

2002

# ANNUAL REPORT

Jamaica Business Development Corporation



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## MISSION STATEMENT

Jamaica Business Development Center promotes the creation and sustainable development of the micro, small and medium businesses in Jamaica.

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## **CORPORATE PROFILE**

The Jamaica Business Development Center is a Government owned Limited Liability Company that has been mandated to lead the process of the development of the Productive sector with special emphasis on the micro, small and medium sized enterprises.

At the core of the Center's efforts is a broad based capacity building programme focused on assisting members of the large informal sector to become participants in the formal business sector. Included in this, is providing Technical support to design and develop their products and services to internationally competitive standard.

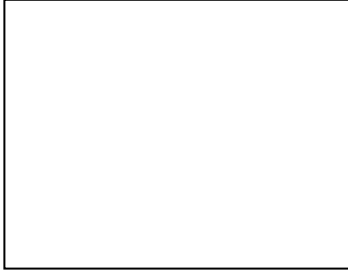
Central to the mission of JBDC is to assist client in the creation of wealth through their efforts. The Center has designed implemented a number of projects that focused on identifying new and lucrative uses for indigenous materials that were once regarded as waste. These materials, in the hands of skilled local artisans have been transformed into a collection of authentic Jamaican products in a number of product categories.

In a bid to achieve the mandate and to support the guidance of the Government's National Industrial Policy (NIP), JBDC has embarked on a number of partnerships with both private and public sector agencies and institutions. This is to ensure that the JBDC client is effectively linked with all relevant resources available in the system.

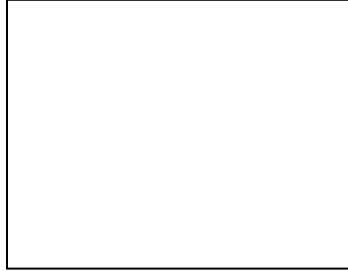
This is embodied in the question consistently asked by JBDC – “How can we help you”.

**ANNUAL REPORT 2002 – 2003**

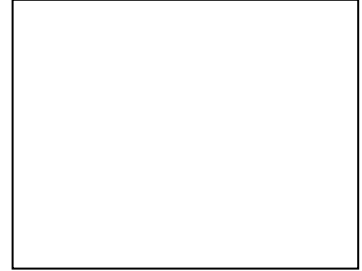
**BOARD OF DIRECTORS**



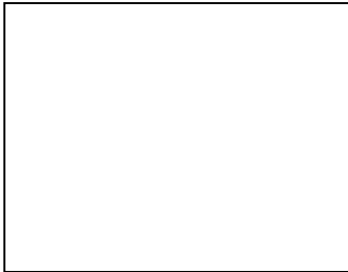
Doreen Frankson  
*Chairman*



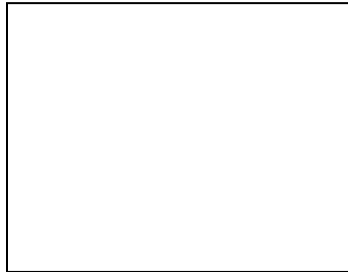
Valerie Veira  
*Chief Executive Officer*



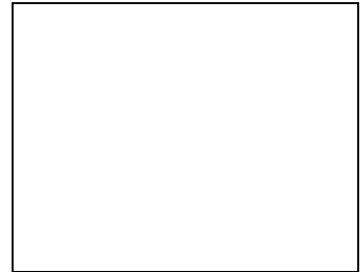
Herman Athias



Keith Goodison



Raymond Miles Jr.



Nancy McLean



Pauline Findlay

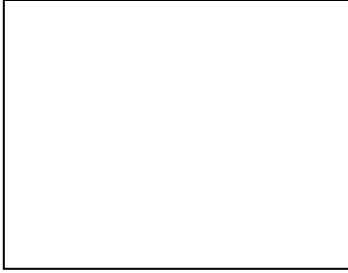


Claudine Allen

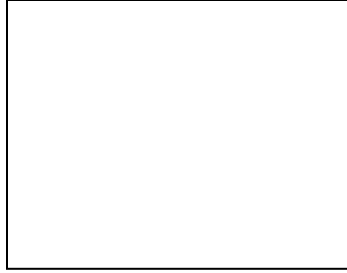


Bevon Morrison

**BOARD OF DIRECTORS**



Beverly Rose-Forbes



Pamella McLean

**CHAIRMAN'S MESSAGE**

Facing challenges is not new for the Jamaica Business Development Centre. This year has not been different in this respect. However, on reflection it is indeed encouraging that we can report that in partnership with international and local agencies, the company was able to manage the process to the benefit of the clients. Out of these situations many innovative business ideas have evolved.

As the JBDC continues to implement its mandate of harnessing all the relevant resources for the economic development of the country, we will continue to strengthen the links with our partners; we will continue to develop programmes, which will enhance the income of our clients and impact positively on the national economy. One such programme, has been highlighted for special focus is the development of the uniform component of the Fashion Industry. The Centre in collaboration with the Jamaica Manufacturers' Association is strengthening their joint capacity to provide the required support to these clients.

The Board is committed to continue guiding and supporting the staff of JBDC in their work. We are committed to assist in forging new partnerships and alliances to expand and strengthen the capacity of the company.

On behalf of my fellow Directors, I extend appreciation for the contribution of Ms. Valerie Veira, Chief Executive Officer and the staff during the period. Their resilience and creativity in the most challenging situations have been outstanding.

As a team, we move forward in the New Year with confidence.

Doreen Frankson

## **CHIEF EXECUTIVE OFFICER'S MESSAGE**

Jamaica Business Development Center feels a deep sense of pride and accomplishment in presenting our annual report for the period 2001/2002. Again, the organization has had a challenging but rewarding year of activities as we sought to accomplish the mandate of the organization, which is to promote and develop the sustainability and competitiveness of the local micro, small and medium enterprises.

During the year under review, the organization remained focussed in achieving its core objectives of:

- ❑ Promoting authentic Jamaican products
- ❑ Providing the platform for the creation of new competitive M&SME's
- ❑ Promoting the competitiveness of and the expansion of existing M&SME's
- ❑ Strengthening institutional capacities of JBDC as lead agency and its supportive network

## **METHODOLOGY**

Over the years, various methods were used to assist in the development of micro, small and medium enterprises. The organization continued to develop new approaches to satisfy the needs of our growing clientele as they seek to continue producing goods and services to compete in the wider marketplace. One such approach, The networking Integrated Approach, has been the driving force for the development of our local M&SME's and consist of the following stages:

- ❑ **Exchange**  
At this level different classifications of M&SME are networked to promote mutual understanding, exchange product ideas and unearth ways to address common constraints affecting the sector and to identify areas of possible collaboration.
- ❑ **Product/Service Development**  
In this stage, JBDC experts through a variety of workshops assist Micro & SMEs (existing and prospective) to start working on the



formalization of their businesses and development of new products and services. At the end of this stage based on defined project audit criteria a filtering process takes place and follow up actions are designed

□ **Industrialization**

At this stage the results of the development stage bears fruit and the business growth and commercialization takes place. The main activities include the development of business plan and the offering of products and services commercially. Special emphasis is placed on networking and proposal prepared for loan if required.

□ **Marketing**

At this stage the Micro and SMEs are testing their product's strength against that of competitors and assessing the income generating potential. Main activity includes the participation in trade fairs, expos and other promotional activities.

□ **Self Management**

At this stage JBDC experts stop leading the process and the enterprise takes over. JBDC however, monitors closely for income generation and future investment.

## **OPERATIONS REVIEW**

Blazed by our commitment to the fulfilling of our mandate, and guided by the objectives of the various programmes implemented by the organization, approximately 3510 clients were assisted in the period covered by this report.

The organization continued to position itself as the lead agency in implementing the programmes related to SME development whether funded by the Government of Jamaica or International Agencies.

## **NEW INITIATIVES**

The organization undertook a number of new initiatives. The development of:

- Ornamental Fish
- Ceramics
- Metal Craft
- Banana Fibre Production

The JBDC Team sincerely appreciated the support received from external agencies such as United Nations Development Programme (UNDP), United States Agency for International Development (USAID), European Union (EU) through Trade Development Project – JAMPRO and the Japanese Embassy who has played a significant role in facilitate the implementation of programmes.

The staff has special appreciation for our Board of Directors who have been available as resource for our work and guidance when needed. Our Chairman, Ms. Doreen Frankson continues to walk beside us through the uncharted waters, which the Team often dares to tread. She has shared the dreams, challenge and failures of the Team. Her support has been the wind beneath our sail.

It is the support from all the sources, which gives JBDC the capacity to continue to ask the question “**How can we help you**”.

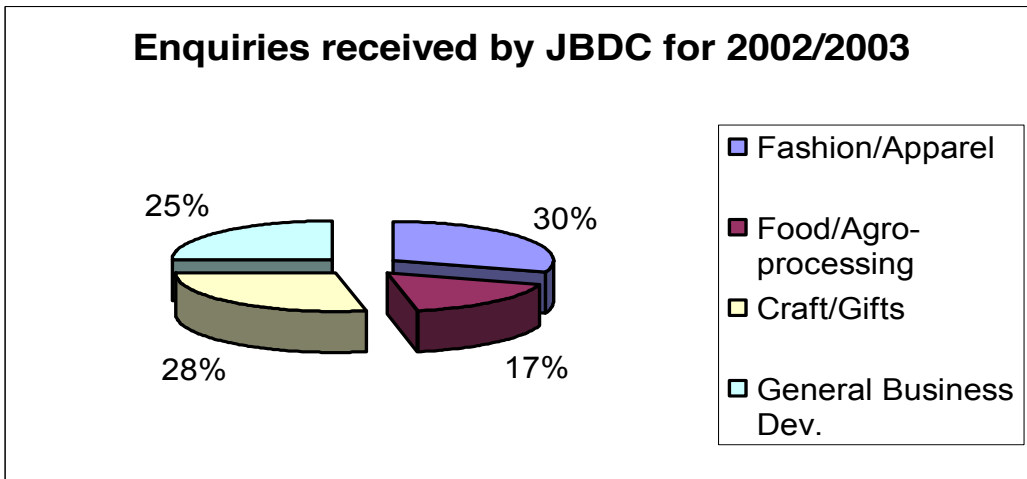
## **BUSINESS ADVISORY SERVICES**

The business advisory services team provides business development assistance to new and existing enterprises. It includes support from concept to market. For the period under review, a total of 3510 persons benefited from JBDC’s intervention. Of this total 1210 were new enquiries or walk-in clients, 1023 were youths between the ages of 19 - 35 and 2300 entities in the parishes of Hanover, Trelawny, St. Ann and Kingston were sensitized to prudent business practices.

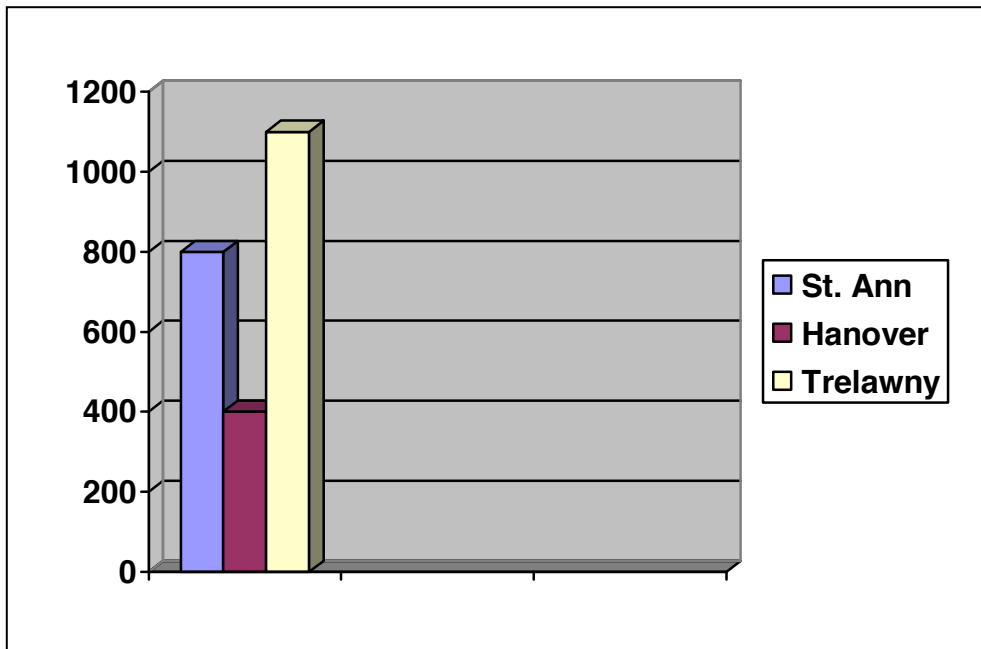
The services offered by the business advisory team includes:

- General Business Advice
- Business Plan Development
- Market Assessment
- Business Training and
- Proposal Writing

The total number of walk-in clients and new enquiries are broken down as follows:



The sensitization sessions held in the parishes are broken down as follows:



In the period ending March 2003, JBDC conducted a total of 35 specialized workshops, 16 training sessions and a total of 12 factories received in plant assistance.

- Innovative Industries Team

For the period 2002/2003 the Innovative Industries Team conducted 6 workshops, and provided in plant assistance to several clients, which is crucial for the development of these enterprises.

The department conducted a number of screening and evaluation sessions for persons bringing in new products. This with an aim to assist our clientele in producing products that were in keeping with new trends and to source merchandise for our Things Jamaican Shops. There were clients who have excellent craftsmen skills but were not producing products that were suitable for today's buyers.

### **New Initiatives**

The EU through its EBAS programme approved a grant of 82,000 Euros (J\$4M) to support the following programmes.

- Assisting the development of the Ceramics Industry focusing on the mold making component
- Developing the dehydration programme for herbs and spices

### **Ceramic Project**



Consultant M. Coventry (right) explaining the process of making ceramic mugs with Mr. A. Vouranis, Technical Advisor and Ms. V. Veira, CEO.

The ceramics workshop was held October 7-18, 2002. Two trainers from the UK, Michael Coventry and mould maker Neil Chadwick instructed 6 persons, including JBDC Product Development officer Rasheda Robinson in mould making techniques, and the production of ceramic mugs and plates using a hand jigger machine.

Integral to the implementation of this project was the preparation of facilities to house the various pieces of

equipment for the workshop. The Dunkirk Business Centre at Albert Street was identified, and the building rehabilitated to accommodate said equipment. A kiln is to be acquired sometime in 2003 and will be installed alongside the other pieces of equipment.

## Dehydration Project



Participants in the dehydration workshop preparing fruits to be dried

Five persons participated in a workshop on dehydration of fruits and flowers that was held in the pilot plant of the Food Technology Institute.

The products from these experiments were presented at a workshop, held on October 24, 2002 at the Scientific Research Council.

## Banana Paper Project

Under the invitation of the Japanese Ministry of Foreign Affairs, two JBDC officers participated in a two-week training workshop in Japan in May 2002, as a part of the Banana Green Gold Project. Since their return, JBDC has further developed the processes involved in papermaking.

A workshop was conducted with a community group from St. Thomas in March. Nine persons participated in this workshop which was held in conjunction with the Jamaica Agricultural Society (JAS), St. Thomas branch.



BY.ND Trainees making banana paper

Five trainees from the BYND project were trained to produce paper for use in product development.

Products developed to date include clocks, trinket boxes, lamps, and lampshades. Prototypes of these products made from banana paper were displayed in the TJ Corporate showroom at Camp Road.

## Metal Craft

JBDC benefited from assistance from the Government of India under a programme to improve the Jamaican foundry industry. Mr. K.K. Tiwari, an Indian consultant has been seconded for a period for four months. During this time there were visits to several foundries to assess the levels of production and techniques being used to make items. Plans for 2003 include workshops as well as the preparation of a work plan.

## Highlights

### ○ Community Project



The building at 3 Albert Street housing the ceramic production unit being renovated

The facility at Dunkirk which houses the ceramic mug and plate production facility was re-furbished through assistance from the Lift Up Jamaica Programme.

JBDC continued to provide business services to the group, introducing a lawyer to provide the group with legal guidance.

- **Semi-precious stone project** - In January a team of officers from JBDC and JAMPRO made a visit to the minerals plant at Harbour Head to ascertain the suitability of the facilities for processing semi-precious stones locally, and the establishment of a resource center.
- **Doll Mold making Workshop** - As part of the programme of development for the doll industry, a ceramic doll mold-making workshop was held at JBDC during July. The 10 participants learned how to make plaster molds as well as how to slip cast porcelain parts for dolls. An exhibition “**Sweet Things**” was presented at Devon House following the workshop, which displayed a range of collector dolls produced locally for the market.
- **Jamaica-Japan Month** - The banana paper project was a part of displays for the Jamaica-Japan Month, held at the UWI in November.

- **JBDC Conference:** For the Conference, demonstrations were made of the Banana fibre process, as well as the making of products from banana paper. The team also displayed samples of products made from banana paper.
- **Kumba Mi Yabba:** Ceramic mugs from the workshop in October were on display at the conference. A mould making demonstration was done by a BY.ND Trainee, attached to one of the participants in the EBAS Ceramics workshop.
- **Production Train:** Participated in the Claremont, St. Ann leg of Production train in November, displaying banana fibre project, as well as initial screening/review of clients' products. Products viewed include jewellery, straw products and home accessories. Among the craft producers in this group, were persons who used to produce for the former Things Jamaican. The greatest needs for members of this group include product development, access to markets, raw materials and financial assistance.

## **Fashion Team**

In pursuing its mandate to develop the Jamaica Apparel Industry through the modernization action plan, the Fashion department of Jamaica Business Development Center embarked on several initiatives throughout the period 2002/2003. Included was the facilitation and promotion of increased competitiveness within the industry through the delivery of technical and marketing assistance.

The team conducted a total of 5 workshops with 203 participants.

## **Highlights**

- An attendance of 170 persons to the fashioning business workshop held during our annual conference
- Our attendance at Fashion Week of the Americas, Metal World, Embroidery Mart Show and Caribbean Gift and Craft Show
- The team developed a fashion directory
- Allocation of machines to community group
- Development of patterns for sleepwear collection

## **Graphics Services Team**

The graphics services department of JBDC is staffed with some of Jamaica's finest graphic artists. The young, vibrant and creative group provides packaging solutions and promotional material to our clients. For the period ending March 2003, the department assisted a total of 42 clients. Of this amount there were 18 repeat clients.

## **Highlights**

- Providing design and packaging solutions for participants in Cariflora Festival
- Designing of all promotional material for Things Jamaican chain
- Designing of quarterly Business Dialogue

## **Consultancy and Projects**

This unit continues to provide support in the development of business plans mainly for the medium and large companies with the ability to pay for the services.

The assessment in terms of viability of companies was fully utilized by agencies such as JAMPRO and financial institutions for clients who have made application to them for assistance.

The team also provides management services for the major programmes being implemented by JBDC. These include:

- **Income Generating Enterprises Project (IGEP)**
- **Building Youths for National Development (BY.ND)**
- **EBAS**

## **Promoting for Development**

The Jamaica Business Development Center in executing its mandate to facilitate the development of the small and medium enterprises sector has staged its annual conference along with a number of trade fairs to assist in



promoting the development of the sector and promoting the products and services produced by our clientele.

### **JBDC Conference**

The Jamaica Business Development Center staged its annual conference on the lawns of Devon House under the theme **Jah Mek Yah Village.Biz**. The conference was opened on December 19<sup>th</sup> – 22<sup>nd</sup>, 2002.

The Honorable Aloun Ndombet Assamba newly appointed Minister of Industry and Tourism was the guest speaker and officially launched the event. The audience was entertained by the rich and cultural music of the Kingston Drummers.

The presentation of innovative, creative and technology driven products displayed at the craft fair highlighted the importance of cottage industry, its contribution to the development of the Jamaican economy and the potential for the expansion of the sector.

There was a presentation of new cottage industries/business opportunities to the patrons at the events. Chief among them were:

- Banana Fibre Paper
- Ceramics
- Solar & Electric Dehydration
- Ornamental Fish
- Youth Enhancement Project
- Things Jamaican Brand
- Fashion Services
- Income Generating Enterprises Project

The demonstrations highlighted the rich prospects of business when an organized, visionary approach is taken. There were approximately 1000 patrons who viewed the demonstration at the conference.

### **Kumba Mi Yabba Craft Fair**

The annual Kumba Mi Yabba Fair was held on December 20<sup>th</sup> – 22<sup>nd</sup>, 2002. The event saw 160 producers displaying innovative and indigenous products of the small business sector in Jamaica. The products included craft and gift

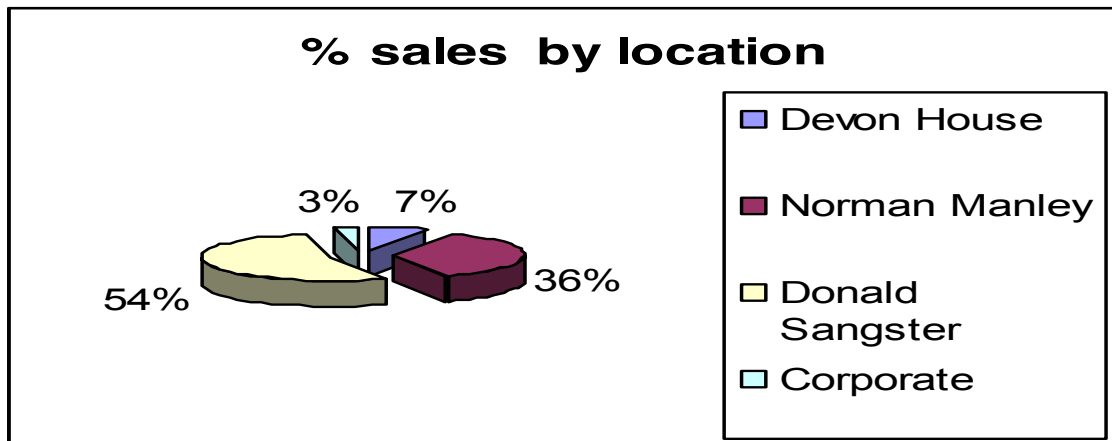
items, fashion, fashion accessories, aromatherapy and food. The event provided our clients the opportunity to:

1. Display and sell their produce
2. Be exposed to policy makers for future dialogue and opportunities
3. Networking with other producers
4. Meet existing and potential buyers

Approximately 2000 persons visited the event over the three-day period.

### **Retail and Merchandising Team**

The Things Jamaican chain, which markets authentic Jamaican craft-n-gift items, has continued on its profitable path in 2002/2003. For the period in review, the chain recorded sales of J\$ 21.1 million, an increase of (---) over the \$J (0000) achieved for the corresponding period during 2001/2002.



For the period 2002/2003 the merchandising department has screened a total of 156 clients. Of this number 21 were new clients supplying a range of 63 new products. The average earnings per vendor currently stand at \$68,133 up from (000) in 2001/2002.

The period saw the launch of Things Jamaican Corporate gift shop located at the main office. The Team has started a corporate club, which currently has 75 members.

## **SPECIAL PROJECTS**

The organization has been implementing a number of projects and programmes supported by the Government of Jamaica and other external agencies.

- **Income Generating Enterprises Project**

The Income Generating Enterprises Project, which is funded by the United Nations Development Project and the Government of Jamaica, has been significantly contributing to the development of economic enterprises within the communities of Woodside, St. Mary and Trench town in Kingston. It has as its main objective, the development and demonstration of a model to provide business support services for sustainable income generating enterprises.

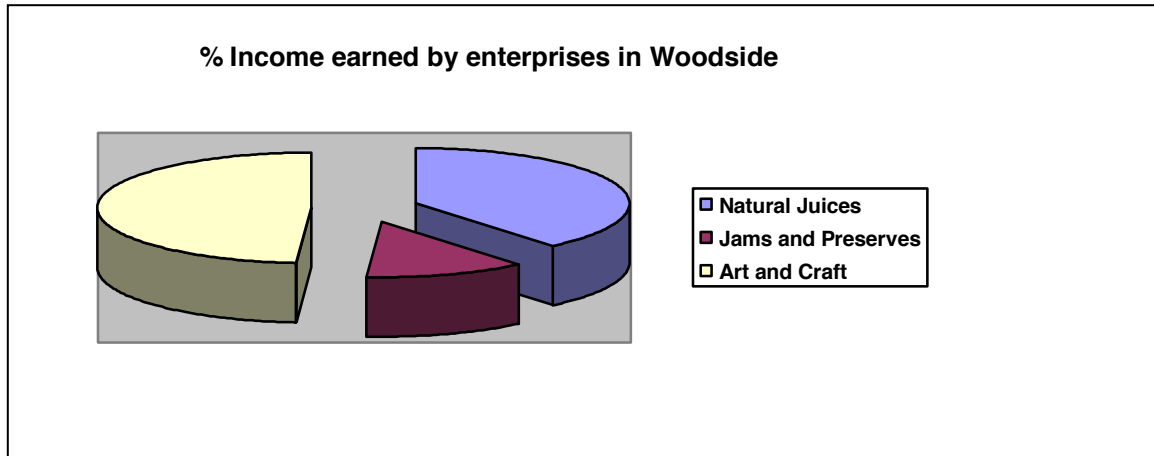
For the period under review the Team has completed a total of 6 specialized business development workshops. The project currently has a total of 28 beneficiaries spanning both communities.

The community of Woodside has benefited from the business and technical support services offered by the Center through the project. The enterprises operating in the community are natural juices under the Daddy Rock brand, jams and preserves under the Mary Ann Drew's brand, the women's organic farming group and the craft group producing exquisite home accessories, wicker and straw products.

The team commissioned the designing and construction of the cane juice machine that will increase the capacity of the group to produce the well-accepted cane juice. The machine was designed and constructed by the owner of a small machine shop.

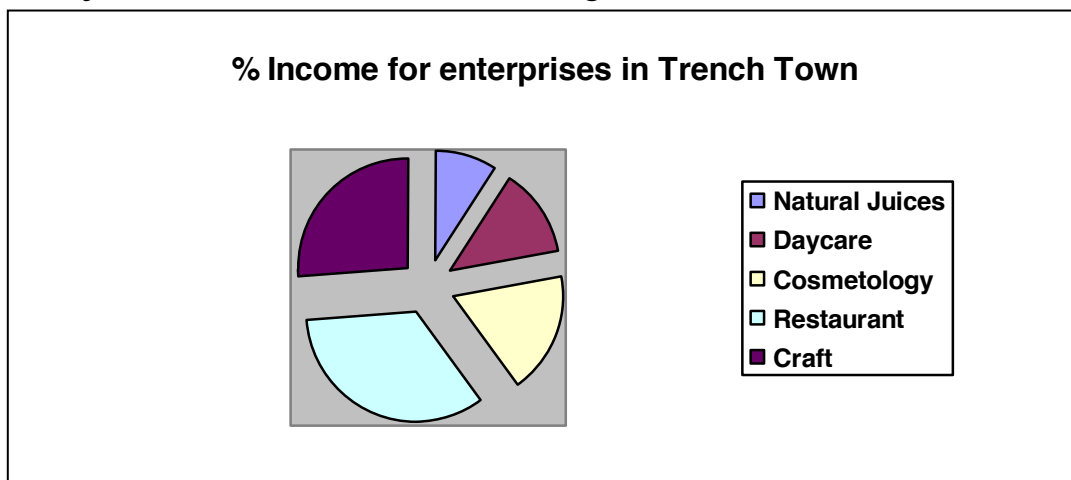
The operators of the enterprises were all cottage industries operating from home. It was the view of the team, to build a production facility in the community to house all the different enterprises. As a result two forty-foot containers are being refurbished to facilitate this space. The complex will house an office space; a shop displaying all products produced by the members of the community and storage and production space for the juice, jams and preserves sewn products and organic farming groups.

The enterprises in Woodside collectively generated profits of \$208,880. The art and craft group contributed 49% of the total followed by natural juices at 39% and jams and preserves contributing 12%.



The community of Trench Town marred by the periodic insurgence of violence is a prime feeding ground for economic development. The team has identified 5 enterprises as beneficiaries of the project. The entities are Paulo King’s producing natural juices, Arnette Gardens Daycare, Natalie’s House of Beauty providing cosmetology services, Garnette restaurant and Beechwood Home and Accessories group.

The project has commenced refurbishing work on a multi-faceted complex in the community, which houses the daycare, restaurant, beauty salon and natural juice production site. The enterprises in Trench Town collectively generated a profit of \$796,059. The restaurant accounted for 34%, followed by the craft group at Beechwood at 26% and the daycare, cosmetology and natural juices accounted for the remaining 40%.

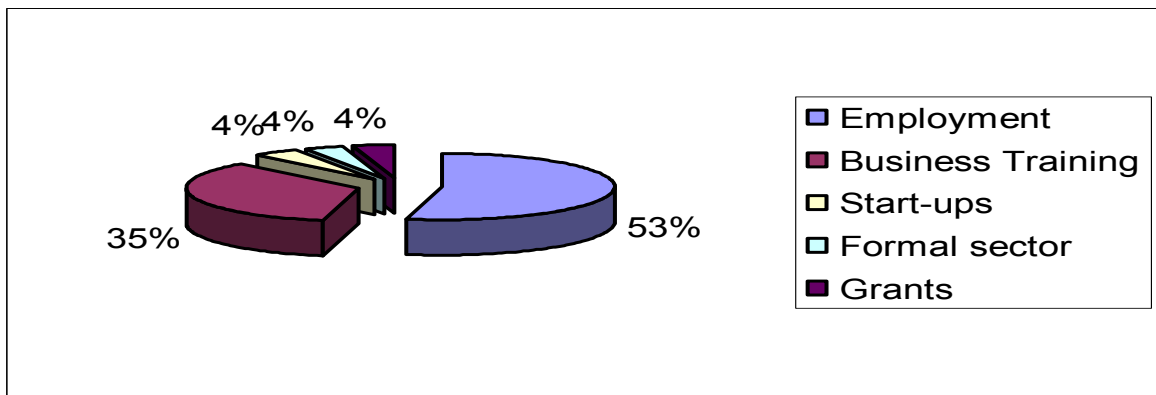


- **Building Youths for National Development (BY.ND)**

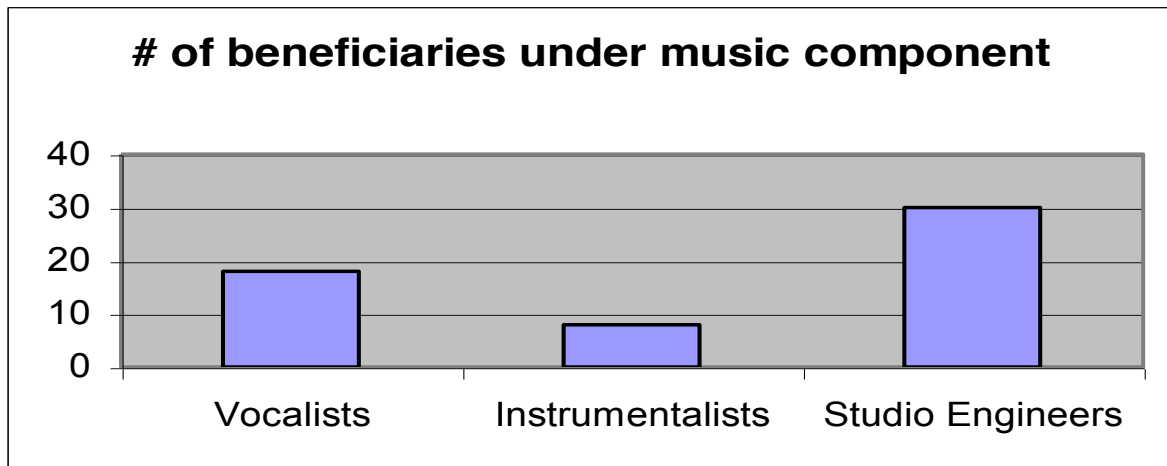
The BY.ND project was projected to be implemented over a period of nine (9) months. However, upon recommendations by JBDC the programme was extended to two years with a budget of J\$ 50 million.

The main objectives of the programme are to provide work experience for 1500 Jamaican youths between the ages of 19-29, train 500 youths in basic business management skills ready to start a small business and facilitate sustainable employment and or self-employment of 1500 young Jamaicans.

Since inception of the programme a total of 1023 youths were placed on internship. Of this amount, 365 received employment. 237 participated in the business development training workshops and 30 new businesses were formed. The programme has assisted 26 existing business to become apart of the formal sector. 26 businesses received grants under the programme to facilitate further development of their enterprises.



The music component of the programme was launched on ( ). A total of 56 persons were registered. Of the amount 30 were trained as studio engineers, 18 as vocalists and 8 as instrumentalists.



- **Banana Fibre Project**

The Banana Fibre project is one, which seeks to utilise cheap, readily available raw material to create 100% authentic Jamaican products. The main objectives of this project is to provide sustained economic activity to community groups in the M&SME's sector through the promotion of productive activity, with the aim of improving their living conditions. The main vehicle that will used to achieve this output is the development of Cottage Industries.

The project has conducted three workshops in the parishes of St. Thomas, St. Mary. A total of 32 persons were trained in fibre extraction and techniques in papermaking. A range of products including clocks and lampshades has been developed and marketed under the brand name "Eco Time". It is anticipated that further work will be done to fine tune the development of this industry. JBDC is anticipating the arrival of two Japanese volunteers in early 2004 to assist in sharpening local skills in dye making and paper handicraft.

- **Ceramics**

The profile of the ceramic industry suggests that it is unstructured. It comprises of a number of small enterprises operating individually and focused on mainly on producing artistic pieces rather than functional items.

JBDC has been able to establish a production and resource center in Albert Street in Franklin Town. Through collaboration with the Lift Up Jamaica Programme an old building in the community was renovated to house this center.

Mr. Colin Porter, an Industrial Engineer at the organization attended the Ceramitec in Munich, Germany. This is one of the largest ceramic shows worldwide. The information and skills gathered will be used to assist our clients in developing the industry.

JBDC anticipates that production will increase in 2004 with the acquisition of a kiln. Moulds are being developed to facilitate this process.

- **Metal Craft**

The metal craft industry has been dormant for some time. JBDC through assistance from the Indian Government has been able to assist the remaining players to revitalise the industry. The organization is currently working on formulating a programme and developing a work plan to improve the structure of the local foundry industry.

A series of workshops were conducted with a total of nine persons in attendance. The areas of focus were metal working processes, casting defects and causes, foundry management, cost reduction/profitability improvement, new product development and marketing.

The Government of India's External Affairs International Technical and Economic Cooperation Foundation Programme, has provided a resource person to assist in the development of the industry. A workplan has been developed for implementation over the next two years. It is anticipated that the local foundry operators will benefit from hands-on technical assistance as well as the development of new products.

- **Ornamental Fish Industry**

The ornamental fish industry has been one of those areas where a lot of potential exist but was not adequately utilized. The ornamental fish project undertaken by JBDC seeks to bring awareness to this new business idea. The main aim of the project when it was conceptualized was to develop three model farm in Kingston, St. Andrew and St. Mary. Based on the

overwhelming response to this new opportunity the aim now is to develop and promote the development of the ornamental fish industry as an alternate source of employment and income generation to farmers.

The project has as its main objectives:

1. The development of business opportunity profiles
2. Memorandum of understanding between the major stakeholders for the development of the industry
3. Provision of basic training for new entrants in ornamental fish husbandry
4. Develop and promote the accessory opportunities such as food, medicine, aquariums and farm set-up

The team has made significant strides in promoting this industry. A demonstration model was established at the corporate office of JBDC. The main aim is to show what is achievable and that a cottage type model is viable.

### **Social Outreach Programme**

The Center and its staff continued to assist several worthy causes in the wider society. The Center has adopted the

## **CONCLUSION**



**AUDITORS' REPORT**

**BALANCE SHEET**

**STATEMENT OF CASH FLOW**

**NOTES to the FINANCIAL STATEMENT**