

Linking The Financial and Non-Financial Needs of SME Clients and Women Entrepreneurs

SME Finance Forum & CapPlus Webinar Series

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Simla Unal

TEB SME Banking Marketing Director

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Technical Problems?

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This webinar will be also be made available as a video on our website:

<http://smefinanceforum.org/post/webinar-linking-financial-non-financial-services-for-women-entrepreneurs>

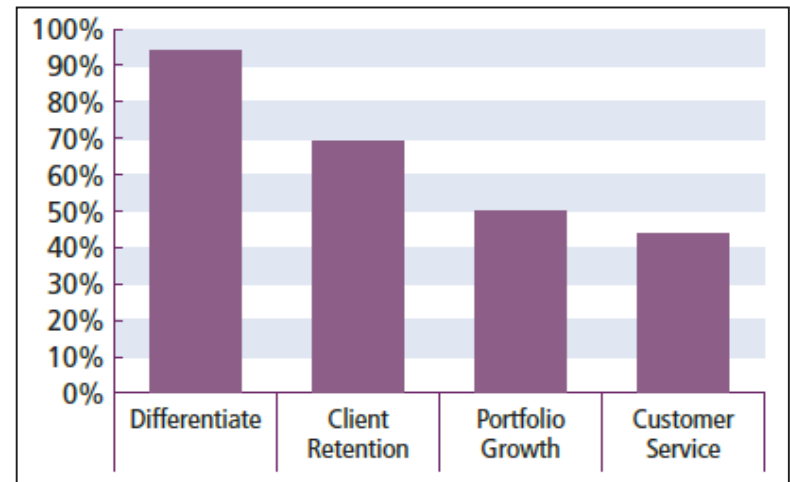
What we will cover

- Rationale and Motivation for Non-Financial Services (NFS)
- Showcasing TEB as an example for NFS
- Cost & Benefit Analysis and Measuring ROI for Service Offerings

Non-Financial Services (NFS)

- Non-Financial Services are also called business support services or *value added services which compliment the financial offerings of a bank.*
- Banks offer NFS to differentiate among competitors, expand their customer reach, improve business management practices of MSMEs and increase their profitability, turning them into more attractive clients who tend to stay with the same bank when the bank's NFS offerings meet their needs for business support.

Main reasons why banks are offering Non-Financial Services:



Source: Why Banks in Emerging Markets Increasingly Providing Non-financial Services to Small and Medium Enterprises, IFC.2011 [sample includes 21 banks in Emerging Markets]

Main Areas of Non-Financial Advisory Support

Information Dissemination

- Web-based / online platforms and toolkits
- Call centers
- Publications related to various industries, economic condition of target export markets etc.
- TV /radio/ print media

Capacity Development

- Organization of training workshops / seminars on:
 - (physical-online-mobile-blended)
- Business planning
- Financial management
- Accounting
- Taxation
- Trade & Export
- Policies & regulations
- Government schemes
- Sales & Marketing

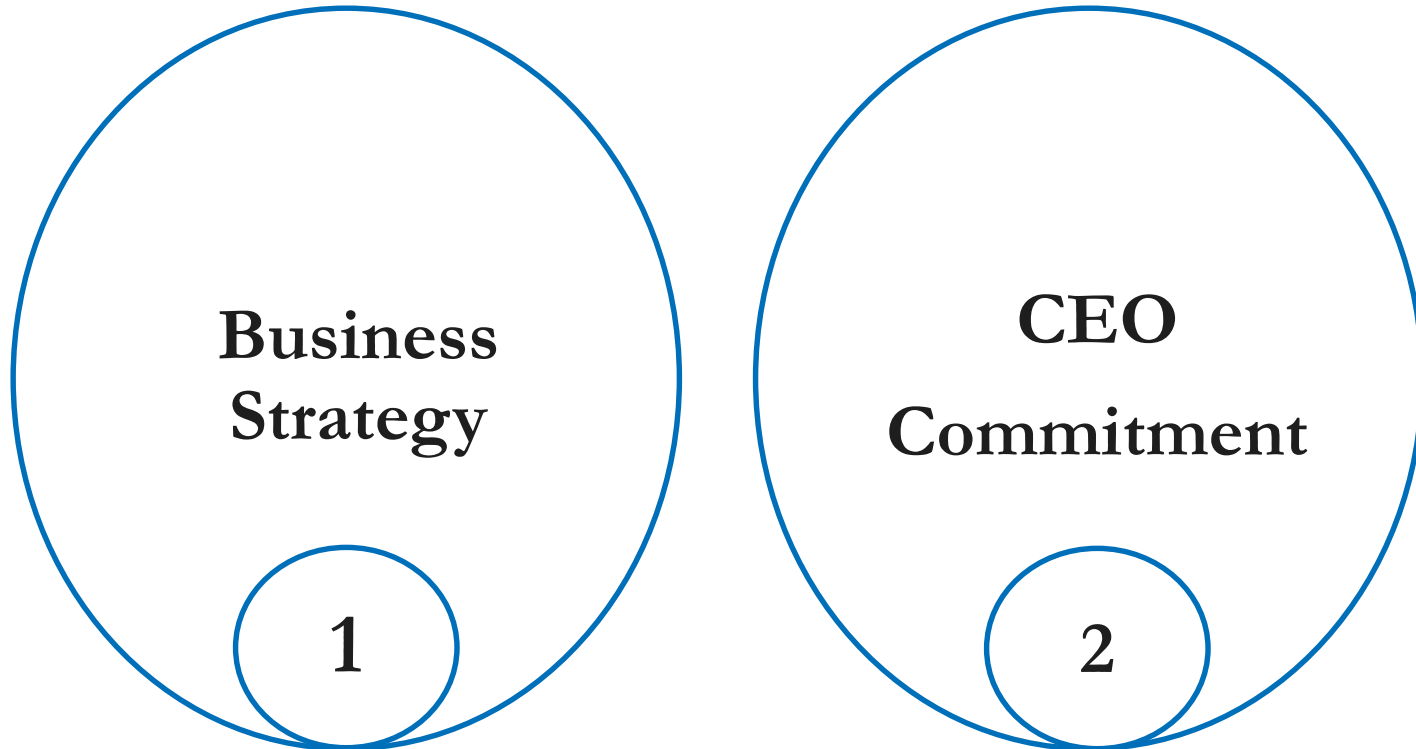
Consulting / Mentoring

- Advice by in-house and/or outsourced consultants/mentors on
 - Business (e. i .business plan)
 - Operational
 - Financial (e. i. account management, tax)

Networking

- Trade fairs / SME expos
- Road shows
- Discounted buying
- Business Clubs/SME Clubs
- Excellence awards

Prerequisites for NFS



Planning & Strategy Design & Implementation

Year 2004

- Weak brand awareness among SMEs about TEB
- Narrow branch network (~ 85 branches)
- Comparatively late comer in the SME market
- Competition was based on «price»

Key Challenges



- Differentiation among competitors
- Portfolio Growth & New Customer Acquisition

Rationale



- SME Team with branch oriented backgrounds
- Feedbacks from RMs
- Site visits to SMEs
- Close relations w/state institutions supporting SMEs

Demand



3 Gaps

- Lack of knowledge about business management
- Access to technology
- Access to R&D

TEB SME / Women Banking Motto

“Change the rules of the game and become ‘the Consultant Bank’ of our clients”

Information Dissemination

- SME Hotline
444 0 667
(Women Specific Lines)
- SME TV
 - Ask the Expert
 - Data screen to monitor fin. markets
 - Translation platform
 - **Women Channel**

Capacity Development

- SME Academy
 - Business planning
 - Marketing & sales
 - Foreign Trade
- **Women Academy**
 - Leadership(Lion Kings)
 - Strategic Planning

Consulting / Mentoring

- SME Consultants Program
- **Cherie Blair Foundation**

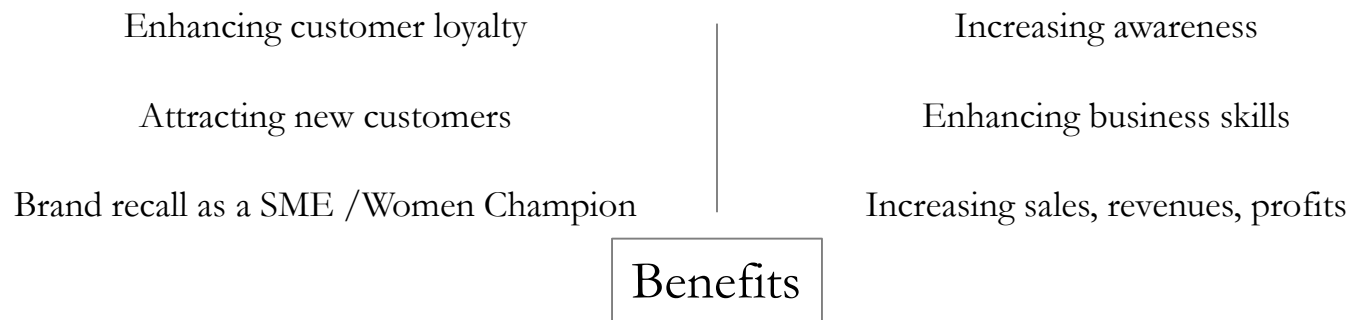
Networking

- SME Club
- **WEConnect**

TEB SME Academy

- Rationale**
- Increase business management skills of SMEs for local and global competition
 - New customer acquisition & deepen the current relation
- Method**
- Lectures by PhDs : Tax / Global Competition
 - Interactive workshops : Business Strategy / Marketing & Sales / Foreign Trade

47 cities
91 seminars
24.000 participants
4.500 new clients

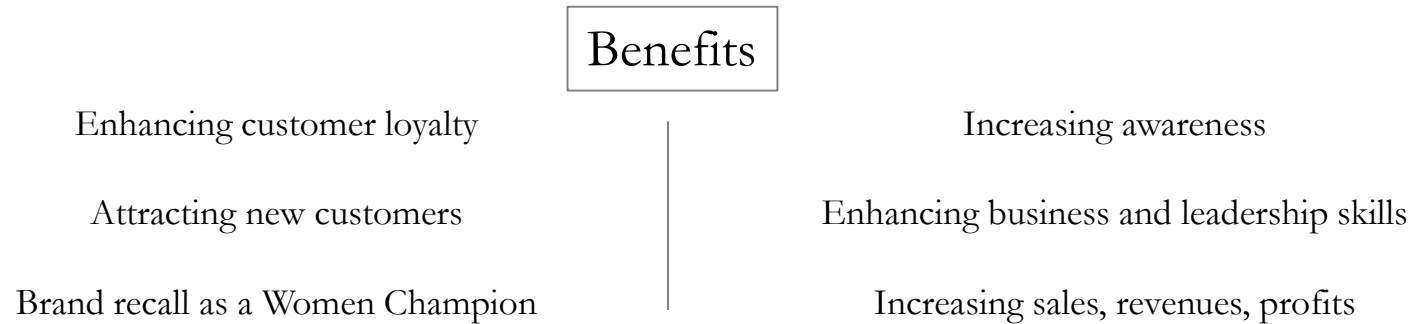


TEB Women Academy



- Rationale**
- Increase leadership and business management skills of women owned SMEs
 - New customer acquisition & deepen current relationships

- Method**
- Inspiring Speeches by Successful Business Women
 - Interactive workshops : Business Strategy / Leadership





teblekadin
tebkobi

TEB SME TV (tebkobitv.com)

Rationale

- Ease access for technology and increase knowledge about business skills
- Brand recall as a SME / Women champion in the market

Method

- Video on Demand (VOD) internet television
- Apps for members

7,500 videos

150.000 members

4.5M visitors/yearly

20M visitors/8 years

Women Channel



Ask the Experts



SME Lingo



LiveFinance



SME Support Line (444 0 667)

- Rationale**
- SME / Women access to information services
 - New customer acquisition & deepen current relationships

**A free-of-charge line that provides
24/7 information and assistance services
to TEB SME / Women Clients**

150-200 calls/month

Assistance Services

- Translation Services
- International Travel Organizations
- Assistant services
- Supplying Temporary Office Materials (Laptop, projection machine, etc.)

Information Services

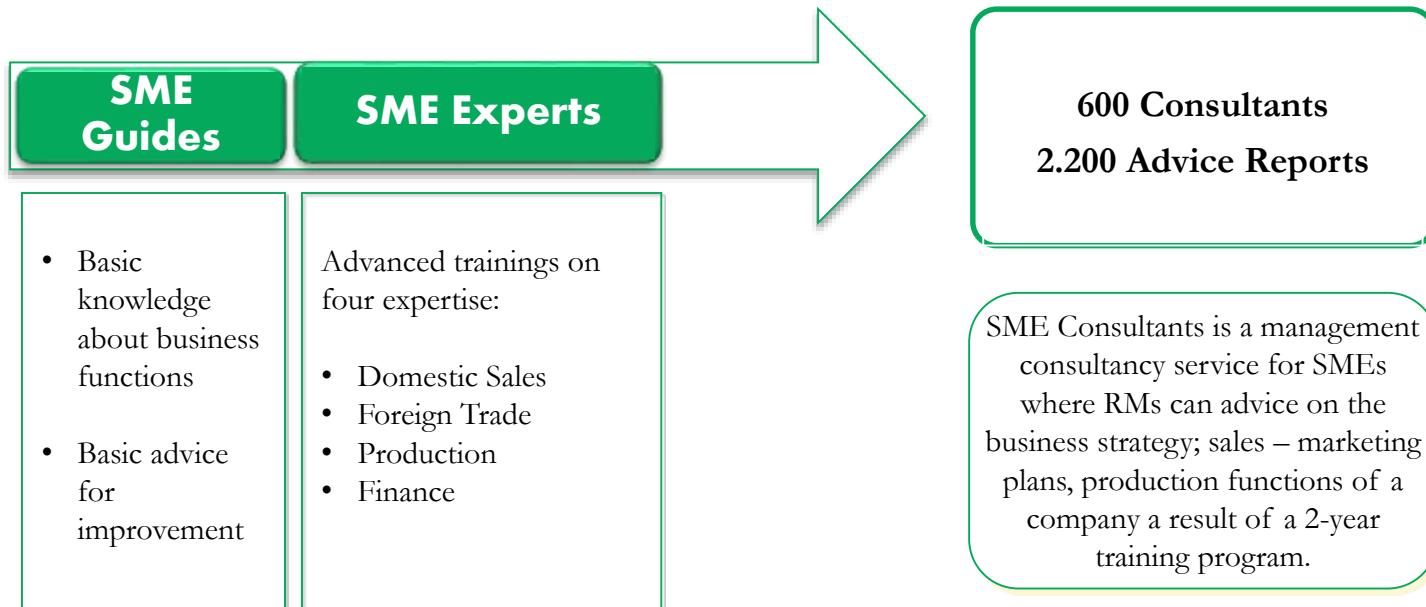
- Line for Legislation on Foreign Trade
- Line for Customs Legislation
- Line for EU Funds
- Line for Tax and Audit
- Line for Corporate Social Responsibility
- Line for Quality
- Line for Gold
- Line for Agriculture
- Line for Employers
- Line for National & International fairs
- Line for Trainings for SMEs
- Line for Leasing
- Line for Insurance
- **Line for Women**



TEB SME Consultants

- Rationale**
- Increase business management skills of SMEs
 - New customer acquisition & deepen the current relation

- Method**
- RM trainings for 2 years
 - Advice delivery by an assessment tool
 - Certified by a Turkish University



TEB SME Club



Rationale

- Increase networking skills of SMEs
- New customer acquisition & deepen the current relation & fee generation

Method

- Discounted buying via the platform

Benefits

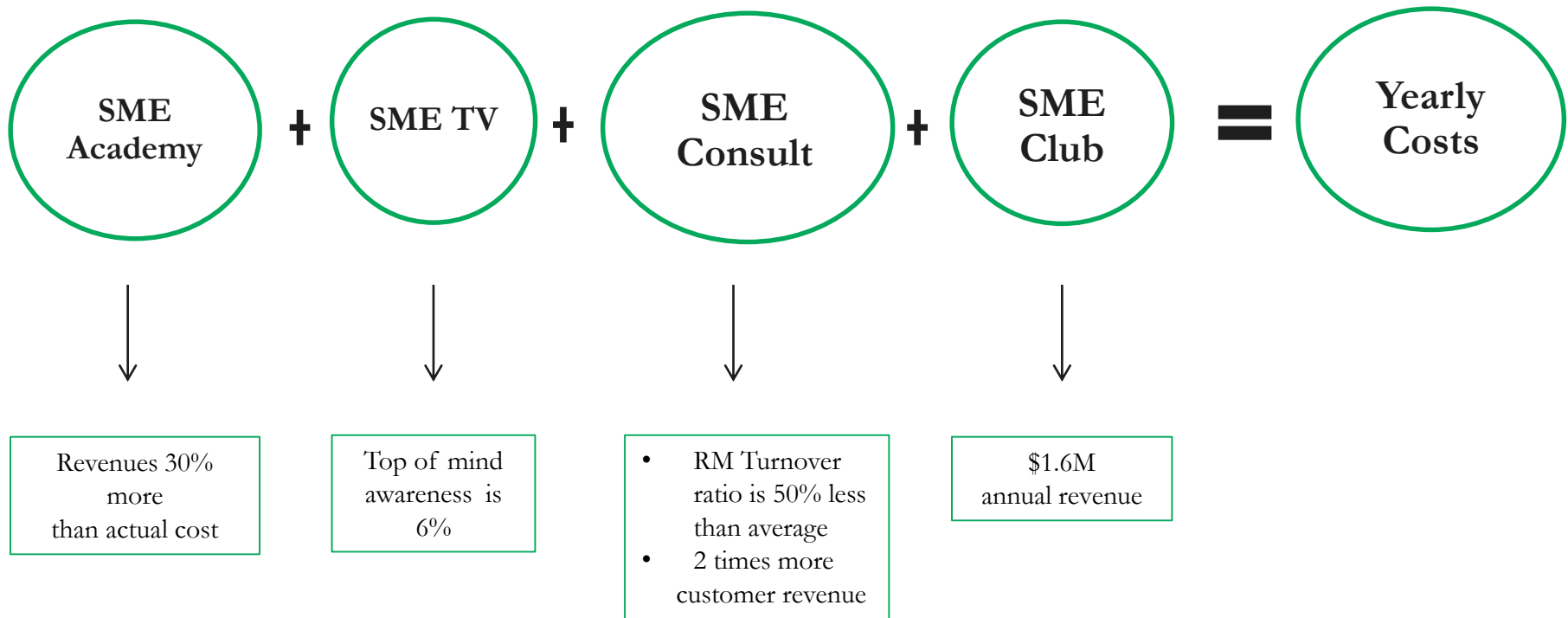
- SMEs benefit from attractive discounts up to 50% from the most reputable companies AND can save \$10.000 average/year
- Corporate firms find an easy access for reaching SMEs
- TEB enhances customer loyalty and generates revenue(\$100 annual fee/member)

45 partners
16.000 members
\$1.6M yearly fee



A platform bridging SMEs and corporate firms
at the point of purchase with discounts up to 50 %

ROI



1 TVC for 2 weeks run: \$2.5M

Summary

- ✓ Be patient, be a fighter... Digestion takes time
- ✓ Analyze the demand, the competitors, and your internal capacity
- ✓ It is good to be 2-3 years ahead of the market expectations but not 7-10 years
- ✓ Include as many people as you can so that everybody buys-in from the first day
- ✓ Sustain good financial results in order to sustain NFS
- ✓ Use relevant metrics, KPIs to measure the ROI based on your business strategy.
- ✓ Include your 'heart' when thinking as a banker. NFS is about touching the feelings of the clients.

TEB SME Banking is shown as a model to the world...

IFC Case Study: Best SME Bank in the world...



We are members of the global organizations

Global Banking
Alliance



Clinton Global
Initiative



QUESTIONS?

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