



Egyptian Executives Go Back to School

Helmy Abouliesh, General Manager of SEKEM, Inc., was asked to answer the following: What makes a globally competitive firm? Abouliesh helped to answer this question as part of a new executive education program in Egypt.

The growth of the Egyptian labor force far exceeds the demand. Of the 896,000 new entrants to the labor force each year in Egypt, a little less than 300,000 will find work. Furthermore, weak business management capability was identified as a key constraint to Egypt's competitiveness by the World Economic Forum. Employment growth depends upon a business community that can compete globally.

In January 2005 when the new World Trade Organization rules take effect, Egyptian producers such as SEKEM stand to lose sales of up to 50% or more. New trends in world markets for apparel will be particularly hard on small and medium businesses. SEKEM needed to raise its performance to global standards for production, quality, and service or risk dire consequences.

Abouliesh, who serves on USAID's Management Development Initiative (MDI) advisory board, learned current business techniques and tools to improve his firm's ability to compete globally. MDI helped him to implement new performance measurement systems such as the balanced scorecard, invest \$2 million in advanced technology, create an employee feedback system and implement a strategic planning system to better focus SEKEM's core competencies.



Photo: SEKEM

New jobs are one result of USAID's initiative to help small and medium-sized businesses in Egypt.

USAID designed MDI as a catalyst for the private sector by introducing state-of-the art tools and concepts, as well as training to help small and medium-sized businesses compete on the global stage. The training programs draw upon the expertise of leading business schools, consulting organizations, and successful businesses in Egypt which recognize that the country depends on a private sector that is equipped with skills for the global marketplace.

Because MDI focuses on senior decision-makers, the tools and concepts learned can immediately be put into practice. Another important success factor of the training programs is that it targets leaders, such as Abouliesh, who already are attuned to the need for adapting more competitive business practices. These leaders represent a strong force for implementing true change not just in their organizations, but across their industry as well.

"Industry analysis, strategic management, and the impact of globalization on business were of invaluable importance to my organization's development. 50% sales growth in domestic and export sales, 200 new jobs, and better profitability are only some of the results from the past two years."

- Helmy Abouliesh, General Manager of SEKEM, Inc.

The MDI program helped Abouliesh increase his company's output of sewing by 50%, and exports of its organic textiles reach 90%. The company is meeting annual growth targets of 35-40% and generating hundreds of new jobs.

Other participating firms in Egypt have also been impacted and have cited more than 500 new jobs, an increase in exports by 200%, an increase in production by 76%, an increase in export share revenue of 65% and an increase in total sales by 75%. Another result was the creation of The National Competitiveness Council to mobilize the business community to advocate ways to improve Egypt's competitiveness.

Success Story

