:

- Stone and Marble
- Leather and Shoe Making
- Tourism and the Creative Industries
- Furniture
- Palm Dates

The cluster development methodology for the PSDCP is based on stimulating organization, cooperation and partnerships between and among all enterprises belonging to the same value chain in the same geographical area, and in relation to the local public and environment through a coordination function.

The Operational Unit has developed a strategy to build the capacity of the Business Support Organizations (BSOs) in Palestine to enable them to adapt to and better support cluster development in their regions. Regarding networking, this work found that the Palestinian BSOs have low levels of formalised or inefficient networking practices, and that this has contributed to low membership and BSO-member interaction. In addition, local BSOs do not often communicate

with each other, even when they have an umbrella association or are part of a federation, and their networking practices are also tend to be ad-hoc and depend on case-by-case situations, tools and irregular meetings. All of these are largely due to a lack of formal internal BSO structures showing division of work and BSO capacity and it is recognised that while the BSOs should offer their members networking opportunities, most services provided are traditional and focus on membership, advocacy and lobbying. The strategy therefore made the following networking recommendations:

- Development of networking between cluster members.
- Development of wider and deeper networking between cluster members and their BSOs.
- Development of wider and deeper networking between the BSOs, so each can know what others do and what each is particularly good at so that they can harness each other's skills.
- Development of wider and deeper networking between BSOs and their umbrella organisations.
- Development of wider and deeper networking between government ministries and BSOs / umbrella organisations.
- Development of networking between BSOs / umbrella organisations and international BSOs.

To this end, the PSDCP is seeking a suitably qualified expert to prepare and conduct awareness raising for Palestinian BSOs on best practices in networking, transfer networking knowledge and develop practical networking skills and know-how on how they can implement these best practices and develop networking as a major focus of their activities. The target audiences for the awareness raising is Palestinian BSO staff and Cluster Managers as well as cluster leaders.

Scope of the Assignment and Specific Tasks

The expert is required to accomplish the following:

1. Familiarise with the PSDCP's BSO development strategy, attend a kickoff meeting with PSDCP management and selected project stakeholders and meet with the FPCCIA to obtain any updated insights into BSO networking practices. (1 day)
2. Propose and agree with the Institutional Development Officer (IDO) an outline framework for the BSO networking awareness raising seminar and skill development materials. The format of the seminar is expected to be interactive, and the materials are likely to include pre-seminar background reading materials, PowerPoint slides, handouts, examples, case study illustrations and practical exercises. They should be based on the following:
 - Local networking:
 - i. Overview of BSO services and best practices in local networking.
 - ii. How BSOs can network to outreach to and recruit new members.
 - iii. How BSOs can develop networking and member outreach plans.

- iv. How BSOs can network between themselves, with clusters and with SMEs.
- International networking between Palestinian and international BSOs:
 - i. Overview of BSO services and best practices in international networking.
 - ii. How BSOs can identify, initiate and develop networking with international BSOs.

The focus of the seminar and materials must be on the transfer of practical skills and know-how, and for local and international networking the expert should include advice on the capacities and resources required for BSOs to undertake them effectively. (1 day)

3. Develop the agreed networking awareness raising and skill development materials. (4.5 days)
4. Deliver the materials at a 2-day awareness raising seminar, which will be held in Ramallah, obtain attendee feedback and produce a feedback report (2 days)
5. Develop a clear set of practical recommendations on how Palestinian BSOs can integrate the networking practices learned into their annual strategies and daily work (1 day).
6. Develop a summary report of the assignment (i.e. methodology used, inputs used, outputs produced and anticipated outcomes for the BSO and including all the awareness raising materials developed and networking integration recommendations. (0.5 day)

The expert should also aim to develop the capacity of the Institutional Development Officer (IDO) and other FPCCIA staff as appropriate and where possible.

Logistics and Timing

The success of the cluster development approach supposes that clusters' stakeholders, the FPCCIA, its local Chambers and relevant BSOs share a clear understanding of the cluster development process so that they can contribute in an effective and efficient manner. The PSDCP, through the FPCCIA, has recruited a full time IDO who is in charge of reinforcing the Palestinian BSOs and contributes strongly to transferring sustainable capacities to them. This ensures continuous and efficient support for current and future cluster initiatives in Palestine and contributes to the long term sustainability of the project. Regarding this assignment, the IDO will be fully available for the assignment period and provide the expert with facilitation and support to develop the awareness raising materials and help to run the seminar.

The assignment will take place at the PSDCP office in Ramallah. It is expected to start on the 20th of April 2016, and last for **10 working days**.

Outputs

The expected outputs of this assignment are:

1. Outline framework for awareness raising materials, approved by the IDO.
2. Awareness raising materials.
3. Awareness raising seminar attendee feedback report.
4. Practical recommendations on how Palestinian BSOs can integrate networking practices attendees have been trained in into their annual strategies and daily work.
5. Summary report of the assignment.

Expertise Required

The expert needs to be able to have and demonstrate good experience in the following:

- Appropriate degree in economics, business or knowledge management.
- At least 10 years experience in delivering technical assistance and advice to BSOs, with a focus on MSME support activities.
- At least 5 years experience in strategic planning of sectoral BSOs and training programme development / delivery.
- Proven experience of similar assignments.
- Excellent understanding of the cluster development approach.
- Good understanding of the challenges within passive conflict areas.
- Excellent command of English, both spoken and written.
- An aptitude for teamwork and ability to communicate with country partners at all levels.

Reporting Requirements

The expert will report to the IDO.

Contracting Authority

The overall contracting authority for the PSDCP project is the MoNE. However, the expert to be mobilized for the purpose of this assignment is considered part of the contract signed between MoNE and the consortium of EGIS BDPA, ICON Institut, Foundation SOPHIA ANTIPOLIS and Massar who provide technical assistance for the PSDC project.

Annex 7:

CV of the consultant

Nicola Drago

Contacts: nicola.drago@psdservices.eu, +39.349.88.44.910,
Via Pietro Danieletti 108, 35134 Padova, Italy

PSD consultant and long-term expert

Technical adviser, team leader and business developer in sustainable Private Sector Development (PSD) projects with industrial project management and engineering experience. Capable to interact with government, corporate and academic stakeholders and to select and motivate multicultural teams creating a favorable environment in complex international assignments. As a result of 20 years of extensive work in 28 countries of Europe (resident), Middle East (resident), Asia, Africa and America, Nicola has developed capacity to foster new ideas, sense of accountability, communication skills (English, French, Spanish, Italian), client-orientation and entrepreneurial spirit.

SKILLS

- Complete project cycle management including large design and M&E experience
 - Financial analysis, business planning and on-/re-lending intermediated credit lines
 - Research: quantitative (surveys and metrology) and qualitative (participatory techniques)
 - Proposal management
 - Practices: manufacturing, agri-food value-chain development, innovation, incubation, access to finance and access to markets
 - Intercultural management
 - Government relations
 - Stakeholder consultation
 - Client-orientation
 - People management (team selection, hiring, leading, training, retention, dynamics management)
 - Enterprise start-up
 - Resilience, determination, reliability
-

EMPLOYMENT HISTORY

Private Sector Development (PSD) consultant and long-term expert: May 2003 to present

Accrued government relations and international relations experience by providing consultancy to different multilateral, bilateral, government organisations in 23 European, Asian, African and American countries. Provided private firms with business development and proposal management expertise and lectured in intercultural management at master courses.

Selected accomplishments

- Client oriented, interacted with and provided solutions to institutions such as Ministries of Economic Development, Agriculture, Industry, Finance and their specialised agencies, research centers and private sector organisations.
- Was awarded individual consultant tenders financed by World Bank, Asian Development Bank and European Investment Bank. Carried out several assignments with UN specialised agencies (IFAD, UNIDO), Italian Ministry of Foreign Affairs and private consultancies in European Commission projects.
- Led multicultural teams including training, coordination and team-building up to 17 team members including international and national experts and enumerators.
- Capable to harmonise output to needs and procedures of multi-organisation teams (e.g. with members from World Bank, IFAD, USAID, national government) tasked with complex assignments.
- Principal expert or team member in 5 project designs with total allocated budget USD 300 millions and in 13 project monitoring or evaluation missions. A project, in which I provided implementation support and supervision services for 3 years, benefited 1.2 million people. A recently designed project aims at benefitting 2 million smallholders. Designed two intermediated credit lines for total EUR 40 millions, which allowed an estimate of 70+ SMEs to finance as many manufacturing investments.

Technical University of Denmark

Research assistant (resident): Nov. 2012 to Mar. 2013 and Jun. 2015 to Oct. 2015

Fixed-term metrological research contracts for wind energy system drive-train development at the Mechanical Engineering Department in two projects financed by the Danish government and by the European Union.

Selected accomplishments

- Accrued quantitative research experience in planning, implementing and analysing measurement campaigns in coordination with other national metrological institutions such as PTB of Germany and UK's NPL.
 - Published articles and reports, of which one congratulated in writing by Lead Partner for outstanding quality.
-

WoDA Srl (Italy) – international development technical assistance start-up

CEO: May 2008 to November 2013

Started-up a consultancy firm with two partners, operating in PSD, transport economics and mining. Chairman of the board and partner in charge of PSD business development including: proposal management, consortium formation, sub-contracting agreements, team selection and management, project management, quality assurance, client relationships

Selected accomplishments

- The firm was awarded contracts in projects financed by World Bank (Nigeria, Vietnam); European Investment Bank (Italy); European Commission (Russia, Tanzania, Senegal, Malawi); French Development Agency (Vietnam); Italian Government (Tunisia), private corporation (Turkey) despite tremendous market shrinkages.
 - Networked complementary firms of different dimension in establishing bidding consortia.
 - Mobilized or led multicultural expert teams including selection, hiring, training, coordination and team-building.
-

UNIDO Investment Promotion Unit (Jordan): UN project aimed at stimulating domestic and foreign investments

Deputy head of Unit and investment promotion expert (resident): May 2001 to April 2003

Assisted entrepreneurs in preparing and submitting bankable business plan for investment financing. Monitored a credit-line intermediated by five banks, aimed at stimulating SME investments.

Selected accomplishments

- designed a product development, quality and marketing enhancement technical assistance project in the dimension stone sector, which multiplied Jordanian exports to high-end markets such as Gulf and EU;
 - 13 enterprises, assisted in business plan preparation, had their investments financed at facilitated conditions.
-

Carraro SpA (Italy, EU): a 2500 employees USD 760 million turnover on-/off-highway drivetrain OEM corporation

Application engineer: Mar. 1998 to Apr. 2001

Project manager with EU key accounts, provided application engineering services to corporate sale-engineers including preparation of technical and financial proposals in coordination with sales, R&D and cost-accounting departments.

Selected accomplishments

- Coordinated corporate engineering and sales teams with multinational OEM client engineering and purchasing teams in developing drive-train projects worth individually up to USD 12 million/year, once in production.
-

Officine Meccaniche Galileo Srl (Italy): mid-sized ship-to-shore container crane OEM

Head of Quality Control (QC): Mar. 1997 to Mar. 1998 (**Manufacturing Engineer:** Aug. 1996 to Mar. 1997)

After initial production and ndt training, was in charge of 4 technician work and training, and QC certification system.

Major accomplishments

- Re-organised and poured innovation in QC Dept and supported QA Director in ISO 9001 certification.
- Retained one of the QC technicians who was willing to leave the company.

LANGUAGES

- English: fluent
 - French: fluent
 - Spanish: working knowledge
 - Italian: mother tongue
-

EDUCATION AND TRAINING

- Accreditation as intercultural management lecturer (Hofstede Center / ITIM, Helsinki, 2014)
 - Post-graduate diploma in Total Quality Management - University of Padova (Italy) - Feb. / Jun. 1997
 - **Degree:** M.Sc. in Mechanical Engineering - University of Padova (Italy), 1988-1994: design and manufacturing; business administration; chemical technologies for environmental protection and remediation.
 - Professional training in: UNDSS Basic and advanced security in the field, UN deputy security warden in the field, photovoltaic plants design and installation; environmental technician qualification, legislation and applications; financial appraisal of industrial projects and feasibility studies; and, project management.
-

OTHER INFORMATION

Qualified as EU External Service Delegation Operations Adviser – Trade, Private Sector, Economic Development (EPSO/CAST/RELEX/4/08)

Selected publications

- The Agribusiness Innovation Center of Senegal: Creating Jobs through Agribusiness Innovation Scaling a competitive horticulture sector through value adding post-harvest processing, contributing author, 2011, InfoDev / World Bank.
- Role of development institutions in strengthening competitiveness of the Russian economy, contributions, EU-Russian Federation Tacis project, Russian Academy of National Economy and Public Administration, Sparkassen Stiftung für Internationale Kooperation, CUOA Foundation, 2009.

IT: OS MS-Windows and Linux-Ubuntu, Office packages: MS and Libre/Open, SPIP for 3D image metrology, Comfar III for financial and economic analysis.

Enjoys: arts, literature, geopolitics, running, yoga, swimming, kayaking, biking, horse riding.

Available on request:

- references;
- list of publications, consultancy assignments, countries of operations.

Private Sector Development Cluster Project (PSDCP)

Business Support Organisation networking seminar

First day: May 3rd, 2016, Venue: Cesar Hotel

09:00 – 09:30

Registration

09:30 – 11:15

Introductions and scope of seminar

Framework of networking

Situational analysis of Palestinian BSO networking

Concrete opportunities for outreaching

Q&A

11:15 – 11:30

Coffee break and prayer

11:30 – 13:30

how to network

Cases:

- Unioncamere, Italy
- Corporate Synergy Systems, Taiwan
- A Palestinian BSO-networking success story: Shoe and Leather cluster development (Mr. Tareq Abu Al Fealat, Palestinian Leather Industries Union Chairman)

Drawing conclusions and correspondence between initial framework and cases; Q&A

13:30 – 14:30

Lunch and prayer

14:30 – 16:00

Practical exercise: finding common interest for a project / pooling fund

First day closure

19:00 – 20:00

Social dinner

Private Sector Development Cluster Project (PSDCP)

Business Support Organisation networking seminar

Second day: May 4th, 2016, Venue: Cesar Hotel

09:30 – 11:30

Day 1 resume

Q&A concerning the three cases presented in Day 1

Foreign outreach awareness framework:

- Not a perfect world
- Intercultural awareness in dealing with foreign BSOs

11:30 – 12:00

Coffee break and prayer

11:20 – 14:15

Two international outreach cases:

- BSO international collaboration case 1: FPCCIA relationship with Chamber of Commerce of Kohn, Isayed Taysir;
- Palestinian BSO-networking success story in international networking with General Union of Arab Chambers (Mr. Jamal Jawabreh, Secretary General Federation of Palestinian Chambers of Commerce Industry and Agriculture);
- drawing lessons learnt, Q&A

Practical exercise: foreign outreach: identification and substantiation of potential foreign BSO partners

Wrap-up, conclusion and closure of works

14:15 – 15:00

Salutation lunch



Private Sector Development Cluster Project (PSDCP)

Assignment: Business Support Organisation (BSO) networking

Recommendations on integration of networking practices into BSO annual strategy and daily work

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Executive summary of recommendations

This document summarises recommendations for improving Palestinian BSO networking and outreach at domestic and international level in the framework of the PSDCP project. PSDCP is a project aimed at increasing competitiveness of Palestinian companies, especially MSMEs, in order to increase their market share of domestic market and / or export markets. A cluster approach is being used to achieve this objective. implemented by the Ministry of National Economy (MoNE) and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) and financed by Agence Française de Développement (AFD). The Consortium established by EGIS, ICON Institut, Sofia Antipolis Foundation and Massar was contracted to provide technical assistance services and hired PSD Consultant Nicola Drago to implement this specific assignment. The assignment, carried out from April 23rd to May 6th 2016, aimed at raising awareness on relevance of networking for BSOs and at providing BSO with practical suggestions at strategic and at daily operations level. Prior to drafting this document, the consultant held a two-day “BSO networking” training seminar organised by PSDCP and attended by 26 representatives of 20 BSOs (8 from MoNE, Union system, university, export promotion agency and three projects and 12 from the Chamber system) at Cesar Hotel in Ramallah on May 3rd and May 4th. BSO sustainability is affected by low memberships, low membership enforcement and competition among BSO in a small and severely constrained domestic market. Together with external threats, relevance of proposed services and a traditional and static system of vision, human resource management and bylaws appear to be causes of the above problems. Professional networking, as part of a wider good-practice management can help: reducing overlapping and competition among BSOs, improving service portfolio relevance, coordination and synergies among domestic BSOs and with foreign BSOs. Long-term vision, clear and shared strategy shall drive fund raising, not the contrary. Recommendations are suggested at general, yearly strategic and daily operations levels.

Acronyms

BSO	Business Support Organisation
CRM	Customer Relationship Management
ENI	European Neighborhood Instrument
EU	European Union
FPCCIA	Federation of Palestinian Chambers of Commerce, Industry and Agriculture
MoNE	Ministry of National Economy
MSME	Micro, Small or Medium sized enterprise
PSDCP	Private Sector Development Cluster Project

Networking recommendations

BSO situation

1. This section outlines the situation of Palestine BSOs as emerged during mission meetings and secondary source analysis. BSOs expressed concern for competition and scarcity of available resources, which affects their capacity and sustainability. Their incomes are linked to donor project funds and memberships, mandatory for Chambers and voluntary for other BSOs but not enforced. According to PSDCP report “Strategy for capacity building of the cluster Business Support Organisations” of May 29th 2014 circulated to all BSOs, 6% to 62% of registered members do not pay relatively affordable memberships (inactive members). Twice as such number of inactive members did not register in any BSO. A few cases of collaboration were identified¹, which could be leveraged as success stories for spillover effects. However, despite the small and severely constrained market, external threats and the raising global competitiveness, BSOs compete among them for funds, ideas and visibility with no advantage for the Country. Short-term vision, prone to externally-induced changes of priorities, fragmentation, high personalism, traditional and static vision, human resource management and bylaws eventually cause lack of service relevance and risk spoiling BSOs further. If BSOs do not undertake change initiatives, the status quo will continue for their progressive detriment and further external dependence for survival.
2. BSOs would benefit from having a plan and from clustering resources around it rather than changing priorities in the seek of funds without a strategy. The consultant believes that networking -as part of a wider best practice management framework- can help uniting and synchronising BSOs, members and other stakeholders and increase BSO relevance and sustainability. It would also increase critical mass and mobilisation of resources for investments. Networking requires not only building and maintaining relationships but also concrete mutually beneficiary objectives. A one-year key objective for a few (e.g. 2-3) progressive BSOs could be to regain a significant percentage of inactive members, relevance and credibility. This could be achieved through long-term vision and a strategy based on: (1) coordinating and complementing client-oriented services, (2) continuous expansion of staff skills and (3) promotion to members and membership yielding. Outcomes may include higher strategic and technical integration of BSOs. In the following years, such BSO network may expand in scope or include other potentially interested BSOs and may induce spillover effects.

General recommendations for professional networking

3. Having and maintaining a reputation of integer organisation with integer persons focused on member good;
4. Conceiving professional networking as (1) mutually relevant relationship-building based on common interests and (2) a project² to be managed and monitored;
5. Having clear and common objectives is essential, the sole personal relationship-building may not suffice to networking especially when outreaching foreign BSOs;
6. Targeting of relevant organisations or people to network with;
7. Planning networking activities;
8. In case of foreign outreach, getting well prepared on (1) culture of foreign BSOs, (2) possibly language, and (3) qualitative and -as much as possible- quantitative substantiation of collaboration proposals;
9. Fulfilling any commitment taken with networked partners. If something is not feasible or not

1 Namely: shoe and leather union of industries collaborating with Hebron chamber, definition of the national export strategy by Paltrade and other BSOs, design and submission of an industrial estate project (Hebron chamber and local authorities).

2 Palestinian culture is much in favor of human personal relationships and this is a strength. Conceiving networking as a project shall not be intended as a cynical approach but rather as (1) nurturing the personal empathy and (2) improving the professional part of such relationship, which would benefit from cultural awareness, clarification of mutual objectives, and mitigation of “human chemistry” mislike risks.

- relevant rather say “no” or avoid taking commitment since the beginning;
10. Building relationships with a long-term orientation, raising awareness in all involved parties on common objectives till achievement of goals;
 11. Celebrating and congratulating achievements;
 12. **Maintaining** and enjoying relationships, helping each other.

Recommendations for annual strategies

13. **Long-term orientation:** rather than looking for personal visibility (or at least beside), progressive BSO leaders may consider having longer-term orientation -possibly beyond their mandate- in developing their BSOs. They may consider BSO as a company to service client members with high quality services, which eventually lead to much sought employment, wealth and positive visibility of the Palestinian private sector and population.

Suggested networking activities:

- PSDCP sensitises BSOs through organising a few purposeful meetings;
- BSO leaders hold ad-hoc discussions among them and identify other BSO with common vision and interests;
- Such BSOs plan a networking campaign, define objectives consistent with (1) current capacity and (2) aim to prepare a strategy preparation, target persons or organisations to network with;
- Registration of BSO in different social media³ and relevant communities⁴ so that to involve young entrepreneurs.

14. **Knowing client needs:** BSO leaders with the above orientation may pool and launch a consultation or a survey concerning demand of services from their members. Such consultation may lead to segmenting member needs by member dimension, sector, location and other relevant factors. Interested BSOs may pool resources to pay a professional team (team leader, 1-2 consultants or -if a survey is planned- a few enumerators) to conceive, implement and analyse this initial consultation. Each BSO may appoint an internal project manager who coordinates with other BSO project managers and team leader during consultation. Team leader is responsible for the consultation. Project managers are responsible for facilitating enterprises talk to consultation team.

Suggested networking activities:

- If there is not enough momentum, PSDCP may consider hosting a few leader meetings to ignite it but the core process shall be generated, managed and paid by BSOs for ownership. PSDCP cluster BSOs may be initial targets depending on BSO interest.
- Interested BSOs meet to agree on consultation terms and team, and to pool resources.
- Project managers and team leader meet periodically while consultation is implemented and keep BSO leaders informed.
- Involved BSO organise a gathering to discuss results.
- PSDCP may organise a meeting with other BSOs to induce spillover effects.

15. **Client-oriented mosaic or synergic service strategy:** BSO project managers may draft a strategy based on tailor-making services according to the segmented service-need analysis and aimed at increasing member willingness to be active members and pay membership. One or more sessions with partner BSOs, members and other stakeholders may help validating the strategy. Strategy may be based on a **mosaic logic** (networked BSOs provide a complementary and coordinated portfolio of services that avoid overlapping and competition on same segments) or on a **synergy logic** (each networked BSO promotes the complementary services of the other BSOs to their its members). Strategy may also consider **pooling resources** to outsource specialist service packages to competent private national professionals at negotiated conditions. In this case, largest and wealthiest companies

3 E.g.: www.linkedin.com, www.facebook.com, <https://twitter.com>.

4 E.g.: www.tci-network.com; www.clusterobservatory.org; <https://een.ec.europa.eu>; www.insme.org.

may be proposed providing a large stake of resources for social responsibility. Once approved, services are activated and Project managers become member-service managers. Expected result is progressive BSO higher strategic and technical integration, professionalisation and scale economies.

Suggested networking activities:

- BSO project managers meet periodically to coordinate strategy drafting;
- BSOs organise validation sessions with members and other stakeholders;
- Expand networking campaign, set objectives consistent with new strategy, target persons or organisations to network with.

16. **Promotion:** once the framework is ready, it is time to promote the new service portfolio to members and to sustain strategy with memberships. Different information and promotion activities may take place.

Suggested networking activities:

- Social gatherings with members at the launch of the campaign, after six months and at the achievement of significant results;
- Information campaign including social networks and traditional media;
- BSO introduction through the other BSOs to their members for integrated “Door to door” promotion⁵;
- Re-contact service-users for feedback on quality and suggestions, which shall be registered in a Customer Relationship Management system (CRM).

17. **Financial and human resources:** Palestinian BSOs balance sheets are mainly constituted by donor projects. Managing the initial consultation, analysing its data, brokering service packages, launching communication campaigns, monitoring customer satisfaction and supplier quality, networking different stakeholders including foreign ones may require financial resources and new skills in human resources. While fund raising may be part of Leaders responsibilities at first stage, it may be justified submitting proposals to different sources (including international organisations such as EU and ENI funds) for financing a well defined and clear strategy. BSOs may consider recruiting a proposal manager, capable to select key international events (e.g. seminars, consultations) relevant for lobbying or for monitoring donor programmatic trends and evolving policies, scout and prepare successful proposal, build partnerships.

Suggested networking activities:

- BSO leaders with the support of networking officers, explore potential for partnerships with foreign BSO through open source analysis, international gatherings, established connections.

Further to networking activities, BSOs may continue expanding staff capabilities through training in:

- Networking and communication;
- Project management;
- Proposal management; and,
- Intercultural management.

The above potential strategy is proposed to create a common motivating ground for progressive BSOs to network and collaborate. The strategy may be expanded, step-by-step, in:

- Duration (1 year, 2 years, 5 years);
- Scope to include more services or more ambitious targets; or,
- Number of BSO members.

5 Ref. good practice indicated in “BSO networking seminar day 1 presentation”: Unioncamere “Catalogo delle buone pratiche 2014”/Good practice catalogue 2014. Contact Mr. Mauro Sfreddo, mauro.sfreddo@vi.camcom.it, tel.: +39.0444.99.48.22 “Promozione dei servizi camerali door-to-door” (door-to-door promotion of chamber services through other territorial non-chamber BSOs).

Networking practices in operations

BSOs may consider the following:

18. Daily operations:

- Attend other BSO events when relevant -planned or not-, ensuring to say in advance when you cannot attend.
- Be visible and update social network profile with BSO events, public discussions, awards, successful initiatives and expand to new members;
- Monitor respect of deadlines of projects or other commitments taken with networked partners and alert relevant contacts for follow up when necessary;
- Follow-up any taken commitment;
- Take active part to scheduled networking meetings, project coordination and discussion meetings and prepare such meetings in advance;
- Scout publication of calls for proposals in different websites or publications;
- Scout worldwide policy events or early stage call-for-proposal-information seminars relevant to influencing policies or call for proposal definition in a way that is more compliant to BSO needs;
- Input in a CRM, reference contacts, relevant information, participation to activities, claims, demand, feedback of active members, refresh contact data of inactive members and periodically those of active ones, input data of any new member or contact including feedbacks;
- Input in a CRM: partner BSO contacts, reference people, activities carried out, requests, claims.

19. Weekly

- Verify status of proposals under evaluation.
- Organise socialisation events within BSO and with other BSO ranging from informal going out for lunch in small groups, or joint informal week-end tours to more structured parties, social events;
- Organise weekly meeting with management and peers of other functions in same BSO to be acquainted with any new to publish or any relevant commitment taken with external people or organisation;
- Monitor, in contact with foreign NGOs, weekly any project undertaken.

20. Monthly

- Correlate variations of number of active memberships and revenues with social media visualisation and budget invested in communication/networking. Report to management;

21. Half-yearly

- In collaboration with officers in charge of service management or relevant project managers, organise focus groups with targeted segments of members to update their demand for services and report to management to fine-tune offer of services;
- Organise meetings with partner BSOs to harmonise service system and information;
- Organise half-yearly or yearly social gatherings to celebrate and promote service packages and partnership with other BSOs.