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Enterprise Development

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Your Ref: MOLSMED: 5/4/1/ Vol. IX

May 6, 2014

Permanent Secretary  
Ministry of Labour and Small and Micro Enterprise Development  
5<sup>th</sup> Floor, Tower C  
International Waterfront Centre  
1A Wrightson Road  
**PORT OF SPAIN.**

Dear Permanent Secretary

**Submission of Administrative Report 2012 – 2013  
National Entrepreneurship Development Company Limited (NEDCO)**

In response to your letter of April 25, please find attached the Administrative Report of the National Entrepreneurship Development Company Limited for the period October 2012 – September 2013.

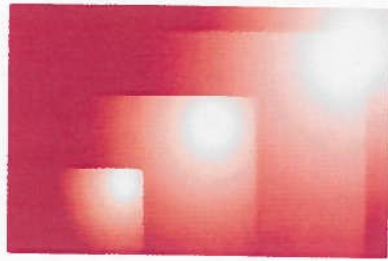
Please be guided accordingly.

Yours sincerely,

*Natasha Ramkissoon*

**Natasha Ramkissoon**  
**CHAIRMAN**  
NR/li

**Directors:** Dr. Natasha Ramkissoon – **Chairman**; Mr. Calvin Bijou – **Deputy Chairman**  
Mr. Allister Khan, Dr. Camille Samuel, Mr. Ramesh Lalla, Mr. Willvan Ramlakhan,  
Mr. Suneesh Singh, Ms. Simone Lampkin, Ms. Glenda Joseph-Dennis,  
Ms. Sheryl-Anne Haynes, Mr. Vijay Parabdeen, Mr. Christopher Lewis



# NEDCO

National Entrepreneurship Development  
Company Limited

**We Support. You Succeed.**

**ADMINISTRATIVE REPORT  
October 2012-September 2013**

## FOREWORD

I respectfully submit NEDCO's Administrative Report for the period October 2012-September 2013.

Efforts to diversify the economy of Trinidad and Tobago in recent years have intensified and MOLSMED, in collaboration with academia, the private sector, and other relevant government agencies jointly developed the Enabling Competitive Business Strategy (ECB) for Trinidad and Tobago. The Strategy covers the period 2011-2014 and offers a framework for the creation of an environment where competitive businesses can start and grow.

The main focus of the Enabling Competitive Business Strategy is on fostering the business climate, Micro and Small Enterprise sector, Entrepreneurship and Innovation, and to improve the coordination between the main public and private sector stakeholders, including universities and the development partners. Given its key position in the economic life of the country, NEDCO was identified as a key agency which could be instrumental in this diversification process.

In 2011 the Board of Directors began the process of transforming the Company's operations to better position NEDCO to meet the challenges it faced. Close examination of the Company revealed several pressing issues to be addressed, including arresting the continuous decline in the loan portfolio, low staff morale and a host of other issues. The Company's focus for this year can be defined by one word: Transformation. NEDCO has been focused on strengthening its capacity to transform itself into a more effective provider of support to the Micro and Small Enterprises (MSEs) ensuring their continuity and sustained contribution to communities and to national development in Trinidad and Tobago.

The application of sound business assessment principles will govern the Company's business development objectives which represent:

- a market orientation
- an emphasis on customer service
- a focus on sustainability of account relationships
- commercial awareness with judgment based on developed credit and entrepreneurial assessment skills.

The Transformation envisioned by the Strategic Plan begins with a realization and an acceptance that when a potential new customer comes through the door of a Branch, he/she may not necessarily be looking for or need a loan. In many cases what they will be looking for is "Entrepreneurial Support". "Entrepreneurial Support" could be a loan

or it may simply be a request for advice on either establishing, expanding, rescuing a business, or a combination of these elements.

The systems effected this year are based on the premise that clients entering a NEDCO branch for the first time are no longer regarded as simply potential new borrowers: they are now seen as catalysts for the creation of new businesses and new jobs.

Our goal this year has been to develop processes and systems that aim to develop a holistic appreciation of a potential client's unique circumstances and to design an appropriate response, be it a training course, mentorship, business advice, financial support or a combination of these services.

Operational, procedural, systems and policy development are essential in building an efficient and effective service for clients. In order to provide an efficient service, a number of developments in the areas of audit, marketing, incubation, and human resource have been introduced. These are aimed at eliminating current inefficiencies and log-jams in order to support the overall level of services and response times for NEDCO clients.

The axiom - change must indeed start at the top- is very real and applicable to NEDCO. Consequently, special attention has been paid to keeping NEDCO's management team informed and engaged to build their trust and confidence in moving the change process forward. Moreover, the quality and integrity of leadership plays a critical role in changing employee attitudes and behaviour and by extension, the company's culture.

NEDCO is poised for a significant transformation. The success and sustainability of this transformation ultimately depends not only on changes to structures, policies and processes, but also on changes to people.

Sincerely yours,

*Natasha Ramkissoon*  
Natasha Ramkissoon (Dr.)  
Chairman of the Board of Directors

## GLOSSARY

ALJGSB	Arthur Lok Jack Graduate School of Business
BIP	Business Investment Proposal
BON	Branch Operations Network
BRO	Business Relationship Officer
CariCRIS	Caribbean Information and Credit Rating Services Limited
CBET	Caribbean Business Enterprise Trust Inc. (Barbados)
CCLS	Cipriani College of Labour and Co-operative Studies
CEO	Chief Executive Officer
COSTAATT	College of Science Technology and Applied Arts of Trinidad and Tobago
ECB	Enabling Competitive Business (Strategy)
EDD	Enterprise Development Division
EMP	Entrepreneurial Management Platform
IBIS	Integrated Business Incubation System
MOLSMED	Ministry of Labour and Small & Micro-Enterprise Development
MSE	Micro / Small Enterprise
NEDCO	National Entrepreneurship Development Company Limited
NIHERST	National Institute of Higher Education, Research, Science and Technology
NTA	National Training Agency
TTCIC	Trinidad and Tobago Chamber of Industry and Commerce
USC	University of the Southern Caribbean
UTT	University of Trinidad & Tobago
UWI	University of the West Indies
YBTT	Youth Business Trinidad & Tobago
YTEPP	Youth Training & Employment Partnership Programme

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## EXECUTIVE SUMMARY

For the year 2012-2013, NEDCO was focused on implementation of its Strategic Plan. This project involves upgrading the Company's operations through improvements in its loan policies and operations together with introducing methodologies to strengthen the overall capacity of the Company particularly in relation to how it utilises its business advisory and support services to encourage and support entrepreneurship.

This Entrepreneurial Management Platform represents a new holistic approach to seamlessly meeting the needs of entrepreneurs seeking the services of NEDCO. This new approach incorporates both a lending service **and** an entrepreneurship development aspect, which draws on NEDCO's two main operational divisions:

- (1) The Branch Operations Network and
- (2) Incubation, training and mentorship operation (Inclusive of the ETIIC and IBIS programmes)

- ❖ Loan operating systems and processes, in order to make the loan system more user friendly and customer driven.
- ❖ A proposal to integrate more closely the operations of NEDCO and ETIIC
- ❖ A system for improving the overall quality of entrepreneurship within the NEDCO client base.

1. In 2012 a new strategic plan was approved and in 2013 with the aid of the UK based consultant, William Ward, the implementation process was started. The main challenges which the company sought to address as critical functions to improve, were implemented through the 2012 Strategic Plan as follows:
  - a. A new approach to lending and client development, with emphasis on innovation and sustainability.
  - c. The need to restructure the organization to better align persons into positions that allow for overall operational efficiency and sustainability.
  - d. The need to adopt best practice methodologies for reporting, performance management and customer service.
  - e. The need to retrain staff and advance the organizational culture more towards being autonomous, responsible and accountable with leadership who manage by coaching, mentoring and leading by example.



2. Design and roll out of the new strategic plan is still ongoing however a number of key milestones have been achieved.
  - a. Design and development of the 360 client assessment system, that merges best practice credit risk assessment, credit scoring and entrepreneurial development consulting into one system.
  - b. Implementation of best practice reporting and performance management that more directly measures portfolio asset quality improvement as well as looking at the socio economic impact of our services.
  - c. Streamlined and clearly defined delinquency management and reporting procedures
  - d. Decentralization of key compliance functions that can be more effectively handled at the branch level.
  - e. Organisational restructuring to better align staff into positions that meet the strategic plan.
  - f. Creation of stronger cohesion between the ETIIC operations and the Branch Operations Network.
  - g. More emphasis placed on gender issues through the creation of a youth and gender specific functionality.
  - h. Implementation of three geographic regions each headed by a Regional Manager who forms part of the Regional Development Committee which also includes the Head of ETIIC and the Head of Business & Credit Strategy.
  - i. Approval of clear business targets for each branch which incorporates loan disbursement, portfolio health and the overall impact of our 360 assessment and ETIIC training of entrepreneurs.

## **Loans**

The process begins by a realization and an acceptance that clients approaching NEDCO for the first time should be seen as catalysts for the creation of new businesses and new jobs, with NEDCO and ETIIC playing a vital role in helping them to achieve their ambitions through a wider range of products and services. NEDCO aims to satisfy their need for "Entrepreneurial Support", which may be a loan, advice on either establishing, expanding, rescuing a business, or a combination of these requests.

NEDCO has expanded its reach and focus on the development of entrepreneurship as its principal focus. The thrust has shifted to creating the positive image and positioning of the company in the eyes of aspiring entrepreneurs and the wider public as an

institution with the ability to provide strong entrepreneurial support, including the traditional financing service.

The system upgrades to the loan systems were designed to improve NEDCO's operational management by enhancing the sustainability and business development prospects of MSEs financed and supported by NEDCO.

- A re-evaluation of the importance of collateral in the risk assessment process.
- A system of "Branch to Board" accountability, monitoring and reporting.
- An early warning system for identifying and managing potential delinquent loans.
- A structured system for dealing with existing bad debts.

### **NEDCO's Need to Diversify**

NEDCO is about to embark on a new phase of development. The new Strategic Plan is focused on achieving greater economic impact in the future. To date NEDCO's efforts in carrying out its mission have proven difficult to convert into solid achievement. Its portfolio is focused to a large extent on the retail and service sectors and it is doubtful if it is sufficiently effective in terms of economic impact to justify the resources being allocated to it annually. Accordingly there is a need to introduce new initiatives to support innovation for MSEs.

The decision to open the sub branch at the University of West Indies is one such initiative. From the perspective of the university itself (and indeed other tertiary level institutions), the "campus branch" concept provides these institutions with an opportunity to support the work of their students, graduates and staff by exploiting the availability of financial and business support resources on their doorsteps.

## 1.0 BACKGROUND OF NEDCO

The National Entrepreneurship Development Company Limited (NEDCO) is a state owned limited liability company established by the Government of the Republic of Trinidad and Tobago in August 2002 as a micro finance institution (MFI) with a mandate to assist in the development of a sustainable small and micro enterprise sector.

Cabinet Minute No. 776 of April 25, 2002 governs the establishment of NEDCO to be the implementing agency for government's policy on small and micro enterprise development. NEDCO empowers individuals and communities to achieve financial independence through sustainable employment, by supporting and promoting micro and small (MSE) enterprises.

The Entrepreneurial Training Institute and Incubation Centre (ETIIC) was conceptualized as a strategic business unit in NEDCO in 2005, with its core activities being identified as:-

- ❖ Programme Development and Implementation – *development and implementation of comprehensive programmes for MSE sector including training, marketing, technical assistance, information technology and other initiatives*
- ❖ Research and Planning – *evaluate entrepreneurial performance and assess impact on the society and economy*
- ❖ Entrepreneurial Development – *develop and enhance entrepreneurial ventures throughout the communities and to inculcate entrepreneurial awareness*
- ❖ Entrepreneurial Policy – *develop and deliver a comprehensive range of services to enable small businesses to compete effectively in regional and international markets*

ETIIC is poised to assist new and aspiring entrepreneurs to translate their business ideas into commercially viable and sustainable enterprises, by providing the appropriate support, guidance and access to the relevant services and tools required to overcome the challenges encountered in starting a business.

NEDCO also administers the National Integrated Business Incubator System (IBIS) on behalf of the Ministry of Labour and Small and Micro Enterprise Development.

## **2.0 MISSION**

To promote and support the development of new and existing SMEs to achieve financial independence, sustainability and competitiveness through the provision of evolving, cutting edge financial products and development support services in a customer focused environment.

## **3.0 VISION**

To be the leader of the SME sector, fostering an entrepreneurial culture, thereby contributing to wealth creation and national development.

## **4.0 MANDATE**

To empower individual with the ability to achieve financial independence through employment, as well as to provide credit to the small and micro business sector, including start-up capital at a preferred rate of interest on a sound and collectible basis.

## **5.0 CORE VALUES**

- Ethical behaviour
- Integrity
- Accountability and transparency
- Quality service and efficiency
- Excellence and high standards
- Health, safety and well-being of staff
- Innovation
- Teamwork

## 6.0 STRATEGIC PLAN

### Background

The Board of Directors 2011-2013 was appointed with a mandate from the Minister of Labour and Small and Micro Enterprise Development to transform the Company. The Directors were tasked with evaluating the operations of NEDCO within the context of the changing financial and economic contexts and submitting proposals for its restructuring and streamlining. The Board was expected to guide the further decentralization of the services of NEDCO to ensure widespread accessibility to the services it provides throughout Trinidad and Tobago.

A key element in this revitalisation process has been the commissioning of a Strategic Plan covering the period 2013 -2015. The purpose of the Plan is to provide a road map guiding future efforts to further strengthen the Company's institutional capacity and to enable it to function as a more effective provider of support to the Micro and Small Enterprise (MSE) sector in Trinidad and Tobago.

The Strategic Plan is about transforming NEDCO into a vibrant organization which can contribute to the strengthening of the national economy. The successful completion of this transformation process is dependent on those directly affected by its proposals, both management and staff. Consequently there was a need to identify and communicate a sense of common purpose among all staff in order to gain acceptance for the Plan.

Between June-September 2012, NEDCO was involved in planning and discussion revolving around the formulation of the Strategic Plan. One common thread that came out of the analysis of the data was that the operational approach of NEDCO was not maximising the Company's resources, nor was it yielding tangible or intangible benefits to stakeholders. There needed to be an overhaul of NEDCO's approach to the provision of credit and support services to entrepreneurs; how NEDCO managed its human resources; and how NEDCO positioned itself within the MSE sector.

## Action Plan

Twenty (20) Transformation Action Plans emanated from the Strategic Plan. The Company sought to identify those critical areas that needed immediate attention. These included:

- Human resources: both quality of staffing and systems
- Entrepreneurship: conceptual understanding and approach
- Monitoring & Evaluation: audit
- Operations: loans and recoveries processes
- Communication

The Strategic Plan calls for improved operational efficiency and effectiveness. The implementation of the HR aspects focused on developing and enacting a comprehensive framework for improving employee performance; motivation; performance management; leadership development; and communication.

## Implementation

Human Resources - NEDCO engaged the services of Aegis Business Solutions Ltd. to provide Human Resource consulting. The starting point of the human resource transformation was to understand the current state of human resource practices and policies at NEDCO, as well as the other factors that impact employee performance and motivation such as the work environment, access to resources, and management style. Analysis of these factors served to establish a baseline against which HR's future effectiveness would be measured.

An in-depth analysis of the current state of the Company's human resource capabilities, policies and practices was completed. The analysis began with a review of existing data from multiple sources including:

- Proposed job descriptions
- Current approved organization structure
- HR policies and procedures
- Employee handbook
- Employee listing including information on current salaries, employment duration and status, job title and location

Secondary data was supplemented by structured interviews with a representative sample of 64 (56%) employees from all departments and units within NEDCO. Quantitative and qualitative analysis of feedback helped to assess the extent to which employees have the ability, motivation and means to perform effectively in their roles. The eight areas covered in the interview questionnaire to assess ability, means and motivation among employees included:

1. Role clarity
2. Role consistency and alignment
3. Job knowledge and skills
4. Resources and work environment
5. Reporting and monitoring
6. Values and attitudes
7. Recommendations for change
8. Areas impacting performance

The Human Resource Consultants completed their Human Resource Audit in July-September 2013. The HR audit revealed the following:

- NEDCO's primary strength is employee's commitment to its mandate of helping the disenfranchised to start and grow successful businesses.
- NEDCO's primary weakness is its pervasive lack of formal communication that perpetuates a culture of mistrust between and among managers and general staff.

The HR audit also revealed that despite employees' frustration with NEDCO's cultural legacy, 51% of those interviewed would not consider leaving, regardless of the financial offerings. Overall therefore, it was found that NEDCO has a strong base of loyal staff which augers well for the future of the organisation. However, this loyalty was not being harnessed in a way that optimizes productivity and increases motivation.

The HR audit revealed gaps in other operational areas that were compromising the company operational activities and effectiveness. The audit was an important step before reorganising the organisational structure and improving the Human Resource element of the Company as a whole. The consultants worked on formulating a more detailed organisational structure and thereafter the placement criteria for the new structure. The success and sustainability of this transformation ultimately depends, in part, on changes to structures.

## 6.1 Restructuring of the Executive Management Team

The quality and integrity of leadership plays a critical role in changing employee attitudes and behaviour and by extension, the company's culture, through:

1. Clarity of Purpose: Defining and communicating the company's direction
2. Empowerment of Staff: Providing the right information and resources at the right time
3. Authenticity of Actions: Leading by example with actions that are aligned to words

The Strategic Plan supported the axiom - change must indeed start at the top. Consequently, special attention was paid to building the management team. In May-June 2013, the MOLSMED gave approval for the structural change by the recruitment of the executive management team, which was an integral part of the action agenda and necessary so that these executives could formulate, guide, implement and oversee this change process.

NEDCO began the recruitment process for three Executive Managers, namely:

- (a) Chief Operating Officer
- (b) Chief Financial Officer
- (c) Executive Manager - Legal & Corporate Services

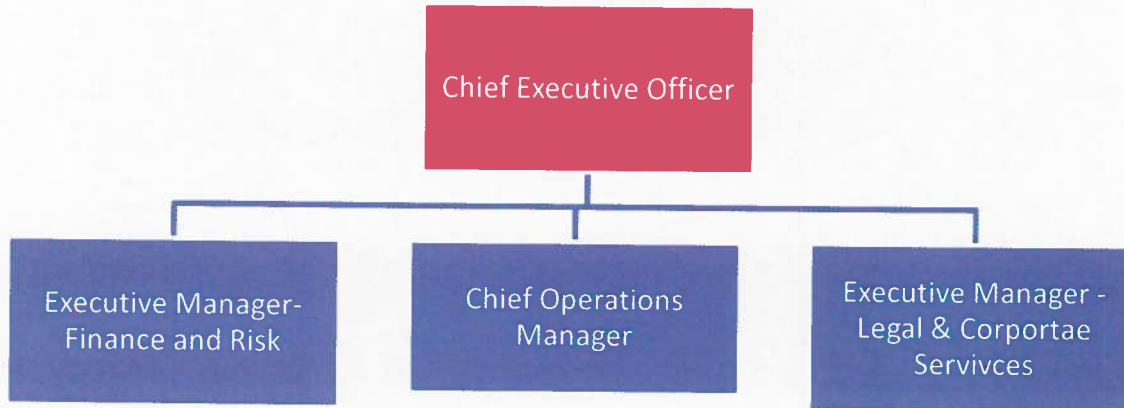
This process included creating the requisite job descriptions, and terms and conditions of the positions, and conducting interviews so as to recruit the best available candidates. This was intended to be the course adopted for all future recruitments in the Company so as to ensure the highest technical competence and skill set. The executive positions were offered on a three-year contractual basis and following a series of interviews and assessments, the Chief Operating Officer and the Executive Manager - Legal and Corporate Services were engaged. Interviews were repeatedly held for Chief Financial Officer & Internal Auditor.

This new Executive Management team comprises

- The Chief Executive Officer
- The Chief Operations Officer
- The Executive Manager – Legal and Corporate Services
- The Executive Manager – Finance and Risk.



This structure is illustrated by the following diagram:



The Chief Operations Officer will be responsible for all lending and business support operations which will encompass the former branch structure or the Branch Operations Network (BON) as it is now called, together with the operations of ETIIC.

Additionally, there is the creation of three new Regional Development Manager positions. These Regional Managers will each be responsible for a cluster of branches, namely:

- North: Tunapuna, Arima, Sangre Grande
- Central: Chaguanas and Queen Street and Tobago\*.
- South: San Fernando, Princes Street, Penal and Point Fortin.

A new Regional Development Committee is being formed to oversee the development of lending and business support activities. This will comprise:

- Chief Operations Officer
- Three Regional Development Managers mentioned above
- Head of Credit Strategy and Planning
- Head of ETIIC

### 6.1.1 Regional Development Committee



### 6.2 Engagement of Recruitment Agency

The Company continued to use all recruitment avenues to engage a suitable Chief Financial Officer & Internal Auditor; Eve Anderson Recruitment Ltd was engaged to assist with recruitment of the Chief Financial Officer and Internal Auditor as these recruitments continued to pose a challenge for the company. In the interim the Board agreed to engage a Consultant in the short term so that the achievement of the Strategic and Operational objective would not be stymied.

### 6.3 Creation of Relevant Job Descriptions

The HR Audit revealed serious duplication of job descriptions and functions within the company. In addition to contributing to administration confusion between and among management and staff, this also contributed to the inefficiencies that pervaded the company in the past. To more closely re-align jobs with the new vision of the company, increase company efficiency, and revitalise the human resource system, the Company worked with the consultants to revisit job descriptions with an aim to produce more relevant, forward thinking and needed job functions.

In May-June 2013, preliminary job descriptions for all positions within NEDCO were finalised by the consultant who formulated the Strategic Plan. These job descriptions were then subject to rigorous review by the executive management team and the Human Resource Committee before subsequent approval by the Board of Directors. New Job Descriptions in alignment with the Strategic Plan and organisational restructuring was completed in July –September 2013.

#### **6.4 Staff Appraisal System**

The introduction of a highly structured and transparent Staff Appraisal Scheme is an essential prerequisite for the successful implementation of the Entrepreneurial Development Platform. The Scheme will also highlight general areas of weakness in the staff structure and point to the need for particular types of training. Lastly, it is to identify individuals who may need individual coaching and mentoring if they are to properly fulfil their role in the Company.

As has been pointed out, NEDCO needs to invest in staff training in order to lift the level of expertise within the Company. It also needs to monitor the effectiveness of such training. Similarly staff members need feedback on their individual performances so they can undertake programmes of self-improvement relevant to their roles in the organization. A fully operational staff appraisal system that provides a fair and transparent means for assessing staff potential and for identifying the appropriate forms of support required in terms of training and coaching is an immediate priority moving forward.

#### **6.5 Performance Management**

From the HR audit, it was found that overall, the current performance management policy meets required standards. However, because the policy is not uniformly implemented with proper training for all stakeholders, the current performance management system cannot be considered effective. As such, the Company will seek to address these inefficiencies in the next fiscal year.

#### **6.6 HR Policies and Procedures**

The HR Committee of the Board of Directors is undertaking a detailed review of the existing Policies and Procedures, with the aim of incorporating recommendations from the consultants, in addition to other features of the transformation process introduced under the Strategic Plan 2013 - 2015. Notwithstanding, the Company was advised to develop and implement a policy for improving service levels based on regular training of staff throughout the organisation taking into account the outcomes of the staff appraisal system

#### **6.7 Training**

A number of training workshops have been held with staff engaged in the credit and business support processes to explain the new approach. The sessions emphasized the importance of Branch staff taking responsibility for developing and managing their own individual loan portfolios.

Moving forward, the focus will be on identifying staff training needs and ensuring that all staff receive appropriate training.

### **6.8 Entrepreneurial Management Platform– The New Approach**

The Strategic Plan called for an overhaul of NEDCO's entire approach to entrepreneurial support in Trinidad and Tobago. NEDCO's development support systems were disjointed, longwinded, confusing and lengthy. The overhaul of the system started from the viewpoint that NEDCO should not be viewed simply as a credit institution but as a holistic provider of business and entrepreneurship support. With this notion as the conceptual framework for the Company's improved entrepreneurship thrust, NEDCO was returning to its roots.

The new developments emanating from the Strategic Plan envisage the credit and business support functions at NEDCO operating not as separate entities but as a closely knit unit representing a holistic approach to meeting the needs of entrepreneurs. The concepts and ideas revolve around the process of developing a seamless customer care service that incorporates both a lending service AND an entrepreneurship development aspect. The new approach called the Entrepreneurial Management Platform (EMP) draws on NEDCO's two main operational divisions:

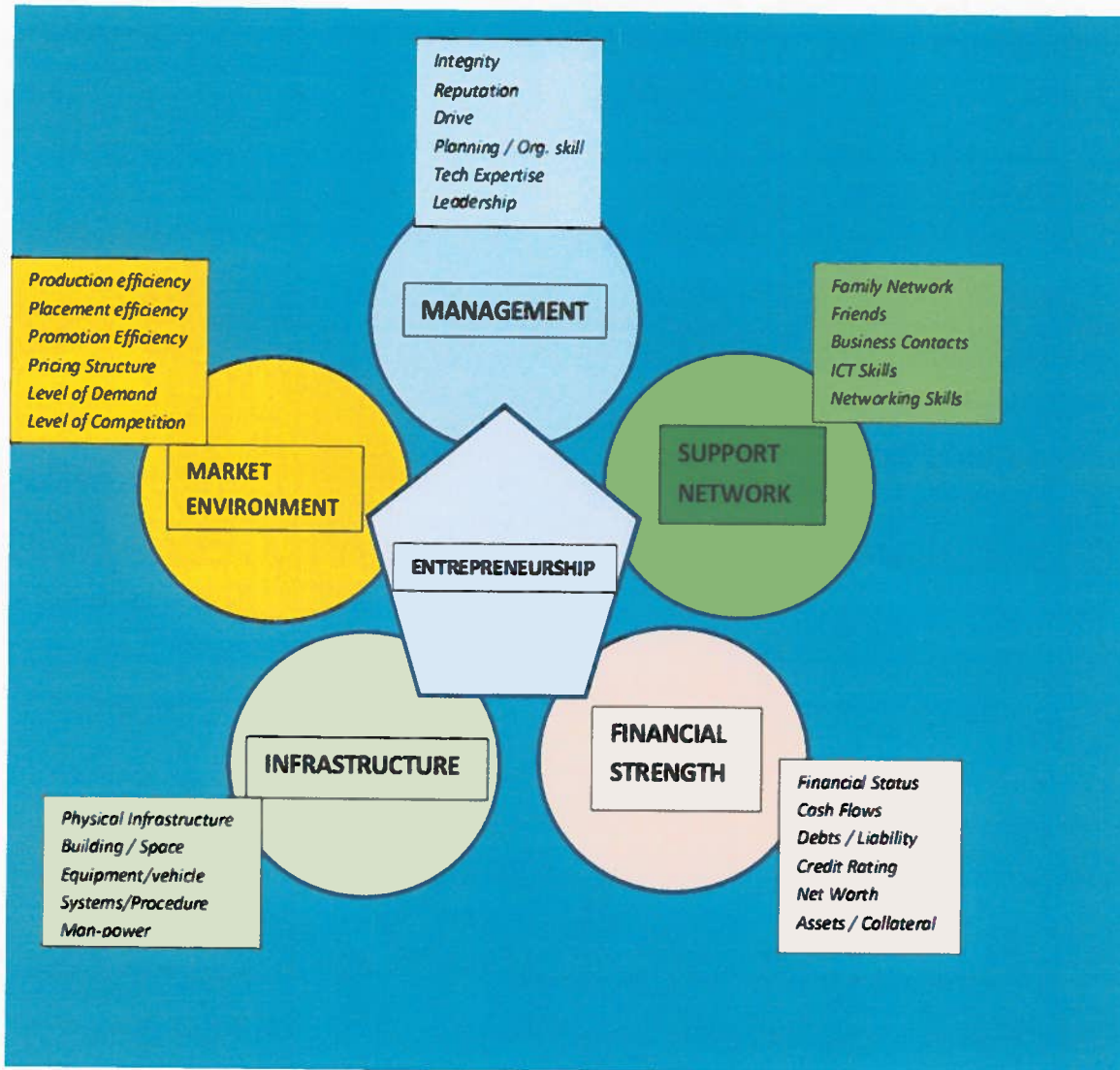
- The newly created BON (Branch Operations Network)
- ETIIC (the Entrepreneurial Training Institute and Incubator Centre).

The EMP is a framework of policies, strategies and procedures leading to the development of a new service culture within NEDCO. It aims to exploit the synergies that will arise once the ETIIC & BON are brought into alignment. Moving forward, ETIIC will operate as a service arm of NEDCO providing business support services to both NEDCO's existing loan clients and also to that segment of clients not yet requiring or not yet qualifying for loan support.

The new approach comprises three main components:-

- A client assessment and grading component (the NEDCO 360 System),
- A client action planning element and
- An operational performance monitoring component.

**DIAGRAM A**  
**NEDCO 360 AT A GLANCE**



**Key Component 1: -Client Assessment and Grading Component (NEDCO 360 System)**

A new client appraisal system has been designed for use at NEDCO branches. The new form incorporates a grading system which assesses the new client together with their business or business idea in terms of their personal strengths and/or business strengths in five key areas which are:

- Managerial/Leadership skills
- Support network (extent of client’s Social and Family support network)
- Financial strengths and Aptitudes

- Infrastructural development (facilities and processes available)
- Marketing Environment

The grading or credit scoring system, incorporated in the Application Form, will provide Business Relationship Officers (BROs) at Branches with a structure for arriving at an assessment of a client's strengths and weaknesses under each heading.

The system is designed not just to evaluate applicants for credit facilities but also any client seeking any business support or advisory service.

Rather than operating with a simple "Accept or Reject" philosophy as was previously done, NEDCO, by applying such a system, will be in a position to add the additional dimension of "Conditional Acceptance". "Conditional Acceptance" will apply to cases where the applicant's evaluation, although not meeting accepted standards initially, nevertheless indicates sufficient strengths, which if nurtured, could help to improve the client's potential as an entrepreneur.

### ***Key Component 2: Entrepreneurial Development***

Recognising and then realising entrepreneurial development potential within each individual will be a key strategy moving forward. The initial assessment and grading process is designed to identify the relative strengths and weaknesses of individuals under the various headings mentioned above. Where particular strengths and weaknesses are identified, a customised entrepreneurial and mentorship programme will be designed for each client and delivered using the combined resources of ETIIC and NEDCO.

BROs who identify such clients within their respective portfolios will have the opportunity to refer them to ETIIC for support and advice. In this way it is hoped to minimise the number of clients who continue to present problems. Early detection by BROs of such cases will be crucial in avoiding future problems.

### ***Key Component 3: Client Monitoring and Reporting***

One of the major weaknesses in the NEDCO approach to lending in the past has been the absence of a coherent monitoring, controlling and reporting system.

A new internal loans management system has now been developed providing enhanced accountability over NEDCO's loan portfolio. Reports generated by this system will provide management at all levels within the organization, including the Board, with focused reports examining loan performance in areas under their direct control.

- BRO Monthly Report
- Branch Manager's Monthly Report
- Ageing Portfolio at Risk Reports

The proposed new system places emphasis on individual BROs at Branches assuming responsibility for their own loan clients from first contact to final installment. BROs will be regularly assessed for performance by reference to two main criteria:

- Loan production ( new and repeat business versus targets)
- Aging portfolio at Risk

A system of performance reports are being developed which will eventually be incorporated into a new software system. These reports will form the basis of regular (weekly and monthly) review sessions between the BRO and Centre Coordinator or Centre Coordinator and Regional Development Manager. These review sessions will be crucial in identifying:

- weaknesses in performance by the BRO/Branch Manger
- weaknesses in the loan portfolio
- weaknesses in the loan system
- potential business development opportunities in the Branch/Regional catchment areas.

This new approach introduces a new standardised credit assessment procedure at branch level thus ensuring a common approach to loan assessment throughout the system.

### **6.8.1 Support of the EMP**

Revising the conceptual framework which guides NEDCO's approach to entrepreneurship development support has only been one element of the total overhaul of NEDCO's approach to entrepreneurship. Operational, procedural, systems and policy development are essential in building an efficient and effective service for clients. In order to provide an efficient service, a number of new developments have recently been introduced or are currently in the course of being introduced. These are aimed at eliminating current inefficiencies and log-jams in order to support the launch of the *Entrepreneurial Management Platform* and in improving the overall level of services and response times for NEDCO clients.

### 6.8.2 Loan Policy and Strategy Development

The development of policy is a gradual process which the Company has started. While the development of a NEDCO Credit Policy represents a broad framework within which policy can be developed, its practical application will evolve over time as NEDCO continues through the transformation process and implements new systems in its approach to doing business.

The general credit strategy will be to maximise the number of sustainable businesses availing of NEDCO services by:

- Responding positively and efficiently as far as possible, to the needs of existing creditworthy customers, in terms of the services currently provided to them.
- Actively seeking, on a selective and planned basis, desirable new creditworthy clients, with development potential and providing them with structured advisory and support services.
- Seeking to achieve the highest standard of customer service.
- Continuing the development and enhancement of lending skills, of sectoral understanding and high credit and business assessment standards in the Company.
- Improving the overall operational effectiveness, cost effectiveness and market sensitivity of lending procedures and business support services.
- Fostering and safeguarding the public image of the Company as far as possible.

The Company has already developed two policies namely:

- the NEDCO Credit Development Policy &
- the NEDCO Delinquency Recovery Management Policy

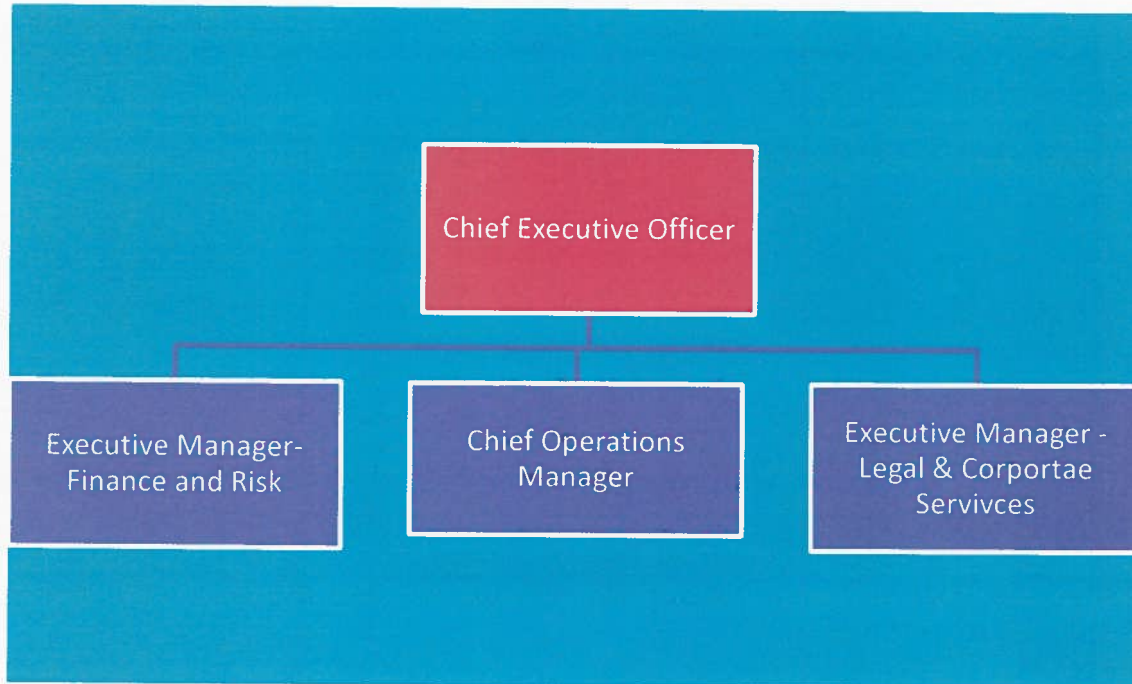
The Company is currently in the process of developing other complimentary policies.

### 6.8.3 Management

The Strategic Plan 2013-2015 proposes a new organisational structure which sees the formation of a new Executive Management Team reporting to the CEO. This new Executive Management team comprises

- The Chief Executive Officer
- The Chief Operations Officer
- The Executive Manager – Legal and Corporate Services
- The Executive Manager – Finance and Risk.





The Chief Operations Officer will be responsible for all lending and business support operations which will encompass the former branch structure or the Branch Operations Network (BON) as it is now called, together with the operations of ETIIC.

There is the creation of three new Regional Development Manager positions. These Regional Managers will each be responsible for a cluster of branches, namely:

- North: Tunapuna, Arima, Sangre Grande
- Central: Chaguanas and Queen Street and Tobago\*.
- South: San Fernando, Princes Street, Penal and Point Fortin.

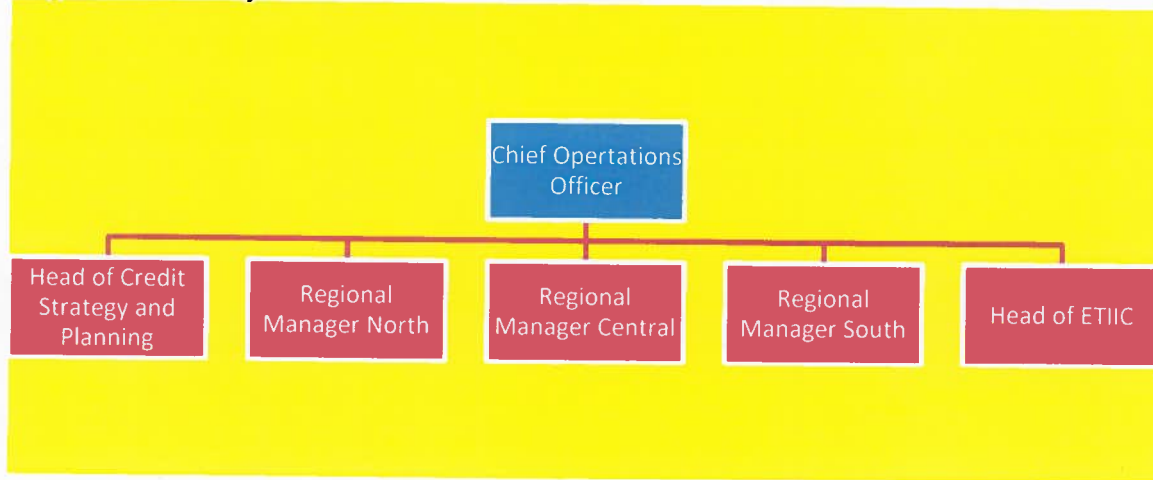
\*The Tobago office will operate as a self-supporting unit providing ETIIC and marketing services to clients.

A new Regional Development Committee has been established to oversee the development of lending and business support activities. This comprises:

- Chief Operations Officer
- Three Regional Development Managers mentioned above
- Head of Credit Strategy and Planning
- Head of ETIIC

## DIAGRAM C

### *Regional Development Committee*



#### **6.8.4 Market Research**

A review of NEDCO's current market research capabilities has been conducted.

With the appointment of a Head – Credit Strategy and Planning who will report to the COO, there is currently a dedicated professional whose responsibilities include monitoring and reporting on developments in credit markets in Trinidad and Tobago and cooperating with the Business Development and Marketing Department in proposing new products and services to address emerging trends and demands.

The new reporting system under the Entrepreneurial Management Platform will provide information for monitoring exposures to various economic sectors thus improving the overall level of risk mitigation within the portfolio through a process of managed diversification. This policy of diversification will apply not only to economic sectors but also to geographic areas, gender and age.

#### **6.8.5 Staff Development**

A number of training workshops have been held with staff engaged in the credit and business support processes to explain the new approach and the reaction so far has been positive. The sessions emphasised the importance of Branch staff taking responsibility for developing and managing their own individual loan portfolios. All support functions within NEDCO will be developed and directed towards providing support for their efforts thus ensuring that Branches are provided with the opportunities, resources, training and incentives necessary to achieve the various goals set for them. Ultimately the future success of the organization will depend on the results achieved by the Branch network under this new regime.

### **6.8.6 Loans software**

The acquisition of new loans software to replace the current IBOS system is under serious consideration. Eight members of staff working in the departments that would directly interface with the loans software - Information Technology, Accounts, Loans Recoveries - visited the Civil Service Co-operative Credit Union in Castries St Lucia to experience first-hand the practical application and usefulness of the Symitar – CruiseNet software. After a thorough evaluation of the system, this software system was identified as being the best match for NEDCO's future needs.

### **6.8.7 Removal of Administrative Barriers**

Steps have been taken to remove many of the administrative barriers delaying the loan assessment and review procedures. These include abolition of the requirement for a borrower to invest in Unit Trust Corporation instruments. A rationalisation of insurance requirements has also been proposed. In addition the application process has been simplified and once the new software system is installed, it is envisaged that the application process will be fully on-line.

## **6.9 Delinquency**

A new structure to deal with the “drag” caused by the delinquent loan problem at branches has been established and is in operation. These delinquent loans comprise an estimated 80% of NEDCO's overall loan portfolio. Managing delinquent accounts in terms of collection, administration and reporting, absorbs an inordinate amount of branch time to the exclusion of more productive activities such as business development.

These delinquent loans are being identified and responsibility for their management is being transferred to a Special Loans Unit at Head Office that will provide a service for branches in any further collection activity concerning these loans and also will institute legal action when deemed appropriate.

Branches therefore will now have revamped rejuvenated loan portfolios which should be virtually problem free thus enabling them to direct their efforts in a more positive direction.

## 6.10 Internal Audit

The focus of our audit will be more consultative and supportive with amended services covering the following areas:-

### 1. Process Documentation and Risk Assessments

- i. Documentation of key processes.
- ii. Walkthroughs of the key processes.
- iii. Identification of risks and controls and performance of gap analysis.
- iv. Development of standard operating procedure templates for departments.

The steps above were performed for each of the key processes as identified below:

- Compliance function (Anti-money laundering policy)
- Loans Portfolio
- Revenue
  - Loan Interest
  - Government Grant
  - Other Income
- Purchases/Procurement
- Accounts Receivables
- Accounts Payables/Accruals
- Cash in hand (Petty Cash)
- Bank Reconciliation
- Fixed Assets (Acquisitions, Disposal, Depreciation, Recording)
- Budgeting
- Financial Close – Yearly
- Financial Close – Monthly
- Payroll (Recording and Payment process)

### 2. Development of the Internal Audit Department

- i. Review of job descriptions.
- ii. Training of internal audit staff.
- iii. Draft framework including metrics and KPIs for the measurement of performance.

## **6.11 Communication**

Most of employees' recommendations for change can be subsumed under the broad umbrella of culture. The majority of employees surveyed believe that NEDCO's value proposition is sound and that the company has a critical role to play in national development. However, employees also think that NEDCO's current culture is a major hindrance to achieving its mandate. The three elements of culture employees think are most in need of change include:

- Mistrust between management and staff due to poor communication and leadership
- Lack of transparency and efficiency as a result of unclear policies and procedures
- NEDCO's image as a source of free money

The Strategic Plan is about transforming NEDCO into a vibrant organization which can contribute to the strengthening of the national economy. Consequently there was a need to identify and communicate a sense of common purpose among all staff in order to gain acceptance for the Plan.

## **6.12 Establishment of Strategic Plan Secretariat**

A Strategic Plan Secretariat was established in January 2013 to coordinate the various activities relating to the execution of the Strategic Plan. This Secretariat comprised members of staff, the international consultant, and was led by the then Corporate Secretary/Legal Officer. The Chief Executive Officer provided guidance as and when necessary.

Part of the mandate of the Secretariat was to ensure effective communication both internally and externally relating to the implementation of the Strategic Plan. As such, a Strategic Plan Secretariat email was set up. This facilitated ease of access to information for external stakeholders, and staff.

The Strategic Plan Secretariat, HR, Audit, Change & Communications and the EU Consultants jointly met to discuss proposed work plans, expectations and deliverables. These meetings took place approximately every three weeks to ensure that timelines were being kept and that deliverables were continuously measured against the yard stick of the Strategic Plan and in particular it's Action Plans.

### **6.13 Communication with Staff**

A series of circulars were sent out to members of staff in 2012 from the NEDCO Chairman as well as from the Chief Executive Officer. These circulars sensitised staff to the development of the Strategic Plan and the effect of the plan on the internal processes and systems.

Between January – March 2013, a staff circular was disseminated to staff explaining the year-long planning process that led to the creation of NEDCO's Strategic Plan. Team members were advised that the Company needed to become more sustainable and the Strategic Plan was designed to outline how we were going to re-write the Company's future and chart a new course.

Emanating from the Staff circular, the Company held an online Q&A session, in which staff could ask questions and share their concerns about the Strategic Plan with the Strategic Plan Secretariat.

In the interest of allaying the concerns of staff, and ensuring that all members of staff were on board with the transformation, the Strategic Plan Secretariat visited all branches between April-June 2013 and conducted face to face meetings with members of staff. The need for a transformation of the Company, as well as the reasons for and intentions of the Strategic Plan was discussed. Staff was able to articulate their concerns, ask questions and seek clarifications on matters.

In May-June 2013, staff was informed about the engagement of the human resource, audit, and change & communications consultants. They were also advised that the consultants will be working with the NEDCO management team and will also be meeting with staff.

From July to September 2013, the Human Resource consultants visited all NEDCO branches to meet with management and staff. The purpose of these visits was to explain/clarify their role as HR Consultants in the implementation of NEDCO's Strategic Plan, and address questions about the process.

The consultants also conducted a survey with a sample of employees in different functional areas to have a clearer understanding of the scope of operations at each branch. Staff members were invited to share their feelings about NEDCO and the transformation. They were also informed of the following:

- (a) The review of the company's Organization Structure by the consultants under the guidance of the Strategic Planning Secretariat was completed
- (b) The executive team approved the proposed changes in the organization structure

Between October to December 2013, the top level organisational structure as approved by the Board of Directors was released to staff. A general staff meeting was held to discuss staff realignment. Staff was assured of the following:

- (a) No jobs will be lost
- (b) Persons are being re-aligned based on qualifications, experience, need, and interest
- (c) The Company will release to members of staff the various job descriptions under the new organizational structure
- (d) All persons, once realigned, will not incur a loss of earnings to their current basic salary.

#### **6.14 Communication with Management**

The Strategic Plan Secretariat, HR, Audit and Change & Communications Consultants held a meeting with NEDCO's management team in May-June 2013 to inform them of the engagement of the consultants, as well as of their respective work plans and the progress of the Strategic Plan. It was a vibrant meeting with the exchange of ideas and concerns about the process and its impact on the NEDCO community as a whole.

The new organisational structure as approved by the Board of Directors was released to the management team in October-December 2013, and then to the members of staff.

#### **6.15 Communication with Board of Directors**

As part of their initial data gathering and analysis of the company, the Audit consultants conducted a meeting with the Directors of the Audit committee in July-September 2013. The Human Resource Consultants also met with Directors of the Human Resource Committee of the Board of Directors to present the new organisational structure for approval in July-September 2013.

## Conclusion

NEDCO is poised for a significant transformation. The success and sustainability of this transformation ultimately depends not only on changes to structures, policies and processes, but also on changes to people. Overall therefore, employees are loyal to NEDCO's cause and supportive of each other. However, the prevailing culture and work environment hinders NEDCO from harnessing this loyalty in a way that optimizes company performance and increases employee satisfaction.

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## **7.0 ADDITIONAL SUPPORTING ACTIVITIES OF THE STRATEGIC PLAN**

### **7.1 Specialised Technical Expertise**

While the new Strategic Plan had been adopted by the Board it was recognised that its implementation would provide major challenges for the Company. The Board immediately understood that NEDCO did not have the capacity to execute all key aspects of the Plan and responded by engaging several specialist consultants to assist with its implementation.

The Board of Directors and Management agreed that there was need for Human Resource, Internal Audit Support & Change Management and Communications Support for the transformation process.

With the support from the government of the Republic of Trinidad and Tobago and the Ministry of Labour and Small and Micro Enterprise Development, NEDCO was able to secure the services of an international specialist consultant assigned from the European Union to assist with the transformation of the company's core business of micro-financing and entrepreneurial training.

The International Consultant, Mr. William Ward, started work on this project in December 2012 and was tasked with providing technical assistance to the Board of Directors and Management in developing a new Business Model for Loan operations.



These included:

- (a) Reviewing loan policy, loan appraisal and loan management system and developing suitable methodologies to improve the quality of credit-making decisions
- (b) Developing in-house capabilities to carry out client feedback and market research surveys
- (c) Developing and establishing effective entrepreneurship development programmes

Between April-June 2013, the Company held preliminary discussions with Aegis Business Solutions Limited to engage its services with the roll out of the Internal Audit and Human Resource elements of the Strategic Plan. The Company subsequently received, reviewed and approved a proposal from Aegis for Human Resource and Internal Audit services.

The specialised human resource and audit professionals were assigned to conduct evaluations, determine gaps in our staff capabilities and identify any needs that must be filled. They advised and provided support for these highly specialised areas, and were specifically engaged to:

- (a) Conduct analysis of the control systems and processes of NEDCO, including financial, operational and compliance areas.
- (b) Recommend measures, policies and procedures to strengthen the control systems

As part of the engagement, Aegis was also expected to:

- (i) Gain a deeper understanding of the business and its operations
- (ii) Perform reviews, analysis and gather evidence on
  - organisation structure
  - necessary regulations
  - records management
  - policies and procedures
  - accounting processes
  - actual practices

The Human Resource Consultants were to spearhead the restructuring of its human resource from formulation to implementation with the support of the executive management team.

The Company received and reviewed a proposal from Peter Neptune for Strategic Corporate Communications and Organizational Change Consultation Services. Peter Neptune was contracted to:

- (a) Create a more structured corporate communications process
- (b) Develop and execute a media communications strategy and image development plan

## **7.2 Development of Market Research Capability**

As part of its mandate to revamp NEDCO's loan financing policies and procedures as well as to create new and innovative products, the company recruited a Market Research Assistant in May-June 2013 to assist the EU Consultant. The Market Research Assistant was tasked with identifying and developing the market research capability of the Entrepreneurial Training Institute and Incubation Centre (ETIIC).

## **7.3 Development of Policies & Procedures**

The Executive Management in collaboration with the Consultants developed the following policies:

- (a) A Training manual for re-tooling existing staff with the skill set needed to use the new 360 assessment system was developed.
- (b) Credit and Client Development Policy
- (c) Delinquency Management
- (d) Loan Provisioning Policy
- (e) Communications Policy
- (f) Litigation Policy
- (g) Performance Management Policy

Several processes were formulated and implemented:

- ❖ 360 Assessment System
- ❖ Performance Evaluation system for Credit Assessment
- ❖ Litigation Assessment
- ❖ Portfolio Assessment and Recommendation for treatment of severely delinquent accounts.

## **7.4 Evaluation & Challenges with the Strategic Plan**

### ***Inter-departmental/Inter-branch Communication:***

The most significant barrier to optimizing employee performance and motivation is the lack of clear and consistent formal communication throughout NEDCO. As a result, informal channels of communication ('the grapevine') flourish leading to misinformation and mistrust.

### ***Culture of mistrust:***

The main challenges with executing the Strategic Plan has not been from a technical perspective, but rather to embed this new culture and approach to entrepreneurship into NEDCO corporate thinking.

The overall impact of the inherent lack of formal communication is to perpetuate a culture of mistrust between non-management and management staff, and between head-office and branch staff. Several employees indicated that even when managers do communicate with staff, many tend to do so in a manner perceived to be harsh or condescending thus further cementing the 'us' versus 'them' culture.

Dialogue with staff revealed a lingering sense of simmering cynicism in some quarters and, from a human resources and industrial relations perspective, there are a number of legacy issues which need to be addressed if such cynicism is to be eliminated and management credibility restored.

### ***Policies and Procedures:***

There is also a pervasive lack of documented policies and procedures resulting in operational inconsistencies. This lack of consistency can also have an adverse impact on business continuity and transparency especially given the relatively high number of transfers, exits and other changes to staffing.

***Funding:***

Without a secure and steady source of funding it will be impossible for NEDCO to carry out its mandate. As such, a convincing case must be made by NEDCO to Government, demonstrating that it now has the capability to deliver on its promises and equally there must be a commitment in Government circles to provide the necessary funding to undertake these plans. NEDCO must have adequate funding to meet the needs of the operation as well as the expectations of our target clientele.

NEDCO's mandate and target clientele must be in alignment with available funding. In this regard, without proper synergies between all stake-holders NEDCO may give false hopes and run the risk of erosion of its reputational integrity and will be unable to achieve the true objective of promoting entrepreneurial efficiency and social and economic empowerment.

***Branding:***

Another issue which will need to be addressed from a marketing perspective is the question of NEDCO's identity and whether or not to rebrand the Company. Anecdotal evidence is suggesting that clients are confused by the various brands operating from the NEDCO stable – NEDCO itself, ETIIC, IBIS and to a lesser extent Fair Share.

In addition to this confusion there also appears to be a negative legacy attaching to the NEDCO brand in terms of NEDCO being regarded as a "soft touch" by some clients when it comes to meeting repayment obligations. "It's government money. Why do we have to repay?" seems to be a common enough response when trying to collect outstanding debts.

***Operations:***

NEDCO must learn to promote entrepreneurial development not by arbitrarily doing as many loans as possible but by learning to manage, protect and develop its loan portfolio asset through client retention, relationship building, networking, strengthening of organizational culture and adoption of best practice appraisal and performance measurement systems.

**8.0 OPERATIONAL ACTIVITIES**

Outside of the strategic plan, NEDCO continued its operational activities.

## 9.0 FINANCIAL OPERATIONS

The Operating Expenditure (unaudited) was \$29,120,549; Government grants received totalled \$18,933,795, with the remainder from loan interest, investment income and other income \$6,559,979. In accordance with NEDCO's Finance & Administrative Policies and Procedures Manual, funds not required for use on a current basis may be invested in short-term interest-bearing investments with maturities of less than one year.

There is an accumulated deficit of \$86,382,270 from the past 11 years of operation. The Accumulated Deficit represents an excess of NEDCO's expenditure over revenue grants received from the GoRTT and other income over the years. NEDCO is endeavouring to eventually reduce the dependency on Government grants to meet operating and administrative expenses.

Government grants are recognized at their fair value, and NEDCO complies with the conditions attached. Grants relating to operating expenses are deferred and included in non-current liabilities. They are recognized in the Statement of Operations over the period necessary to match them against net expenses they are intended to compensate. Grants relating to the purchase of property, plant and equipment are credited to the Statement of Operations in an amount equal to the period's depreciation of acquired assets, over their expected useful life.

Loan interest income is recognized on a cash basis. The accrual basis is applied for all other items of income and expenditure. Investments are classified as available for sale and are carried at fair value. Realized and unrealized gains and losses arising from changes in their fair value are included in equity in the period they arise.

In light of the foregoing it has not been possible to calculate profitability ratios – "Return on Total Assets" or similar ratios to measure trends and or determine whether or not NEDCO would be likely to produce higher or lower level profit than in the past. Ratio analysis has been restricted to liquidity ratios and debt management ratios.

Implementation of LINX service was effected in March 2013 at all RED Centres & ETIC branches.

## 10.0 HUMAN RESOURCES

Management of the Company's human resources for this year focused primarily on the activities of recruitment and staff advancement.

### ***Recruitment:***

The Company focused on cementing the leadership by conducting several rounds of interviews for the positions of Chief Financial Officer; Chief Operating Officer; Regional Development Manager; and Head of Credit Strategy & Planning. Given the importance of having a strong, well-qualified and strategically positioned leadership, the company also used the services of recruitment agencies to attract the highest quality of candidates for the Executive positions. The position of Chief Financial Officer remains vacant however; the company has identified the filling of this position as a priority for the next fiscal period.

To support the initiatives emanating from the Company's Strategic Plan, a Market Research Assistant (MRA) was hired for a four (4) month period (May-August 2013). The MRA conducted the foundation research work necessary to develop the Company's market research capability. The MRA also supported the International Consultant with streamlining the focus of ETIIC.

### ***Staff Advancement:***

NEDCO sought and realized many opportunities for staff members to gain more technical experience and expertise that would enhance productivity, quality of work and their general capabilities. One member of staff served as the NEDCO representative on the Ministry of Labour and Small and Micro Enterprise Development HIV and AIDS Workplace Policy Committee.

Members of staff were exposed to Legal training conducted by Girwar & Deonarine in October 2012. Business Development Officers and other professional staff were trained in the areas of court procedures, legal requirements arising from the loan processes and recoveries procedures.

Human Resource Officers were trained in March 2013 on Human Resource Management & Industrial Relations, as well as Psychometric/Profiling.

NEDCO effected a Memorandum of Understanding (MOU) with the Arthur Lok Jack Graduate School of Business in a way that would yield tangible benefits to the staff. After much discussion with NEDCO management, the Business School extended a facility whereby NEDCO staff members would receive three (3) exclusive scholarships to pursue a Master's degree in Entrepreneurship, based on set criteria.

Three (3) staff members were promoted from Centre Manager to the position of Regional Development Manager, one (1) Centre Manager was also promoted, to the position of Head of Credit Strategy & Planning and one (1) Business Analyst was promoted to the position of Head-Tobago Operations.

One senior manager attended a two-day workshop in May 2013 on Effective Performance Management and another on Human Resource Labour Law.

A member of staff who was pursuing a Bachelors of Arts degree in Human Resource Management was afforded the opportunity to complete her internship within the Company's Human Resource Department for a period of eight (8) weeks.

The Company's Executive Manager, Legal and Corporate Services attended the Inaugural Caribbean Learning Development and Networking Summit & Workshop for Corporate Secretaries in October 2012. The main focus of the workshop was on the emerging role of the corporate secretary and the new international shift on corporate governance, for which the Company Secretary is primarily responsible.

Three members of staff (Manager Recoveries, Executive Manager Legal and Corporate Services; and Head -Tobago Operations) and one Director attended the CCFC 1<sup>st</sup> Caribbean Competitiveness Forum in November 2012. The Forum drew on the collective expertise of business practitioners, consultants, policy makers, researchers and academia to define a post Forum agenda for action from the level of policy to the firm in three crucial areas: Building Innovative Models for Competition, Unlocking Access to Finance and Internationalization of SMEs.

## 11.0 RECOVERIES

### *Delinquency:*

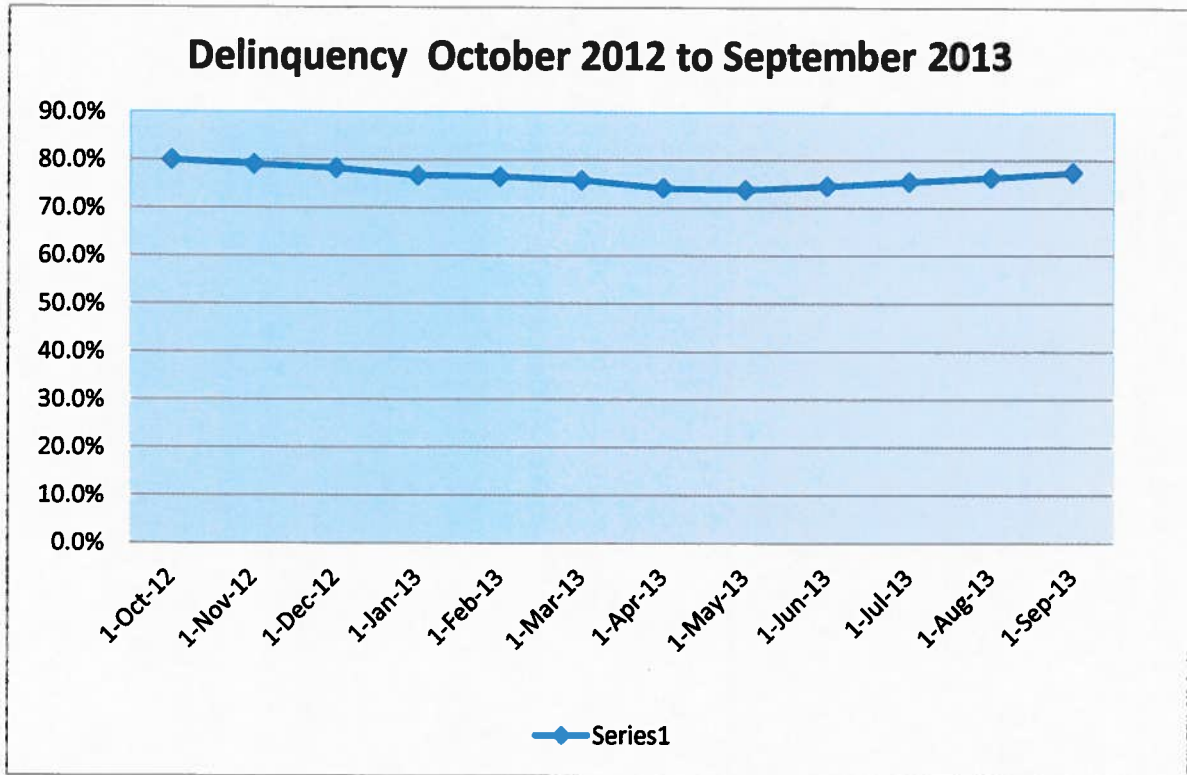
Delinquency control for NEDCO over the period has been faced with many challenges including use of old outdated data management systems, inadequate client assessment procedures, major organizational restructuring and funding constraints to expedite portfolio growth. The result has been stagnated portfolio development, loss of customer loyalty and redirection of limited resources to debt recovery. Forging ahead however, NEDCO will be deploying its new organizational structure, robust lending and monitoring practices and a firm vision for meeting the needs of both its clientele and main stakeholders.

The table below gives an indication of the delinquency on NEDCO's entire portfolio during the fiscal year 2012-2013

Date	30-Oct-12	30-Nov-12	30-Dec-12	30-Jan-13	28-Feb-13	30-Mar-13	30-Apr-13	30-May-13	30-Jun-13	30-Jul-13	30-Aug-13	30-Sep-13
Delinquency ratio (%)	79.9%	79.0%	78.2%	76.7%	76.5%	75.8%	74.1%	73.8%	74.5%	75.5%	76.4%	77.4%
Variance %		0.9%	0.8%	1.5%	0.2%	0.7%	1.7%	0.3%	0.7%	1.0%	-0.9%	1.0%



**Delinquency Ratio on entire NEDCO's portfolio for fiscal year 2013**



***Aging arrears:***

- The percentage of loans in the performing category during the fiscal year 2013-2013 increased by 2%.
- In addition, the number of loans over six months in arrears decreased by 3.7% over the last fiscal year.

***Collections:***

NEDCO recorded an increase in collection in the year ended September 30, 2013. A total of \$19,533,087 was collected in the fiscal year, as compared to the previous fiscal year in which \$18,774,498 was collected i.e. an increase of \$758,589 or 3%.

***Litigation:***

During the fiscal year 2012-2013 a total of 201 cases were referred to the approved panel of attorneys. This represented an increase of 37% over the last fiscal year. These matters were at various stages of the legal process at the end of the fiscal year. Of the total of 348

cases referred for litigation, NEDCO was successful in obtaining judgments on 25%. The increase in litigation had the effect of more of NEDCO clients entering into payment arrangement to avoid litigation.

### ***Special Projects:***

#### **Interest Forgiveness Programme**

For the third (3<sup>rd</sup>) consecutive year NEDCO offered the Interest Forgiveness Programme (IFP) during the period August to December 2013. The programme offered a waiver of a specified portion of accrued interest on matured loan accounts. The waiver was given to the client at the end of his/her successful completion of the proposed payment arrangement made when signing on for the Interest Forgiveness Programme.

#### **Level of Success:**

- At the end of the fiscal year in September 2013, actual collections on the Interest Forgiveness programme was \$4.98M.
- There as a 4% increase in the number of participants during the fiscal year 2012-2013 when compared to the previous fiscal year.
- The programme provided the opportunity for delinquent loans to be repaid, resulting in reduction in the level of delinquency.

## **12.0 PROCUREMENT OF RESOURCES**

Procurement procedures have been established to standardize acquisition methods for goods and services to ensure value for money and transparency for all our procurements. The Procurement Procedure Summary Guide, as amended April 2012, serves to standardize procurement methods for goods and services purchased by NEDCO, and to achieve value for money in all our procurements. Tender procedures have been established to ensure that NEDCO operates on the principles of Value for Money, Transparency and Accountability.

The tender policy covers the acquisition of goods, provision of services and undertaking of works in excess of \$250,000.00. Within the ambits of the tender procedures NEDCO invites Expressions of Interest (EOI) to ensure transparency within the process. A database of prequalified and preferred suppliers has been established for janitorial

services; security services and insurance brokerage to service the execution of tenders during the EOI exercise for goods and services above \$250,000.00.

The major contract awarded through this process for the period under review is detailed hereunder:

**The award of the Provision of Security Services contract to Amalgamated Security Services Limited. The award letter of January 18th 2013 detailed a two (2) year contract which started March 01, 2013.**

### **13.0 INTERNAL AUDIT**

The Internal Audit Department is intended to function as an independent appraisal activity within NEDCO, to provide the Executive and the Board with objective assurance and consulting services, in discharging their duties and responsibilities. The Internal Audit mission and scope mandate that the activity shall be guided by a value driven philosophy of partnering with other departmental units to continuously improve the operations of NEDCO.

The company has been seeking to fill the vacancy for an internal auditor since retirement of the previous incumbent in August 2012. Our external auditors however completed the first review of the Company's draft financial statements for 2011 and 2012 for three weeks in March-April 2013.

### **14.0 NATIONAL INTEGRATED BUSINESS INCUBATION SYSTEM (IBIS)**

The National Integrated Business Incubator System (IBIS) has been operational since October 2011 and is managed and operated by NEDCO with guidance, support and technical advice from the Enterprise Development Division of the Ministry of Labour and Small and Micro Enterprise Development (MOLSMED). The programme is designed to provide MSEs with the necessary physical infrastructure, financing, operational support and networking to develop them into sustainable and competitive businesses. IBIS comprises a network of Community Based Business Incubators (CBBIs) and Commercial Business Incubators aimed at benefitting new and existing MSEs as well as the communities in which these enterprises are situated.

IBIS is governed by an eight (8) member business advisory board with the Permanent Secretary of MOLSMED as the Chairman. Other members of the Board include NEDCO personnel, representatives from MOLSMED, Ministry of Trade and Industry, Attorney General's Office together with members from the business community with a finance background. The boards' role includes evaluation of the business incubator proposals presented by potential incubator clients. (The NEDCO officer was replaced in December 2013).

The IBIS system offers a synergistic relationship with relevant stakeholders; financiers, business support services, mentors and other support personnel to enable the creation of 'one-stop-shop'. The programme, by design, has created an enabling environment for successful entrepreneurship. The success of IBIS has been fuelled its ability to access suitable candidates with an "entrepreneurial attitude", develop an investment plan that is realistic and then successfully operationalize that plan into a business that creates value. It is a comprehensive system that focuses strongly on assisting the latent entrepreneur and maximises the opportunity for achieving successful outcomes for a wide range of business areas and entrepreneurial challenges. IBIS is useful to all selected candidates in helping them acquire the appropriate skills, support and networks to establish successful businesses.

The Programme is driven by the end goal, namely to facilitate and encourage the establishment of successful sustainable graduate businesses that are (a) innovative, entrepreneurial and globally competitive and (b) create value and generate high quality rewarding employment opportunities. IBIS applies the international standard for a sustainable graduate business as an enterprise with successful trading and expansion activity for a minimum of 3.5 years following graduation from a Business Incubator.

IBIS seeks to engage a number of key stakeholders from the public, private and NGO sectors in initiatives within an Incubator environment that will:

- Accelerate diversification of the country's economy with a strong focus on value-adding and exporting of both products and services.
- Lead to the development of more sustainable graduate businesses that thrive locally and internationally.
- Empower a greater number of the country's citizens, particularly the less advantaged, to achieve their aspirations and make a meaningful contribution towards economic and social development in Trinidad and Tobago.

The following table summarises the key activities in Fiscal 2013 for IBIS

Activity	Outcomes
Formal contract signing – December 2012	Graduates from the Siparia/Penal and Sangre Grande cohorts completed formal arrangements for receipt of Seed Capital and Equipment Financing in addition to lease rental of incubator premises. Clients acquired equipment, inventory and physical space to start / expand operations.
Completion of Training for Baratara & Point Fortin cohorts – December 2012	Clients equipped with the necessary skills to embark on business operations but are still awaiting incubator premises.
Mentorship Programme – December 2012	The operating procedures for the programme were developed and finalised. Appropriate mentors to be selected
Client Selection Process - March to June 2013	Applicants were screened and interviewed by the selection panels to determine suitability for training and eventual placement in the incubators. Seventy-five (75) new applicants were selected to advance to the Pre-Incubation Phase of the Programme. There were twenty-five (25) each for Couva, Chaguanas and Diego Martin respectively.
Graduation – August 2013	The pilot cohorts for Siparia/Penal and Sangre Grande formally graduated on August 27 <sup>th</sup> 2013. Ten (10) clients graduated with a Certificate of Completion from the Penal Cohort -Nine (9) clients graduated with a Certificate of Completion from the Sangre Grande Cohort -Six (6) clients graduated from the Sangre Grande cohort with a Certificate of Participation.
Rental agreements for Diego Martin and Point Fortin premises – August 2013	Acquisition of premises to accommodate incubator operations in these areas. Buildings to be appropriately configured.
Regional and International Partnerships	Two (2) members of the IBIS management team attended the National Business Incubator Association (NBIA) International Incubation Conference held in Boston in April 2013. As a result, IBIS is now a certified member of NBIA. Relationships have been developed with the NBIA in order to leverage international information on training

		<p>and advisory services.</p> <p>Two (2) IBIS Officers participated in the Entrepreneurship Program for Innovation in the Caribbean (EPIC) facilitated by InfoDev in September 2013. These activities have led to further capacity development for IBIS staff.</p>
Incubator Training	Continuous	<p>IBIS began conducting continuous training sessions, effective August 2013 (Intellectual Property, Trademarks and Patent, OSHA Training, Workshop on Taxes, VAT, P.A.Y.E, NIS, Health Surcharge, Book Keeping and Reading Financial Statement) to facilitate the development of the clients within the incubators.</p>

## 14.1 Stakeholder Relationships

### (i) MOLSMED

IBIS receives technical support from the Ministry of Labour and Small and Micro Enterprise Development through the Enterprise Development Division (EDD). For this past year, EDD has helped IBIS formalize its Monitoring and Evaluation structure and component for IBIS and develop reporting mechanisms for the programme. EDD has also monitored and streamlined the practical aspects of the working relationship between MOLSMED and NEDCO, as outlined in the MOU.

### (ii) Support Services

Stakeholder relationships were developed with the following entities with the aim to assist IBIS clients:

- eTeck
- Arthur Lok Jack GSB with the provision of training for IBIS Clients in July 2013. The joint training areas were finance, Intellectual property and personal assessment
- Trinidad Packaging Center Limited
- Penal Public Health Officer from the St. Patrick division
- YTEPP - Strategic alliance established with the organisation to collaborate on training, networking, sharing of expertise and possible diversion of clients. They also assist with judging business plans
- InfoDev/EPIC – relationships have been developed with this agency to provide training and development of incubator professionals.

- TTCIC – Strategic alliance established with the chamber to provide business support services, networking and mentorship for IBIS trainees, as well as facilitate the client selection process

(iii) Training providers

IBIS entered into a Service Agreements with the College of Science, Technology and Applied Arts of T&T (COSTAATT) and the University of the West Indies (UWI), for provision of training for the Point Fortin cohort and Chaguanas cohort respectively.

(iv) Regional & International partnerships

IBIS sought to expand networking capabilities, and increase the technical capabilities of its management team via two routes:

Firstly, through the World Bank's Info Dev Training, IBIS participated in the Entrepreneurship Program for Innovation in the Caribbean (EPIC). Other participating countries included Dominica Republic, Barbados, Jamaica, St. Vincent and the Grenadines and St. Lucia.

Secondly, two members of the IBIS management team attended the National Business Incubator Association (NBIA) International Incubation Conference held in Boston in April 2013. As a result, IBIS is now a certified member of NBIA. The alliance between NBIA – Relationships and memberships has been made with the National Business Incubator Association in order to leverage international information on training and advisory services.

(v) Other agencies

CARIRI – Relationships with the Ideas to Innovation (i2i) programme to offer disbursement services to i2i clients.

CariCRIS – Relationships have been made with this Rating Agency.

## 14.2 Marketing and Promotion

### Candidate Recruitment Drive

Communities in **Couva, Chaguanas and Diego Martin** were targeted through a marketing initiative which included loudspeakers and newspaper advertisements inviting members of the communities to Outreach Programmes. Flyers were placed as inserts in the daily newspapers and were also distributed via TT Post.

Outreach programmes were held in March and April 2014 in the following communities:

- Chaguanas Indoor Arena
- Debe Belle Vue Community Centre
- Pt. Cumana Regional Complex
- Couva Regional Corporation
- Warrentown Regional Complex
- Plaisance Park Regional Complex
- Waterloo Community Centre
- Chaguanas Indoor Arena
- North Diego Martin Community Centre

To further this recruitment initiative, IBIS partnered with TT Connect to return to communities to assist persons with completing their application forms.

IBIS was also represented at other Outreach Activities throughout the year, such as:

- Divali Nagar
- Commonwealth Day Celebrations at the Office of the Parliament
- Entrepreneur Chat Series hosted by ETiiC
- Startup Weekend, UWI
- TT Chamber of Commerce SMME Workshop
- MOLSMED Labour Month Outreach
- NEDCO/UWI Entrepreneurship Boot Camp, UWI
- UWI Boot Camp, Point Fortin
- Enabling Competitive Business Forum, Macoya
- MOLSMED Breakfast Meeting on Labour Shortage



### **Open Houses at Tertiary Level Institutions**

In an effort to maintain and build stakeholder relationships, IBIS hosted a series of Open House Activities which included presentations done by the Pre-Incubation Manager at the following Tertiary Level Institutions:

- College of Science, Technology and Applied Arts of Trinidad and Tobago, Port of Spain Campus
- University of the Southern Caribbean
- College of Science Technology and Applied Arts of Trinidad and Tobago, South Campus

### **14.3 Client Selection Process**

#### **Interview Evaluation Process**

The Interview Evaluation Process for Couva, Chaguanas and Diego Martin began on Monday 24 June, 2013 and extended through Wednesday 3 July, 2013. A total of one hundred and eighty one (181) applicants were interviewed from two hundred (200) application forms received. From Diego Martin / Carenage, ninety-two (92) applications were received. Couva collected forty-eight (48) applications and Chaguanas, sixty (60) applications.

Additionally, interview evaluations were also done for applications received during June – August, 2013. These interviews were conducted on Thursday 5 September, 2013. A total of twenty-seven (27) application forms were received from applicants across the country. Of these, twenty-two (22) applicants were interviewed. The remaining five (5) were not interviewed due to a variety of reasons. The Interview Panel comprised of two entrepreneurs, one NEDCO representative and the Pre-Incubation Manager for oversight. The interview process was monitored by members of the Enterprise Development Division of the Ministry of Labour and Small and Micro Enterprise Development.

On completion of the exercise, seventy-five (75) of the applicants were selected to advance to the Pre-Incubation Phase of the Programme. There were twenty-five (25) for Couva, Chaguanas and Diego Martin respectively.

#### **14.4 Pre-incubation Training Service Providers**

The Request for Proposal (RFP) was revised and distributed to The University of the West Indies, The University of the Southern Caribbean, College of Science Technology and Applied Arts of Trinidad and Tobago and Cipriani College of Labour and Cooperative Studies. Proposals were received from The University of the West Indies and College of Science Technology and Applied Arts of Trinidad and Tobago. The following Service Providers were selected in response to the RFP to facilitate the Pre-Incubation Training for IBIS:

- The University of the West Indies (UWI) was awarded the Chaguanas cohort.
- College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) was awarded the Couva and Diego Martin Cohorts.

#### **14.5 Pre-incubation Training**

##### **a) Completion of Pre-Incubation Training and BIP for Barataria and Point Fortin.**

Pre-Incubation Training for both Barataria and Point Fortin cohorts concluded in December, 2012. The business investment presentations were held on the 13 – 14 December, 2012 simultaneously in Point Fortin and San Juan/Barataria. Additional business investment proposals (BIP) were also presented on 6 February, 2013 and 7 October, 2013 to accommodate persons who were unable to present in December 2012; for clients who were unsuccessful at the BIP stage and for clients who were successful and opted to change their business idea. The BIP panels consisted of three external judges, persons experienced with assessing small business plans, one NEDCO Manager and a representative from IBIS Management. Monitoring and Evaluation personnel from the Ministry of Labour and Small and Micro Enterprise Development oversaw the process.

##### **b) Pre-Incubation Training of New Cohorts**

Prior to the start of Pre-Incubation Training for the new cohorts, a Client acceptance letter was developed and distributed to all successful clients. The letter outlined the distinct phases of the programme.

## 14.6 Diversion

a) The Diversion process was developed in August 2013. The diversion process aims to treat with the following IBIS candidates:

- Candidates who have completed Pre-Incubation training and presented final BIPs at least twice but were unsuccessful for entry to the Incubation phase.
- Candidates who have not completed Pre Incubation training.
- Candidates who have been unsuccessful into the Pre- Incubation Training at the Candidate Selection Phase.
- Candidates unsuccessful at Incubation phase

b) In an effort to establish the IBIS Diversion process, the Programme Assistant, Ms Mc David and Pre-Incubator Manager Ms Mc Knight met with the following institutions and consultants to explore possibilities of diverting unsuccessful applicants to an external provider who may be better able to meet their needs:

- Business Etiquette and Protocol Specialists
- Mr. Marlon Henry (Consultant)
- Ms. Stacy Simmons (Consultant)
- Mr. Victor Lutchman (Consultant)
- Youth Business of Trinidad and Tobago
- Multi-Sector Skills Training Programme

c) A Diversion Stakeholder Database and a Diversion Client Database were developed in August 2013.

## 14.7 Community Incubator Development Activities

### a) Provision of Legal documents

The clients from the Sangre Grande and Penal Cohorts were provided with their legal documents which afforded them the opportunity to access financing to begin their business operations. Ten (10) clients received funding. Thus far, the total disbursed to clients amounted to TTD \$4,784,432.00. The total amount outstanding for these two cohorts is TTD \$496,337.00.

**b) Assessment of approved funds for the Point Fortin and Barataria Clients**

After their successful completion of the Pre Incubation Phase and their transition to the Incubation Phase, BDO sessions were set up to assess the successful clients from the above incubators and determine the IBIS financing being approved. Forty three (43) clients have been assessed. The total sum of financing to be disbursed for these two cohorts is TTD \$2,646,000.00.

**c) Opening of the Sangre Grande and the Penal Incubators**

The Penal Incubator was officially opened on February 25th 2013 with Prime Minister, the Hon. Mrs. Kamla Persad Bissessar opening the facility. The Sangre Grande Incubator was officially opened on March 26th 2013 with the Hon. Errol Mc Leod, Minister of Labour and Small and Micro Enterprise Development opening the facility.

**d) Field Trip for the Point Fortin and Barataria Cohorts**

A field trip was conducted for both cohorts to the Penal Incubator in order for the clients to get an idea of the typical layout of an Incubator facility. The Barataria Cohort trip to the Penal Incubator was held on September 14<sup>th</sup>. The Point Fortin trip to the Penal Incubator was held on August 17<sup>th</sup>.

**f) Implementation of the Signage Specification form**

In order to facilitate the preparation of the 'Directory Board' for the Incubator locations, all clients were asked to complete and submit a Signage specification form.

**g) Implementation of the Conference room booking form**

The conference room booking form has been implemented and is being utilized at the Penal Incubator.

**h) Client letters issued to all successful IBIS Clients**

All clients have been issued a letter indicating their success into the incubation phase and the benefits afforded to them. This letter was sent via registered mail to all sixty one (61) successful clients.

**i) Movement of clients amongst Incubators**

Three clients from the Point Fortin Cohort have opted to move to the Penal Incubator as this location is more convenient. This movement rendered the Penal Incubator fully occupied with all spaces being assigned to IBIS clients.

#### **j) Fairshare Presentations to all IBIS Clients**

Clients requested Fairshare to do a presentation for them to better understand the programme and its benefits. These sessions were held in the month of September in collaboration with the General meetings held that month. The Fairshare Team made presentations on September 6<sup>th</sup> in Point Fortin, September 9<sup>th</sup> in Sangre Grande, September 17<sup>th</sup> in Barataria and September 20<sup>th</sup> in Penal.

#### **k) Introduction of General Meetings**

Monthly General meetings with the clients were introduced in June 2013 to address and improve the communication lines between IBIS Management and the clients.

#### **l) Needs Assessment Sessions**

Sessions were conducted with the clients from all cohorts beginning May 2013 and on regular intervals in order to get an update on the client's businesses in terms of achievements of the goals and objectives outlined in the business plan, identify the areas where IBIS Management can assist, identify training needs and specialized training assistance that may be required and to ensure the business is compliant with the laws of Trinidad and Tobago.

### **14.8 Incubator Continuous Training**

#### **a) Needs Assessment**

The needs assessment exercise began in May 2013, with clients identifying the training needs relevant for the growth and development of their enterprises. IBIS has conducted continuous training sessions in response to the assessment. Since August 2013 there have been additional training modules for Intellectual Property, Trademarks and Patent, OSHA Training, Workshop on Taxes, VAT, P.A.Y.E, NIS, Health Surcharge, Book Keeping and Reading Financial Statement.

#### **b) Continuous Training Feedback form developed**

In order to assess the validity and quality to the clients of the continuous training being provided, a feedback form was developed and implemented September 2013. This would assist in the monitoring and evaluation of the training sessions.

## **15.0 DEVELOPMENT SUPPORT SERVICES at Entrepreneurial Training Institute and Incubation Centre (ETIIC)**

The Entrepreneurial Training Institute and Incubation Centre (ETIIC) was conceptualized as a strategic business unit in NEDCO in 2005, to serve as a vehicle for providing Development Support Services to the MSE sector, with its core activities being identified as:-

- ❖ Programme Development and Implementation
- ❖ Research and Planning
- ❖ Entrepreneurial Development
- ❖ Entrepreneurial Policy

ETIIC is poised to assist new and aspiring entrepreneurs to translate their business ideas into commercially viable and sustainable enterprises, by providing the appropriate support, guidance and access to the relevant services and tools required to overcome the challenges encountered in starting a business. A number of practical training programmes have been developed to build entrepreneurial success. These programmes include Business Planning; Record Keeping & Cash Management; A to Z of Running a Business; Health and Safety; Effective Communication and Negotiation Skills; Business Etiquette & Protocol; Procuring Contracts for SMEs; Marketing; Costing and Pricing; Taxation; Computer Literacy; and Money Management and Wealth Creation.

A full list of ETIIC's activities for the period under review is attached as Appendix 1.

## 16.0 REPORTING FUNCTIONS

	REPORT	RECEIVING BODY	SUBMISSION PERIOD
1	Strategic Plan	Investments Division, Ministry of Finance  Ministry of Labour and Small and Micro Enterprise Development	Six (6) months prior to start of period of the Plan
2	Annual Operating Budget	Investment Division, Ministry of Finance  Ministry of Labour and Small and Micro Enterprise Development	Six months prior to the start of the new fiscal year
3	Audited Financial Statements/Annual Report	Investment Division, Ministry of Finance  Ministry of Labour and Small and Micro Enterprise Development	Within four (4) months of the financial year end
4	Annual Performance Appraisal Report	Ministry of Labour and Small and Micro Enterprise Development	Four (4) months after end of Financial Year
5	Administrative Report	Ministry of Labour and Small and Micro Enterprise Development	Before March 1st each year
6	Board Minutes	Investment Division, Ministry of Finance  Ministry of Labour and Small and Micro Enterprise Development	One (1) week following Confirmation
7	Cash Statement of Operations	Investment Division, Ministry of Finance  Ministry of Labour and Small and Micro Enterprise Development	Within three (3) weeks after month end

8	Quarterly Returns Reports	Investment Division, Ministry of Finance	End of first month after Quarter
9	Status of Loan/ Overdraft and Investments in Securities Portfolios and Litigation Proceedings	Investment Division, Ministry of Finance	End of first month after Quarter
10	Return of Award of Contracts	Investment Division, Ministry of Finance	14 days after month end
11	Internal Audit Reports	Investment Division, Ministry of Finance	quarterly
12	Investment Policy Document	Investment Division, Ministry of Finance	14 days after end of the Quarter
13	List of Deliverables by Constituency	Ministry of Labour and Small and Micro Enterprise Development	Annually
14	Quarterly Report	Ministry of Labour and Small and Micro Enterprise Development	15 days after end of quarter
15	Monthly Report	Ministry of Labour and Small and Micro Enterprise Development	15 days after end of month
16	Social Sector Initiative Report	Ministry of Labour and Small and Micro Enterprise Development	As requested
17	Public Sector Initiative Report	Ministry of Labour and Small and Micro Enterprise Development	As requested
18	Profile of New Social Sector Initiatives	Ministry of Labour and Small and Micro Enterprise Development	As available



## 17.0 STRATEGIC ALLIANCES

The company continued to forge meaningful working relationships with a plethora of stakeholders. Gaining support from key stakeholders has helped the Company rebuild its image and solidify its credibility.

### *University of the West Indies*

NEDCO signed a Memorandum of Understanding with the University of the West Indies in October 2012.

### *Trinbago Unified Calypsonians' Organisation*

NEDCO signed a Memorandum of Understanding with the Trinbago Unified Calypsonians' Organisation in July 2013 at the Queens' Park Savannah, Port of Spain.

### *YTEPP*

NEDCO signed a Memorandum of Understanding with the YTEPP in May 2013.

## 18.0 CORPORATE SOCIAL RESPONSIBILITY

For Carnival 2013, the Company upheld its corporate social responsibility by sponsoring the St Mary's Children's Home Annual Carnival Jump up. This was the 8<sup>th</sup> year that NEDCO supported the Children's home by providing refreshments, music, and staff support along the jump route of the Eastern Main Road Tunapuna.

NEDCO was a special sponsor of the Tobago Goat Race that took place in April 2013. The Company sponsored a trophy and benefitted by having its logo prominently displayed on all of the participating goats.

## 19.0 EXPANSION

In order to really fulfil its mandate and provide services to the national community, NEDCO embarked on an expansion drive that saw the company make inroads into two new communities, and gain access to a wider potential populace. The intention from NEDCO's perspective would be to improve the quality of its loan book by aligning itself with more innovative and technically advanced ventures and, in doing so, to achieve greater economic impact.

NEDCO opened its most recent branch in February 2013 at Penal. The opening ceremony was attended by the Minister of Labour and Small and Micro Enterprises, Errol Mc Leod; Permanent Secretary of the Ministry of Labour and Small and Micro Enterprises, Carl Francis; Honourable Prime Minister of Trinidad and Tobago & Member of Parliament of Siparia/Penal, Kamla Persad-Bissessar; as well as Board Members and Management of NEDCO & IBIS.

The Company effected some terms of its MOU with UWI by opening a sub-office on the campus of the University of the West Indies in May 2013. The opening by NEDCO of a new branch at the University of West Indies presents new opportunities for NEDCO in terms of diversifying and expanding its business profile.

With the expanding needs of the Arima community, the company relocated its Arima branch in June 2013. This additional space allowed for more staffing and an increase in the number of clients serviced in Arima and environs.

## **20.0 STAFF INCENTIVES & ACTIVITIES**

The Company recognized parents for Mothers' and Fathers' day. All mothers were celebrated for Mothers' Day with recognition tokens in the form of cupcakes at all branches. All fathers were celebrated for Fathers' Day with recognition tokens in the form of breakfast at all branches.

In April 2013, NEDCO recognized and applauded the support provided by Administrative Assistants, Executive Assistants and Customer Service Representatives. In commemoration Administrative Professionals in Day, tokens were offered in the form of gift vouchers at select stores nationwide.

The Company held its Annual Christmas & End of Year Party in December 2012 at the Trinity College East Auditorium. Attendees included staff, friends and family of staff, and key stakeholders.

For Christmas 2012, the Company also held a Branch Christmas Decorating competition, which saw all units being creative with decorating the branches in Christmas themes. Branch decorations were judged by clear recognition of a central theme; creation of a look and feel that was consistent with that theme; and the overall creativity and originality of the decorations.

For Carnival 2013, the Company partnered with several of its stakeholders, to host a Carnival jump up for staff on the grounds of Cipriani College of Labour and Co-operative Studies (CCLS). The partnership included CEPEP, MOLSMED represented by EDD, NCDF, UWI/Arthur Lok Jack GSB and CCLS.

Appendix 1 – ETIIC Activities

**ETIIC**  
**OCTOBER 2012-SEPTEMBER 2013 ACHIEVEMENTS & ACTIVITIES**

STRATEGIC GOALS	OUTPUT/ACTIVITY	DETAILS	ADDITIONAL INFORMATION
Develop a structured capability to provide business advisory and training services to meet the requirements of entrepreneurs	Delivery of Caribbean Development Bank - Customer Service Training	October 22 – 25, 2013 at ETIIC San Fernando	Invited guests included Mr. Andy Balgobin – Alderman of the San Fernando City Corporation  21 persons were trained.
	Attendance at the COSTAATT/Babson Entrepreneurship Educators Module	Conducted in March 2013, this covered <ul style="list-style-type: none"> <li>• The Entrepreneurial Teacher and Action Learning</li> <li>• Opportunity Analysis</li> <li>• Case Studies and Curriculum Design</li> <li>• Technology Entrepreneurship</li> </ul>	Babson College has been ranked number 1 in Entrepreneurship Education for a number of years. Learnings from the programmes will be applied to ETIIC's developmental thrust.
	Outsourced training for a number of institutions including private, public, profit and non-profit	Programmes designed and delivered for The Ministry of the People and Social Development, Ministry of Community Development, The Esimaje Foundation, and the Trinidad and Tobago Coalition of Service Industries.	
Build and maintain a sustainable organisation based on capability, values and performance	Customer service training for all staff members	October 2012-February 2013 at various locations.	120 number of staff were trained, including management, supervisory and auxiliary staff
	Library Development	Library Policy - Outlines procedures and processes for the	Adds to the institutional knowledge of the organisation.

		<p>collection and management of the Library's operations</p> <p>Purchase of Library Management Software</p> <p>Held May 15, 2013 at ETIIC Barataria</p> <p>This 3 hour informal evening session allowed entrepreneurs to network and share experiences. We were also able to find out ways to better position NEDCO's service offering</p> <p>Initiated in March 2013, this Window gives an insight into some of the activities that are being conducted across ETIIC from Training to Outreach to Library activities and much more!</p> <p>Launched in February 2013, the TRI provides a staff incentive for successful referral of non-NEDCO clients to our training programmes - \$25 per successful referral.</p> <p>Referrals will be considered successful based on the fulfilment of three (3) criteria.</p> <ol style="list-style-type: none"> <li>1. The trainee must make full payment for the training programme</li> <li>2. The trainee must attend the training programme</li> <li>3. The training session is not cancelled</li> </ol>	<p>This will facilitate better record keeping and also allow global access to our material.</p> <p>Attended by 14 entrepreneurs representing the following sectors: food and beverage, construction and retail</p> <p>At the end of this fiscal, 5 staff members benefitted by referring a total of 32 clients to training.</p>
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<p>Develop a new portfolio of start-up and expanding micro and small enterprise clients</p>	<p>UWI/NEDCO Entrepreneurship Business Boot Camp 2013</p>	<p>This will generate greater staff interest and awareness of our activities as staff will be more inclined to educate themselves about ETIC's services in order to benefit from the incentive. Held from July 1-6, 2013 at UWI St Augustine Campus.</p>	<p>Opening ceremony held on July 1, 2013 and attendees included the CEO of NEDCO, UWI's Director, Office of Institutional Advancement &amp; Internationalisation.  Activities during the week included Lectures on various business topics, presentations by various guest entrepreneurs and field trips.  There were 60 attendees over the course of the six days  Closing ceremony was held on July 20, 2013 and attendees included UWI's Director, Office of Institutional Advancement &amp; Internationalisation and the Dean of the Faculty of Social Sciences.  Prizes were awarded to the top three business plans as follows: 1<sup>st</sup> - \$50,000 2<sup>nd</sup> - \$30,000 3<sup>rd</sup> - \$20,000</p>
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**MEMBERSHIP OF THE NEW BOARD OF THE NATIONAL ENTREPRENEURSHIP DEVELOPMENT COMPANY  
LIMITED (NEDCO) WITH EFFECT FROM JUNE 28 2013 TO JUNE 27, 2016**

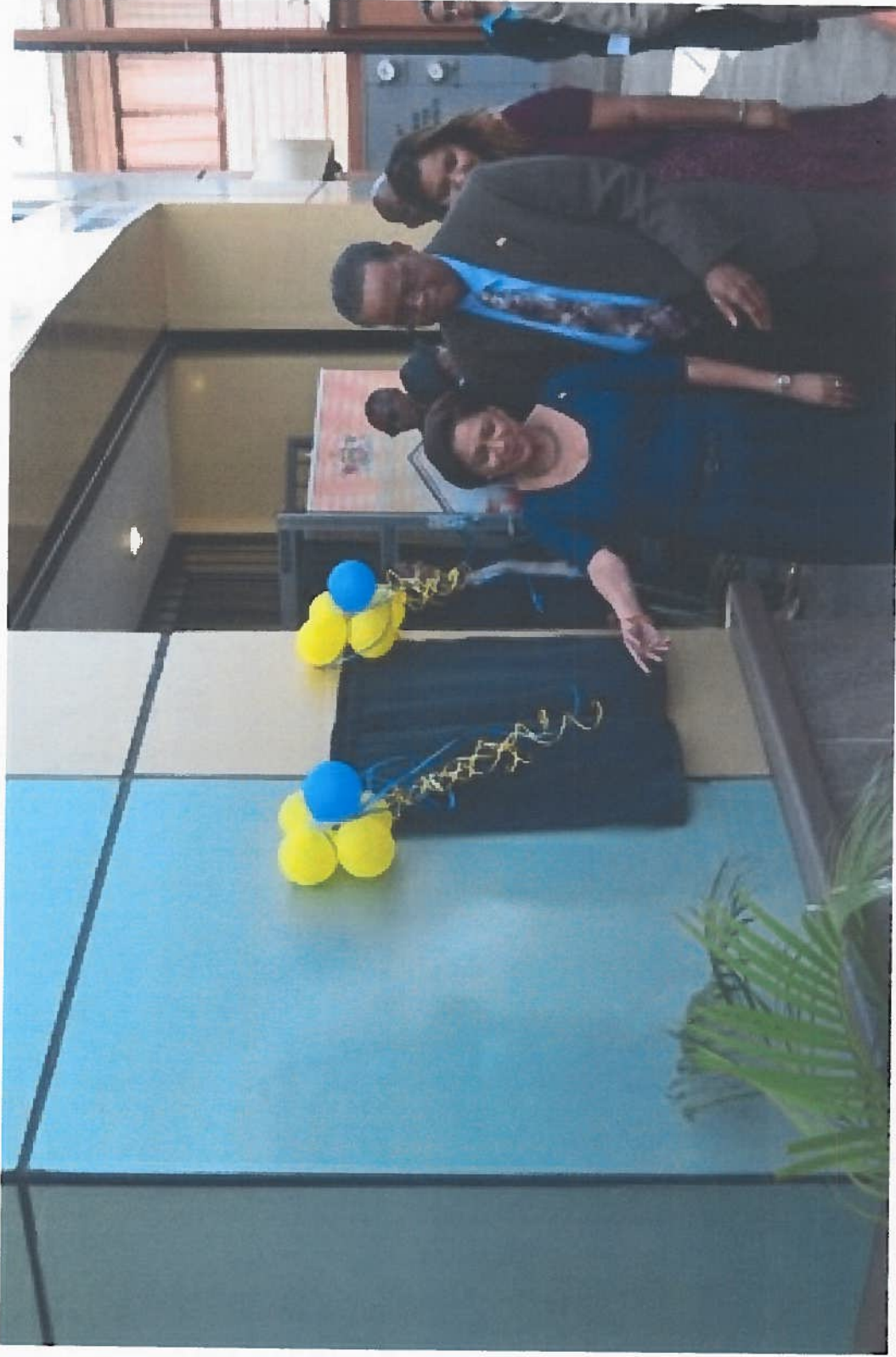
**BY RESOLUTION DATED JUNE 28, 2013  
IN ACCORDANCE WITH THE COMPANIES ACT CHAPTER 81:01 SUB-SECTION 132 (1)**

<b>Name</b>	<b>Occupation</b>	<b>Telephone/Email Contact</b>	<b>Position</b>	<b>Appointment Date</b>	<b>Term of Office</b>
Dr Natasha Ramkissoon	Lecturer Entrepreneurial Studies, University of the West Indies	(H) - 640-5420 (C) - 789-6918 Email: <a href="mailto:natasha.ramkissoon@gmail.com">natasha.ramkissoon@gmail.com</a>	Chairman (3) Years	Re-appointed by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Mr Calvin Bijou	Managing Director EM <sup>2</sup> – Engage My Mind Ltd	(H) - 637-5938 (C) - 684-1720 Email: <a href="mailto:calvin.bijou@gmail.com">calvin.bijou@gmail.com</a>	Deputy Chairman (3) Years	Appointment by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Dr Camille Samuel	Vice President, Student Affairs - COSTAATT	(W) - (C) - 478-1527 or 687-4895 Email: <a href="mailto:camsam2k@yahoo.com">camsam2k@yahoo.com</a>	Director (3) Years	Re-appointed by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Mr Ramesh Lalla	Managing Director, Target Market Advertising Limited	(C) - 758-4522 Email: <a href="mailto:ramadama@hotmail.com">ramadama@hotmail.com</a> or <a href="mailto:targetmarketadv@gmail.com">targetmarketadv@gmail.com</a>	Director (3) Years	Re-appointed by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Mr Allister Khan	Attorney at Law, Invictus Law Chambers 35 Richmond Street Port of Spain	(H) - 653-5013 (W) - 623-9531 / 624-7119 (W) - 627-0350 / fax 623-5067 (C) - 708-7051 Email: <a href="mailto:khanallister@gmail.com">khanallister@gmail.com</a>	Director (3) Years	Re-appointed by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016

Name	Occupation	Telephone/Email Contact	Position	Appointment Date	Term of Office
Mr Willvan Ramlakhan	Retired Public Servant	(C) - 620-2772 (C) - 483-1422	Director (3) Years	Re-appointed by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Mr Suneesh Singh	Attorney at Law, Allum Chambers, 3 Shine Street, POS 6258016 - 9 Guanaco Street, Arima 6645467 - 17 Cumberbatch Street, Chaguanas	(W) - 664-5467/625-8016 (C) - 799-3722 / 221-1147 Email: <a href="mailto:suneesh.singh@gmail.com">suneesh.singh@gmail.com</a>	Director (3) Years	Re-appointed by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Ms Sheryl-Anne Haynes	PS (Ag) - Ministry of Land and Marine Resources cor Hassanali Street and El Socorro Road, San Juan	(C) - 684-7628 Email: <a href="mailto:Sheryl-AnneH@gov.tt">Sheryl-AnneH@gov.tt</a>	Director (3) Years	Appointment by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Ms Simone Lampkin	Investment Centre Manager – Trinidad & Tobago UTC	(H) - 653-0894 (C) - 687-5686 Email: <a href="mailto:slampkina@yahoo.com">slampkina@yahoo.com</a>	Director (3) Years	Appointment by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Ms Glenda Joseph-Dennis	Business Development Consultant	(H) - 637-1623 (W) - 470-5578 (C) - 727-1760 Email: <a href="mailto:glendajo2911@gmail.com">glendajo2911@gmail.com</a>	Director (3) Years	Appointment by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016



Name	Occupation	Telephone/Email Contact	Position	Appointment Date	Term of Office
Mr Vijay Parabdeen	Director of Client Services Aegis Business Solutions Ltd, 18, Scott Bushe Street, Port of Spain	(C) - 718-4379 (H) - 625-6473 Email: <a href="mailto:vijay_parabdeen@hotmail.com">vijay_parabdeen@hotmail.com</a> <a href="mailto:vijay.parabdeen@aegistt.com">vijay.parabdeen@aegistt.com</a>	Director (3) Years	Appointment by letter dated June 28, 2013 PS, Ministry of Finance.	June 28, 2013 – June 27, 2016
Mr Christopher Lewis	CEO – exporTT Ltd 151B Charlotte Street Port of Spain	(W) - 623-5507 Ext 443 (C) - 462-5152 fax: 725-8126 Email: <a href="mailto:tichris.lewis@gmail.com">tichris.lewis@gmail.com</a>	Director (3) Years	Appointment by letter dated June 28, 2013 from the PS, Ministry of Finance.	June 28, 2013 – June 27, 2016



Honourable Prime Minister Kamla Persad-Bisessar, Member of Parliament for Siparia; Honourable Errol McLeod – Minister of Labour Small & Micro Enterprise Development, and Dr. Natasha Ramkissoon, Chairman of NEDCO at the Commissioning of the Penal RED Centre and IBIS Incubator, February 2013.



MOU signing between YTEPP and NEDCO, May 2013.



Commissioning of the UWI Sub Office of NEDCO, May 2013.



Session of the UWI Entrepreneurship Boot Camp, July 2013



Showcase of NEDCO clients' products and services at the Divali Nagar, November 2012.