



BARBADOS YOUTH BUSINESS TRUST (BYBT) BEST PRACTICES MODEL

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Caribbean Group of Youth Business Trusts**

ENTREPRENEURS/MENTORS

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CARIBBEAN GROUP OF YOUTH BUSINESS TRUSTS

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- Barbados Youth Business Trust (BYBT)
- Youth Business Trinidad and Tobago (YBTT)
- Guyana Youth Business Trust (GYBT)
- Youth Business Trust Belize (YBTB)
- Jamaica Youth Business Trust (JYBT)
- Dominica Youth Business Trust (DYBT)
- GARD Centre
- St. Lucia Youth Business Trust (SLYBT)
- St. Vincent & The Grenadines Youth Business Trust (SVGYBT)



INTRODUCTION

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- 1994 - Major concerns regarding Youth unemployment.
- OAS sponsored workshop with Government of Barbados.
- Youth demands for – access to micro credit, access to national youth service programmes and business training.
- October 1996 BYBT was established by Private Sector with Governmental support





VISION

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- To be the recognized leader in enabling young Barbadian unemployed and underemployed entrepreneurial men and women with viable business ideas to start and grow sustainable businesses.

- **MISSION**

- “To help young people, who would not otherwise have the opportunity, to develop their self-confidence, achieve economic independence, fulfill their ambitions and contribute to their community through the medium of self-employment and job creation.”





CONCEPT/PHILOSOPHY

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- Helping young unemployed/underemployed - usually persons of limited means -males/females to enter a youth friendly atmosphere where they can establish a space wherein they can try out their entrepreneurial ideas, have access to start up loan capital, one-on-one business mentoring, affiliated business grants, prove their talents and learn through experiences.





METHODOLOGY

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- Start-up loan capital as lender of last resort
- Business loans up to BD\$25,000
- Business support grants up to BD\$1000 – Go and See, Feasibility Study, & Education
- Business mentors on a one-to-one basis, a group basis and a specialist basis
- End-to-end integrated support - Training, Networking, Marketing, monitoring, networking & social intervention.



START-UP LOAN CAPITAL POLICY



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- Established loan fund of US\$100,000.00- Government/social investors
- Did country survey to establish what is the average amount needed to start a micro business
- start-ups/developmental- focus on start-ups
- Ongoing fundraising/attracting investors
- Any business in keeping with the laws of the land
- Interest rates- 10-12% on the reducing balance.



CONT'D

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- Repayment periods – up to 5 years for maximum;
- US\$5000.00-3 years – used survey among credit institutions/Prince's Trust, adjust to suit
- Loans up to US\$15,000.00 (maximum)
- Small as us\$100.00
- Maximum time for loans to be disbursed – up to us\$2,500.00 – approx. 1 week or few days.
- For loans over US\$2,500.00 up to US\$15,000.00 – approximately 2 weeks- have to meet with credit committee- longer if young entrepreneur delays in getting information requested to Trust



OTHER POLICIES

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- Loans program- tailor made for us by Commonwealth Secretariat Volunteers Abroad program
- Target group –based on youth symposium age make up of the unemployed/underemployed
- Employees/management /boards/mentors/volunteers- code of conduct
- OUTREACH- word of mouth/media support/website
- Partners/young entrepreneurs/mentors/boards/staff



- Business plan
- Strategic plan
- Board manual
- Employee manual
- Mentor handbook
- Mentor management handbook
- Volunteer handbook
- Operations manual
- Trust deed – articles governing board structures





BUSINESS MENTORS

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- Volunteers – Over 120 - Experienced business mentors, professionals, business leaders
- Experienced business persons – make the most effective mentor
- Advise, encourage, act as sounding board, friend, supporter
- Lead successful lives



BUSINESS MENTOR MANAGEMENT



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- Recruitment – word of mouth, by referrals, by presentations, trade shows/exhibitions, reputation
- Screen- through CVs, references
- Train, establish expectations, get feedback
- Assign mentor to mentee (formal process)
- Signing of agreement
- Get feedback on initial meeting/can they work together?
- Monthly reporting feedback from mentor/mentee





MENTOR RECOGNITION

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- Written – thank you emails, birthdays, writing letters of recommendation, other..
- Putting them on boards, sub-committees , other...
- Asking for their opinions on issues
- Business club meeting/mentor meetings
- Conference/seminars/workshops
- Award ceremonies



CRITERIA

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- BYBT lends to young persons ages 18-35
- Unemployed/underemployed/limited means
- Who have good business ideas
- Can translate ideas into written business plans
- Are unable to get start-up funding from traditional funding organizations, family or friends.





ORGANIZATIONAL STRUCTURE

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- Board of Trustees
- Executive Council – Credit Committee
- Executive Director
- Prog. Development Coordinator/ Senior Accountant/Business Development Advisors/project Coordinator/Special Projects Coordinator (Mentor Coordinator)
- Mentors/Volunteers





BOARD OF TRUSTEES

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- The ruling Board- volunteers-set policies/oversee operations of Trust in collaboration with Management
- Senior business people from major companies in the country
- Ideally, 8-10 persons, representing ethnic mixture of country
- Good networking contacts/willing to use them for benefit of the program
- Opening of doors/promotion & marketing of program/help to establish program in top echelon of society

- Meet at least 4 times per year(For established program)
- Be committed to, interested in and understand youth entrepreneurship development philosophy
 - **EXECUTIVE COMMITTEE**
- Acts as a sounding board/supervisory/reporting mechanism
- Reviews the status of the Trust on a quarterly basis



CREDIT COMMITTEE

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- 3 members from Executive Council
- All entrepreneurs
- Social minded – who understands the social conditions of youth/markets
 - **PARTNERSHIPS INCLUDE:**
 - Youth Entrepreneurship Scheme
 - BIDC
 - Ministry of Education, Youth Affairs & Sports



- Ministry of Commerce, Consumer Affairs and Business Development
- Barbados Youth Service
- FundAccess
- Barbados Vocational Training Board
- Rural Development Commission

- **PRIVATE SECTOR**

- Chamber of Commerce
- Rotary Club of Barbados
- Chancery Chambers
- Caribbean Development Bank





CONT'D

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- Community Development Foundation
- International Women's Group
- RBC
- Pinelands Development Foundation
- FirstCaribbean International
- Bank of Nova Scotia
- Banks
- Barbados National Bank
- Cable & Wireless
- Nation Publishing
- CBC Television
- StarCom Network
- Citicorp

IMPACT

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- Helped over 40,000
- Started over 267 businesses
- Employing 5 persons on average
- Annual turnover US\$25,000.00
- Disbursed over US\$7,000,000.00
- Created regional/global markets/linkages/networks
- Regional databases
- Regional youth entrepreneurship conferences
- 615 business mentors – over 2 million dollars per month –

IMPACT

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- Changing mindsets/behaviours
- Lobbying
- Building partnerships
- Helping to create the entrepreneurial culture/environment
- Volunteerism
- Influencing school to work behaviours
- Affecting values – savings etc.



MILESTONES

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- Passed the two million dollar disbursement mark in June 2007
- 75% of young entrepreneurs are still trading in their 3rd year
- Assisted in creating over 500 ventures (employing approx. 1000 additional persons)
- More than half of the young entrepreneurs who cease trading have moved into employment or training.
- Repayment success rate of 80%
- 14 years in business, operating on small amounts of investments
- Awarded “Best Practice in Youth Entrepreneurship Development” 2005 -UNDP.

- Recognized as Regional Resource Centre (2000)
- Charity of Choice – 2005
- Finalist in YBI Entrepreneur of the Year Award – 2006
- Finalist – IADB Award for Excellence in Enterprise Development Services (2007)
 - **INTERNATIONAL LINKS:**
 - Accredited member of Youth Business International
 - ✦ named a “Centre of Excellence”
 - ✦ helping to set up similar programmes around the world.
 - ✦ has helped similar Trusts in Guyana, Belize, Trinidad & Tobago, Jamaica and Mexico. Knowledge transfer



CONT'D

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- IADB
- UNDP
- OAS
- Duke of Edinburgh Awards Int'l Association
- CARICOM

- **BYBT's VALUES**

- Honesty
 - Integrity
 - Transparency
 - Accountability
 - Confidentiality
 - Partnerships
- Shared resources
Reciprocity



EVALUATION RESULTS

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- Caribbean results-- 2003 survey- 99% felt that without mentors input they would not have achieved what they have. (Cockburn/Imosili/Brandon)
- 2006 10th Anniversary Impact Assessment – 95% - interpersonal relationship; access to networks and other resources; contact after business hours; advice, encouragement, respect, trust, inspiration.
- 75% - improved finances, ability to care for self and family. (Gordon)
- International survey- YBI -75% - without mentors they would have failed or not done as well

- Department of Management – University of Melbourne – *“The role of mentoring in business start-up”* – strong and urgent need for psychosocial support in the early start-up phase.
- Increases as the business matures – 3 years – transitions into career building support.
- 2003- Monthly income increased by US\$400-500 - 80% increase – 38 young entrepreneurs surveyed.
- 53.8% increase in turnover; 65.6% increase in assets
- Significant increase in bankability

- Banks charge too much
- BYBT is needed to address the needs of young business people
- Banks are averse to youth & risk
- Inflexible to problems experienced by young entrepreneurs
- Grants are integral to business/personal growth



WHY IS BYBT CONSIDERED A BEST PRACTICE?

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- Strong governance – three committed boards /strong, experienced, disciplined, innovative and committed Executive Director.
- Transparency – annual audits, regular checks/balances/strong leadership/track record/credibility/global recognition
- Strong mentoring program
- Strong focus on youth entrepreneurship development
- Strong social focus
- Strong youth friendly atmosphere
- IMPACT -
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- Strong operational processes/systems
- Proactive/responsive/recognised/reliable/
- knowledgeable

- BYBT is a Nike organization..

- Sharing best practices, building bridges...

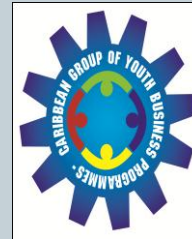




THE END

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- THANK YOU.
- QUESTIONS ARE WELCOME.



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