



Small Enterprise Assistance Funds

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Beyond Investment – Supporting Small Businesses

For over twenty years, SEAF has provided promising small and medium enterprises (SMEs) in emerging markets with affordable growth capital essential to the expansion of their businesses and the sustainable development of their communities. Throughout these partnerships, SEAF has recognized that access to financing alone is insufficient to support the competitive growth of SMEs. For that reason, SEAF provides each of its portfolio companies (PCs) with the custom post-investment technical assistance (TA), training, and networking they need to succeed in challenging environments.

This assistance comes in various forms, from expert counseling on industry best practices to the installation of and training in advanced management and accounting software. In addition, SEAF's vast networking channels add further value to its PCs, connecting SMEs to domestic and international markets and partners. Regardless of the type of assistance, SEAF has seen that this support accelerates the growth of its companies, maximizing both financial and development returns.

EDUCATION & TRAINING

SEAF provides its PCs with custom training designed to strengthen local management and improve operational capacity.

NETWORK DEVELOPMENT

In an ever-globalizing world, SEAF recognizes that a growing business must extend its network of partners and customers beyond its borders to remain competitive. SEAF helps its PCs foster these global relationships through its extensive international network of consumers, suppliers, and financiers.



SEAF's PC Sunshine Export – Produce processor and exporter – Peru

SOURCES OF TECHNICAL ASSISTANCE

Entrepreneurs in emerging markets often lack the resources to access and afford the TA programs and networks they need. Together with its partners, SEAF helps these businesses grow competitively by providing domestic and international business assistance through three primary sources:

- **Investment Teams:** SEAF's investment teams provide in-depth market knowledge, insight, and experience to entrepreneurs with whom we partner.
- **Experienced and Specialized Industry Experts:** Tapping into our vast network, SEAF uses the extensive experience and resources of external experts to provide industry-specific technical assistance.
- **Center for Entrepreneurship and Executive Development:** A SEAF sponsored and founded entrepreneurship program, CEED offers peer-to-peer learning environments in eight countries across Central and Eastern Europe.



SEAF's PC Harirod Construction – Construction materials producer – Afghanistan

EXAMPLES OF BUSINESS SUPPORT

- Develop business & marketing plans
- Institute effective corporate governance mechanisms
- Provide market research & analysis
- Establish financial controls
- Identify and improve operations & cost efficiency
- Provide accounting evaluation & assistance
- Train management & staff
- Develop international network of partners & customer
- Assist in accessing additional financing

Case Study – Danco, Blue Waters Growth Fund, Hanoi, Vietnam

Danco is the first company in Vietnam to build a professional sports equipment retail chain. Despite its first-mover advantage, when SEAF began negotiations with Danco in 2009, the company lacked a formalized pricing strategy, suffered from negative gross margins on primary products, and experienced price inconsistencies from suppliers that caused unfair internal competition among retailers. To address these problems, SEAF helped the company review and compare the sales performance and profitability of its complete product portfolio. The company then revised its portfolio and price strategy to focus on high performing products with minimum margin benchmarks. In addition, SEAF assisted Danco in negotiations with its suppliers to set company-wide price standards for all its products, eliminating unnecessary inter-store pricing competition. These changes showed immediate results. Between Q1 2009 and Q1 2010, sales grew 67% and gross margins increased from 5.9% to 16.5 percent. "We do not simply benefit from the growth finance from SEAF," Danco's CEO Mr. Dang Xuan Kha said of the partnership, "its technical assistance program helped to sharpen the strategy and improve operational efficiency of the company." To assist the company's continued growth, SEAF is currently working with Danco to install a company-wide database system to track inventory and evaluate product and store performance.



Case Study – Gomex, South Balkan Fund, Zrenjanin, Serbia



After SEAF invested in Gomex, a grocery store chain, in 2007, employment nearly doubled and the company grew from 16 stores in 2007 to 45 in 2009. From the time of investment to 2009, Gomex experienced an average annual revenue growth rate of 22.5%. To assist in this rapid expansion, SEAF recruited specialized industry experts to provide training to employees across all organizational levels. Gomex's middle and senior management staff received training in customer relations, management, finance, human resources, taxes, and inventory management. Store managers attended workshops on quality of service, customer loyalty, and merchandising. SEAF assisted Gomex in the selection of a new information management system to improve overall operational efficiency. To improve industry competitiveness, operational standards, and financial efficiency, SEAF organized a visit to a Dutch supermarket chain for Gomex's senior management and a visit to Gomex stores by the CEO of SPAR Poland, one of the world's largest food store chains, who gave advice on store layout, cost management, merchandising, and expansion planning.

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Case Study – Center for Entrepreneurship and Executive Development

CEED is a community of high-expectation entrepreneurs providing the know-how and networks needed to drive businesses forward. CEED provides entrepreneurs with sophisticated, yet practical training and connections to finance and new markets. SEAF established CEED, with support from USAID and FMO, in 2005. Since then, CEED has reached 10,000 SME owners and executives through network learning events, provided peer training to over 2,500 entrepreneurs on global industry best practices, and assisted these members in their efforts to access affordable growth capital. Through demand-driven programs, CEED centers ensure the sustainable and competitive growth of these SMEs. CEED recognizes the key role of social capital and trusted networks in building a viable entrepreneur ecosystem. Entrepreneurs need know-how and access to financing supplemented by well-established and trusted networks that go beyond their borders. Based in Washington, D.C., CEED operates eight centers across the Balkans in Bulgaria, Kosovo, Macedonia, Montenegro, Poland, Romania, Serbia and Slovenia and is actively pursuing opportunities to launch centers in new markets.



Small Enterprise Assistance Funds (SEAF) is...

...an investment management group that provides growth capital and business assistance to small and medium enterprises (SMEs) in emerging and transition markets underserved by traditional sources of capital. Through its network of offices around the world, SEAF invests in entrepreneurs to build successful businesses, realizing both attractive returns for its investors and a measurable development impact in local communities.

SEAF NUMBERS (December 2010)

Number of Funds since Inception:	28
Number of Offices:	21
Total Number of Personnel:	146
Number of Countries where SEAF has Invested since Inception:	22
Capital Committed since Inception:	\$609 M
Invested Capital since Inception:	\$378 M
Number of Investments since Inception:	338
Number of Exits since Inception:	178

FOR MORE INFORMATION ON SEAF AND ITS FUNDS IN EMERGING MARKETS, PLEASE VISIT: WWW.SEAF.COM

Small Enterprise Assistance Funds • 1050 17th Street N.W., Suite 1150, Washington, D.C., 20036 • (202) 737-8463 • To contact our international offices, please visit www.seaf.com