

SME: FROM BUSINESS PLAN TO BANK FINANCING

ORGANISATION SHEET

Objective

Support the creation and development of diversified SMEs is a crucial issue for Macedonia. This challenge requires that many conditions are met, which are gathered under the term "Business Climate".

One component of this environment is the access to funding sources, and in particular to bank credit.

In this respect, experience shows that, between SMEs and financial institutions, it is not easy to understand each other. Both parties have their own constraints, and sometimes difficult relations between them.

If these relations are relatively easy when it concerns the financing of a well-defined short term need, they become rapidly difficult when the demand is related to a business project comprising investment and working capital.

Entrepreneurs, especially small ones and those who are developing a new project, generally blame the bankers for their chilliness, lack of understanding, and their desire to get the maximum guarantees. As for financial institutions, they often blame contractors to submit projects that are insufficiently documented, or unrealistic in terms of financial planning.

Given the crucial role of SMEs in economic development, and the importance of this market for the growth of the banking industry in Macedonia, the three main objectives of the seminar are:

- to improve the technical and commercial expertise of the participants in their relations with SMEs applying for a loan to finance the development of their activities;
- to better understand what is a "bankable" credit demand on the basis of a business project and a business plan;
- to improve the understanding of the key words in SME financing: "Information" – "Treatment of information" – "Use of information".

Methodology

- Reference to best international practices
- Examples, exercises & Case studies
- Exchange of experience

Target group

Credit managers and officers in charge of:

- commercial relations with SME prospects and clients
- financial and risk analysis of SME credit demands
- back office activities



Language

English

Participants

Minimum 12, maximum 25 participants

Trainer

André Taymans

- 25 years experience in the Belgian banking sector
- Former Head of Credit Department, Crédit Agricole Belgium
- Former Economic Adviser to the Minister of Economic Affairs
- 2 years long term resident in DR Congo (Kinshasa) for Belgian Investment Company for Development countries (BIO-Invest)
- 15 years experience as independent consultant, with missions in 35 countries
- Chairman of the Board of Directors Belgian Bankers Academy
- Senior Expert House of Training-ATTF

Date

25-28 October 2016 (**4 days**)

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CONTENT

Day 1

- Introduction:
 - Content – Methodology
 - Main funding sources of SMEs
 - Key words – Key sentences
 - Presentation of the case study to analyse during the seminar
- SME market
 - Challenges – Risks – Opportunities
 - Strategy & Internal organization
 - Marketing
 - Collateral based lending vs cash flow based lending
 - Credit products

Day 2

- Business Plan SMEs
 - Expected content
 - Who? What? Where? Why? For whom? How?
 - From business plan to pro forma financial statements & financial projections
 - Examples
- Financial analysis
 - Financial statements
 - Working capital & Working capital requirement
 - Cash flow
 - Exercises

Day 3

- Credit analysis
 - Credit risk: from Basel I to Basel II
 - From traditional credit analysis to formalized models
 - Scoring – Rating tools
 - Collaterals: Public Credit Guarantee Schemes for SMEs
- Investment projects: some usual valuation methods
- Valuation of a company: DCF method - Example

Day 4

- Internal organization
 - From Introduction to Credit decision
 - From Credit decision to Credit disbursement
 - From Credit disbursement to Final reimbursement
- Technical & Commercial skills



HOUSE OF TRAINING



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG



- SME loan monitoring
 - Sources of SME failures & Warning signals
 - Problem loan management & Recovery strategies
 - Case study: Correction & Discussion
- Conclusion