

Small and Medium Enterprises

Stories of Impact



This series provides examples of our impact, expertise and lessons learned working with clients and partners.

Closing the Local Skills Gap and Strengthening the Pharmaceutical Supply Chain in Egypt

RESULTS & IMPACT

- IFC provided trainers accredited to provide Business Edge management training to SMEs in Novartis' supply chain.
- The trainers trained 139 individual — 28 percent of whom were women — during 7 workshops. Those trained included 32 telemarketers, 43 over-the-counter pharmacists, 21 sales managers, and 43 owners and managers of pharmacies.
- The training resulted in a 90 percent trainee satisfaction rate, according to an impact assessment conducted by Novartis following completion of the workshops.
- By strengthening its value chain and cultivating customer loyalty, Novartis saw an estimated 281 percent return on investment, compelling competitors in the Egyptian pharmaceutical market to embark on similar management training initiatives.

The project strengthened the ability of local telemarketers to develop effective sales pitches, pharmacy owners to draft sounder business plans, and managers to acquire the necessary skills to motivate teams and better serve the customer.

The training — geared toward improving Novartis' business relationships and cultivating customer loyalty — also had the added benefit of increasing sales through sustainability.

“The training materials are simple and applicable, and the trainer is a pharmacist, like us, so he understands the challenges we face. I also find it easier now to draft a strategy and working plan. The workshop taught me to link medication orders to a business plan, and I am now sharing this knowledge with my team.”

—Basel Medhat, Branch Manager of the pharmacy chain.

The Opportunity

When IFC began working with Novartis Pharma Egypt in 2007, the country's pharmaceutical industry suffered from a "skills gap" that left many pharmacists without the business knowledge or management skills they needed to run an effective small business.

In particular, Novartis found its telemarketers and the pharmacies that sold its products could benefit from business management training designed to strengthen specific skills including customer service, business planning, and sales. The goal was to help telesales staff operate more efficiently so they could reach more customers and to provide pharmacy owners with the ability to craft business plans that could help them better organize their inventory and keep their shops well stocked.

The training focused on cultivating customer loyalty and providing small businesses with the acumen to implement effective telemarketing strategies and manage profitable pharmacies — and resulted in the added bonus of increasing Novartis' sales.



Our Approach

IFC partnered with Novartis Pharma Egypt to provide Business Edge management training to the distributors and pharmacies in its corporate value chain. Using Business Edge management training materials, telemarketers developed effective sales pitches, pharmacy owners drafted sounder business plans, and managers acquired the skills necessary to manage teams that could better serve the customer. Novartis improved business relationships, cultivated customer loyalty, and sparked competitors to embark on similar initiatives. One unexpected result: Novartis increased sales, boasting a 281 percent return on investment.

IFC is committed to working with clients such as Novartis Pharma Egypt to strengthen the small and medium enterprises that make up their corporate value chains. By providing SME owners and employees with the business skills needed to increase sales, manage efficiently, and access finance and markets, IFC helps to ensure these businesses remain profitable and able to contribute to economic growth, a key IFC development goal.

Like other developing countries, small and medium enterprises in Egypt are the backbone of the private sector and their growth helps fuel the economy. The partnership with Novartis showcases IFC's ability to work with key clients in developing countries to provide the tools small businesses need to succeed.

Since 2002, IFC has used *Business Edge* management training workshops to help more than 170,000 individuals, including farmers, entrepreneurs, SME owners and staff strengthen management skills, grow their businesses, and stay competitive in more than 30 developing countries. Offered in 18 languages, the workshops cover five management topics: marketing, human resources, quality and operations management, finance and accounting, and personal productivity skills.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries.

REGION: MIDDLE EAST AND NORTH AFRICA | COUNTRY: EGYPT | BUSINESS LINE: SUSTAINABLE BUSINESS ADVISORY

CONTACT

Riham Mustafa | Cairo, Egypt
rmustafa@ifc.org | + 20-2-2461-4230
ifc.org/sustainable-business

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