

# The Prince's Youth Business International

## Global Youth Enterprise Conference

15 September 2008

Washington, DC



# 1. The Challenges

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## *Unemployment – ‘the tip of the iceberg’*

- Youth account for 43.7% of world’s unemployed
- Halving it would add 4.4% - 7% to global GDP
- There are over 300 million ‘working poor’ youth
- Youth tend to have a greater share of precarious and temporary jobs with low pay
- 500 million are expected to join the global workforce in the next 10 years - the majority of those are in regions with low employment opportunity

## 2. The opportunities

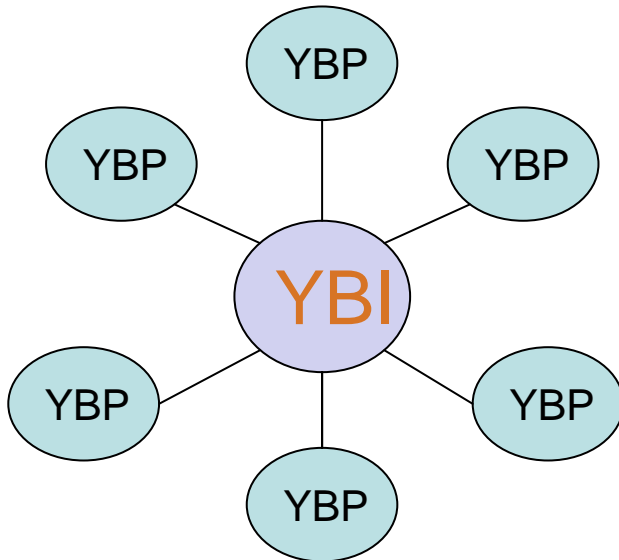
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### *The Opportunity!*

- Over 80% of new jobs are in SMEs
- Globally 85% of new businesses are started up in family
- 20% of young people have the potential to become entrepreneurs, but less than 5% are able to

*For those without the opportunity, the YBI Network replicates the in-family approach with loan capital and volunteer business mentoring*

### *The YBI Network*



#### **YBI**

- Is a network organisation for 38 Youth Business Programmes (YBPs)

#### **YBPs**

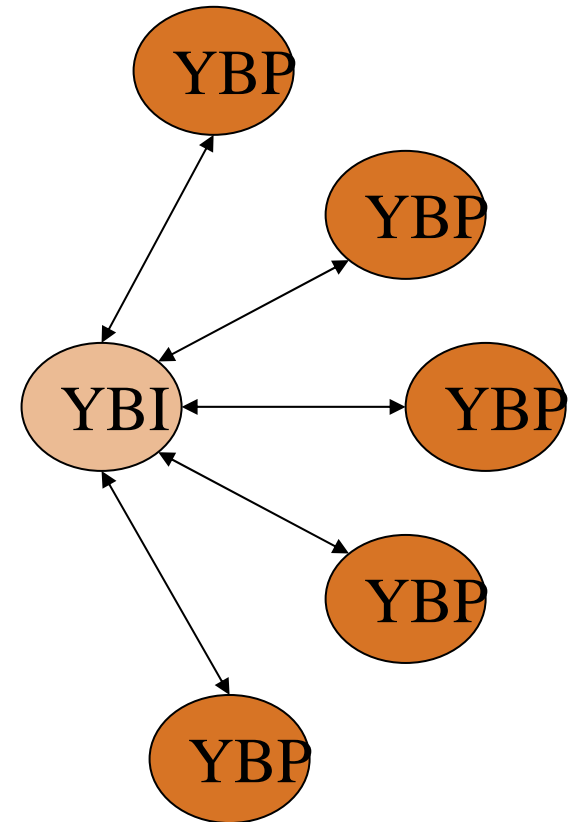
- Local independent organisations
- Work with young people (aged 18-35), who want to start up a new business but cannot access help from elsewhere
- Provide access to start-up loan funding with no collateral / security required
- Provide a volunteer business mentor

### 3. The YBI Network

## Programme Overview - Local Engagement

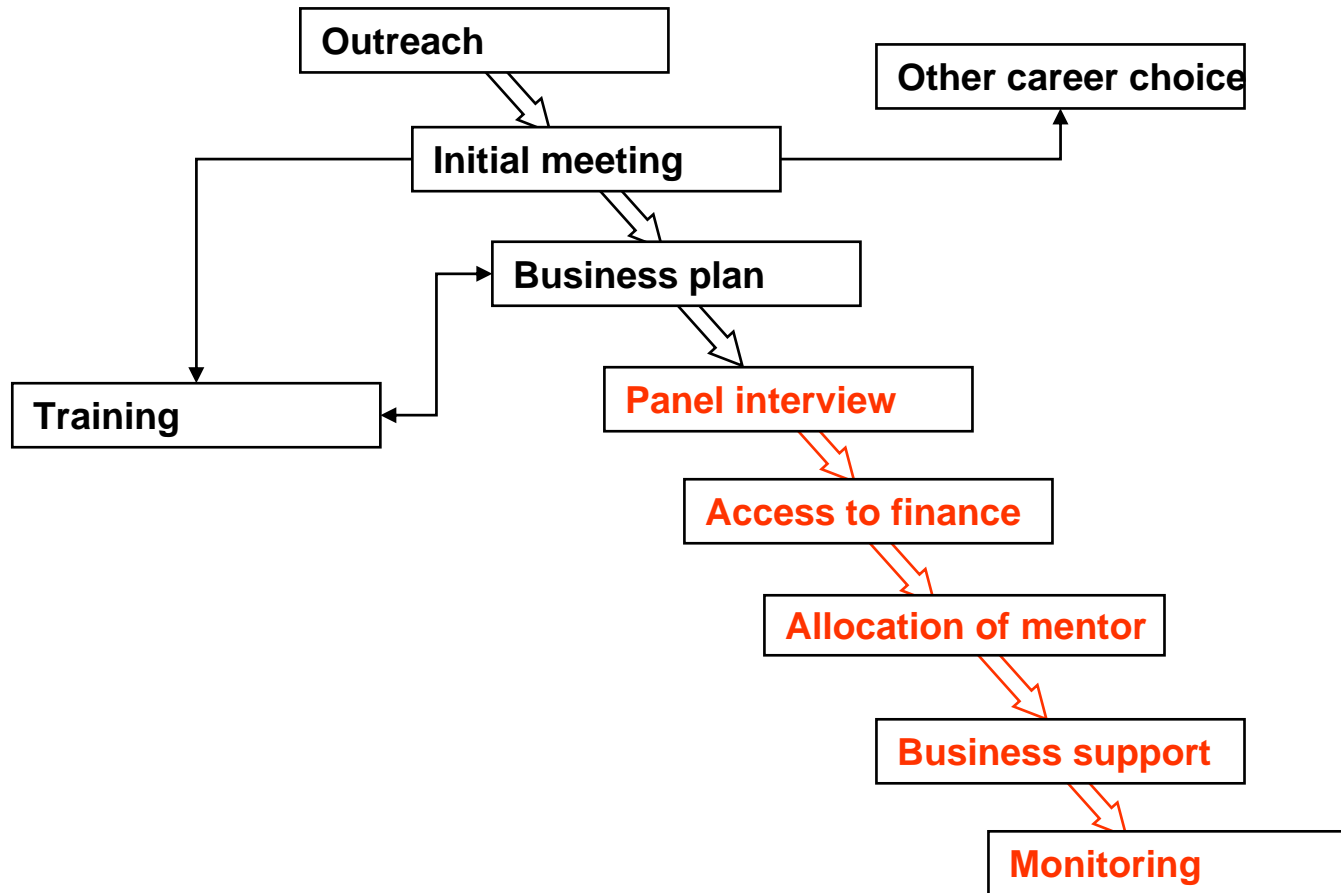
*YBI promotes the programmes, each YBP is essentially **a combination of a credit institution and a mentoring programme.***

- Sourcing young entrepreneurs
- Evaluating business plans
- Sourcing mentors
- Making loans
- Monitoring business development
- Loan repayment oversight
- Providing specialist business expertise
- Locally sourcing operational and loan funds



### 3. The YBI Network

## YBP process flow



- M.D.G. # 8: Develop a Global Partnership for Development  
Target # 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth

YBI holds the Youth Entrepreneurship Secretariat for the UN's YEN

- YBI Network creates sustainable (growth) businesses that create employment in challenging environments

YBI operates in some of the poorest countries in the world and only helps those entrepreneurs who do not have the means to help themselves

- YBI Network compliments 'Standard' Microfinance

### YBI

- 18-35 years, 50/50 gender split
- Loan size - \$1,000 - \$15,000
- 'Collateral': Mentoring
- Purpose: Growth Businesses
- Interest rates: Bank Loan rate

### 'Standard' Microfinance

- Generally older and predominantly female
- Loan size - Generally less than \$1,000
- 'Collateral': Peer Group
- Purpose: Variable, mostly Consumer
- Interest rates: Above Bank Loan rate

## 3. The YBI Network

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### Mentoring

- Mentoring is at the heart of the success of YBPs.
- The mentor is a volunteer business person who provides guidance and support to the young entrepreneur during the first 3 years of trading.
- YBPs are led by the local business community who transfer their knowledge and experience providing invaluable support to the young business.
- On average a mentor spends 4 - 5 hours a month with the young entrepreneur

Supporting Youth Entrepreneurship particularly through mentoring is attractive and 'on message' for many large businesses ...

## The Business Case

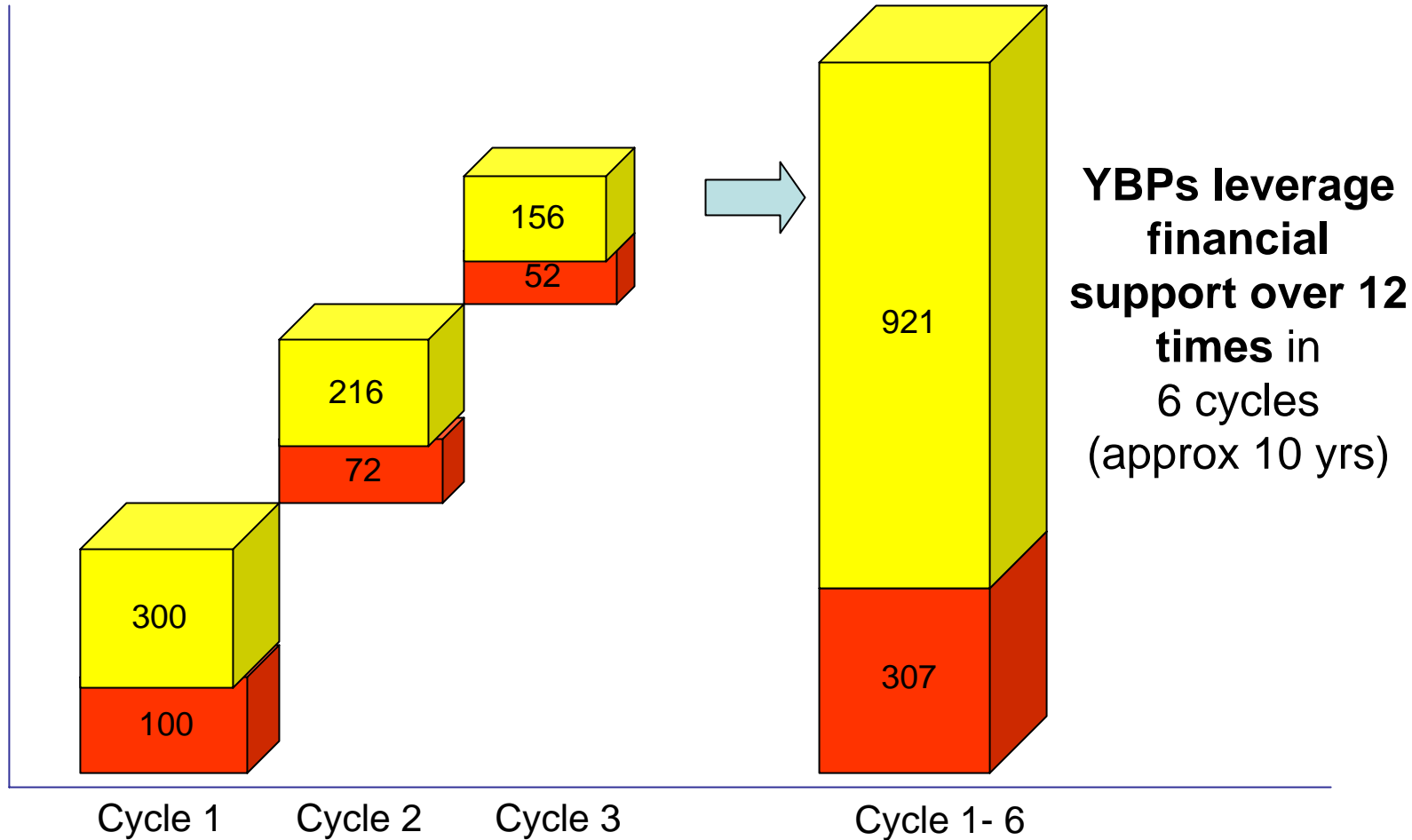
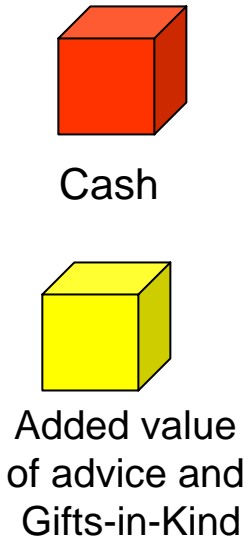
- ✓ Reputation & Brand
- ✓ Employee Motivation
- ✓ License to Operate
- ✓ Competitiveness & Market Positioning

## Key Stakeholder Groups

- ✓ Employees
- ✓ Government Bodies
- ✓ Customers
- ✓ Local Communities

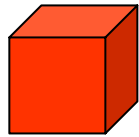
... and tends to have a local catalytic effect

# YBI Value Propositions

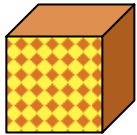


Using YBI Network Avgs.: 72% loan repayment, entrepreneur management costs covered by interest, 3:1 GiK value, 3yr amortizing loans

# YBI Value Propositions



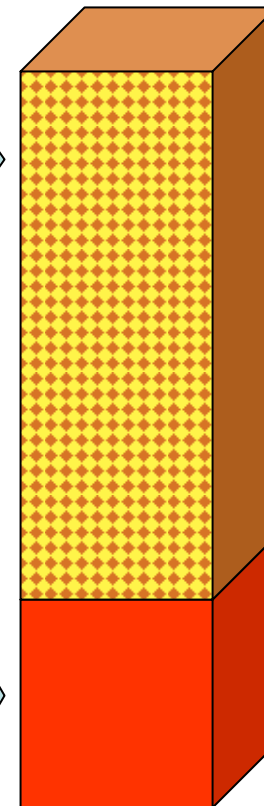
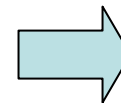
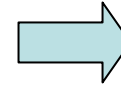
Cash



Added value  
of YBI Network

YBI core provides further leverage through international sourcing of resources, raising program operating efficiency and scaling capabilities

Funds at program level leveraged 12 times over 6 cycles

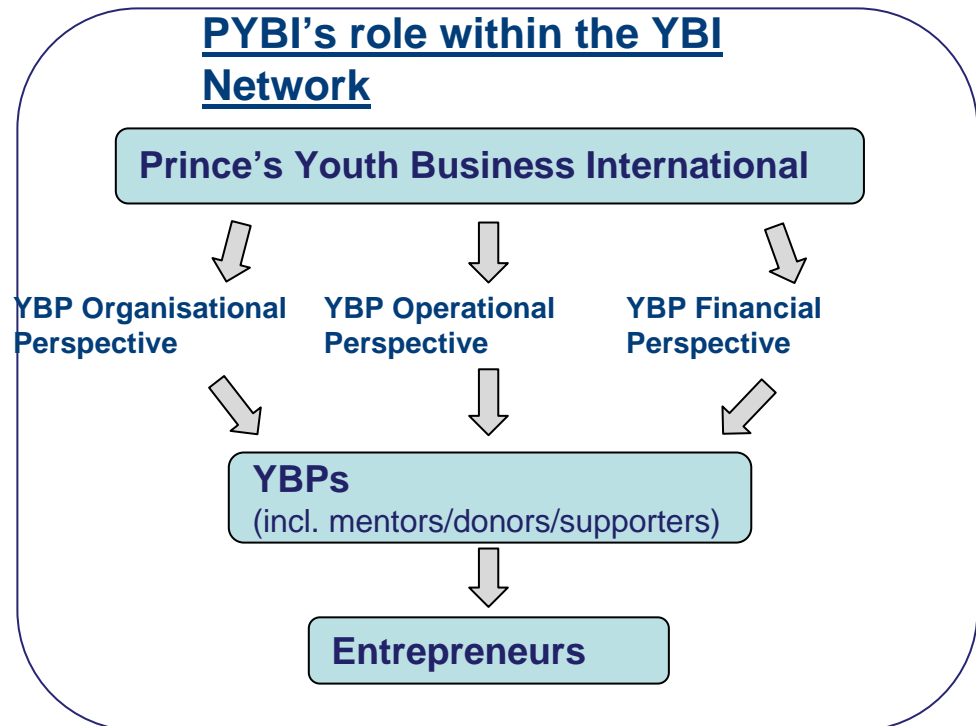


Estimated leverage of > 30 times achieved by investing in YBI

# 1. PYBI: The Opportunity for Leadership

## Network Strategic Goals:

- Support more young entrepreneurs
- Improve success rates of entrepreneurs
- Increase employment opportunities
- Create enabling environment



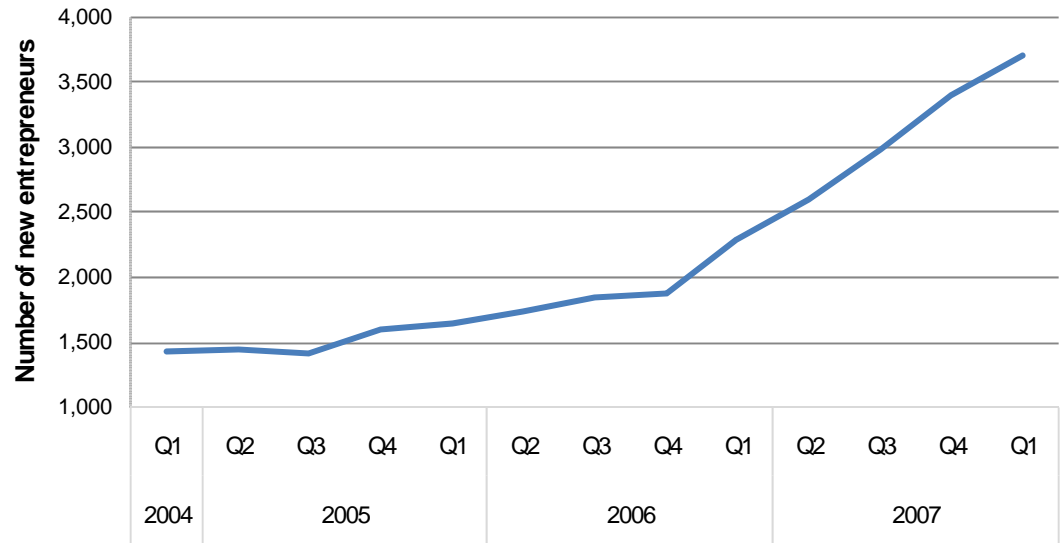
### 3. The YBI Network



#### *The model works!*

- Number of new businesses started in total: 19,330\*
- Current total number of active volunteer business mentors: 5,415\*
- 3 year business sustainability: 72%
- Job creation: 2.6 per business after 3 years
- Average loan: \$5,500 (developing countries approx \$1,800)

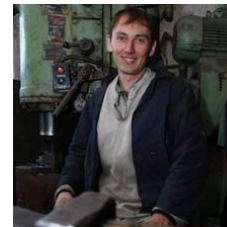
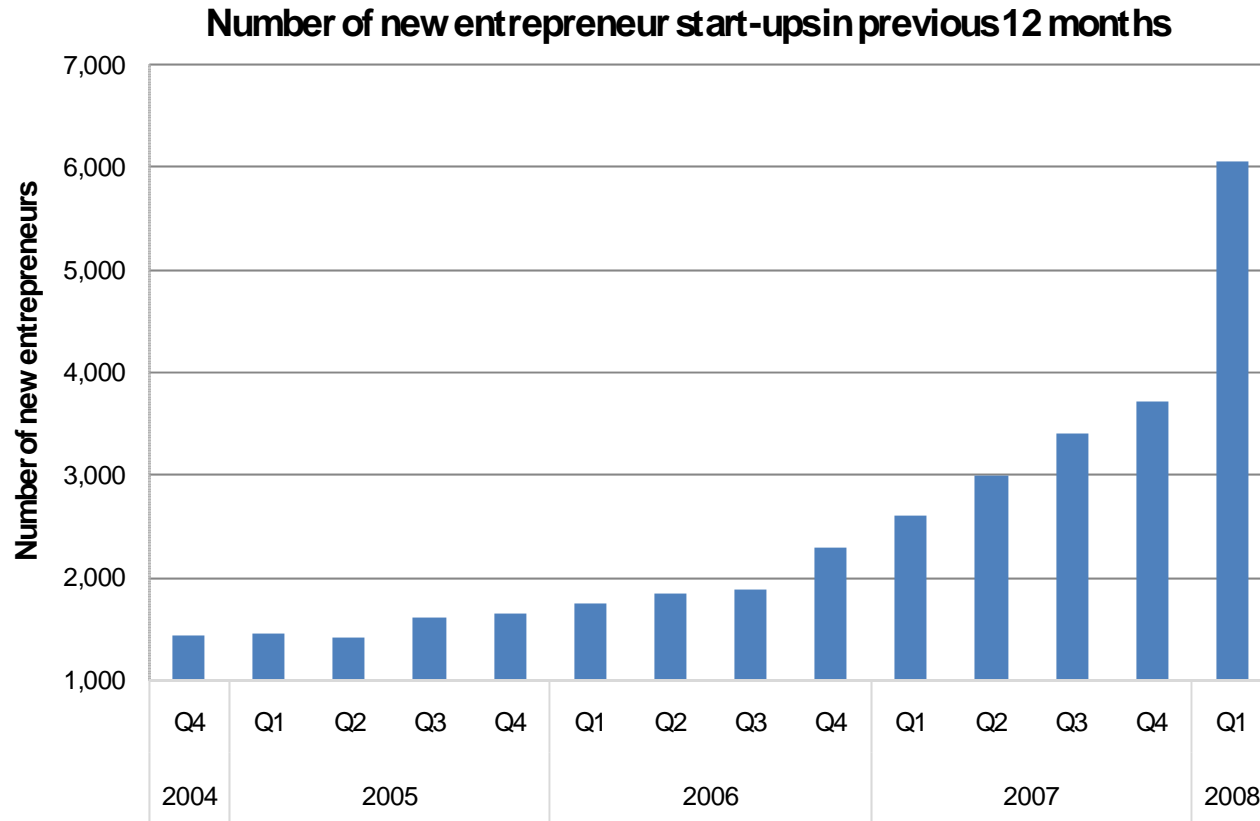
Number of new entrepreneurs start-ups per quarter



N.B. \* =as at 01/10/07 the Prince's Trust joined YBI Network

# 9. Delivering Growth

## The combined efforts of the 38 YBPs!



### *The Evolution of YBI*

- YBI Network's vision is to be the recognised leader in helping young people establish sustainable businesses.
- By 2020 the YBI Network aims to be supporting 100,000 new businesses each year - wholly consistent with 2005 - 2007 annual growth rates.
- By 2020 the YBI Network expects to have directly created over 1 million jobs.



## **Reviving culinary traditions**

**Name:** Abdulhadi Al-Harbi

**Name of Business:** Ottoman Cook

**Location:** Jeddah, Saudi Arabia

**Age:** 34 years old

**Number of Dependents including Children:** 5

**Business Sector:** Food sector

**Description of Business:**  
Provision of a traditional Saudi dining experience; sheep cooked on large, open, rotating grill

**Number of Employees:** 16



**Business Sector:** Agriculture

**Description of Business:** Poultry farming / egg production

**Number of Employees:** 3

**The appliance of science**

**Name:** Elijah Daramola

**Name of Business:** Femdal Farms and Agro Allied Services

**Location:** Lagos State, Nigeria

**Age:** 30

**Number of Dependents including Children:** 0



Growth business

**Name:** Harivijay Kanchan

**Name of Business:** Green Finger Seedling Technology

**Location:** Urlikanchan, India

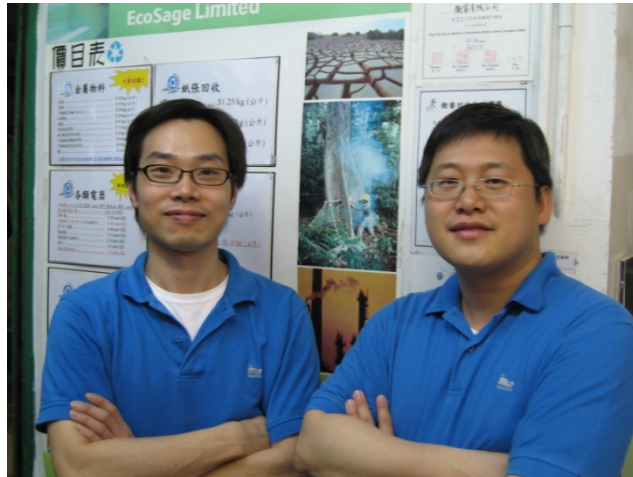
**Age:** 31

**Number of Dependents including Children:** 4

**Business Sector:** Agriculture

**Description of Business:** Production and sale of vegetable and fruit seedlings to famers

**Number of Employees:** 10



**Business Sector:**

Environmental conservation

**Description of Business:**

Collection, separation and processing of recyclable material and marketing and retailing of environmentally friendly products

**Number of Employees: 8**

Green revolution

**Name:** Alex Tam and Felix Chung

**Name of Business:** EcoSage Limited

**Location:** Hong Kong

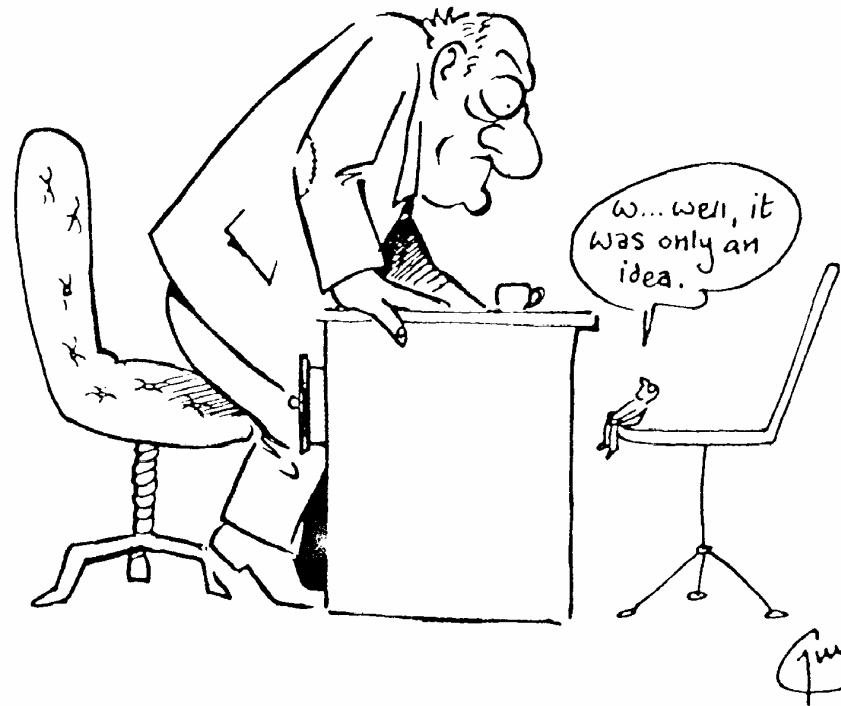
**Age:** 30 (Alex) and 37 (Felix)

**Number of Dependents including children:** 0

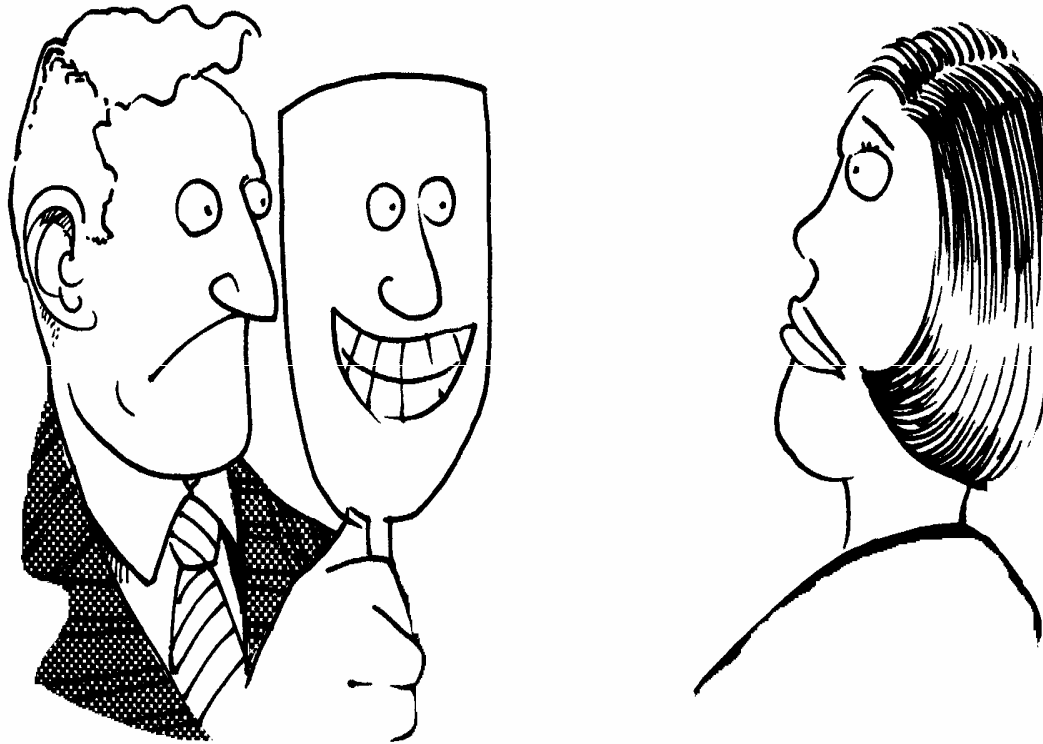
# Building Partnerships

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- Business
- Government
- NGOs
- Communities



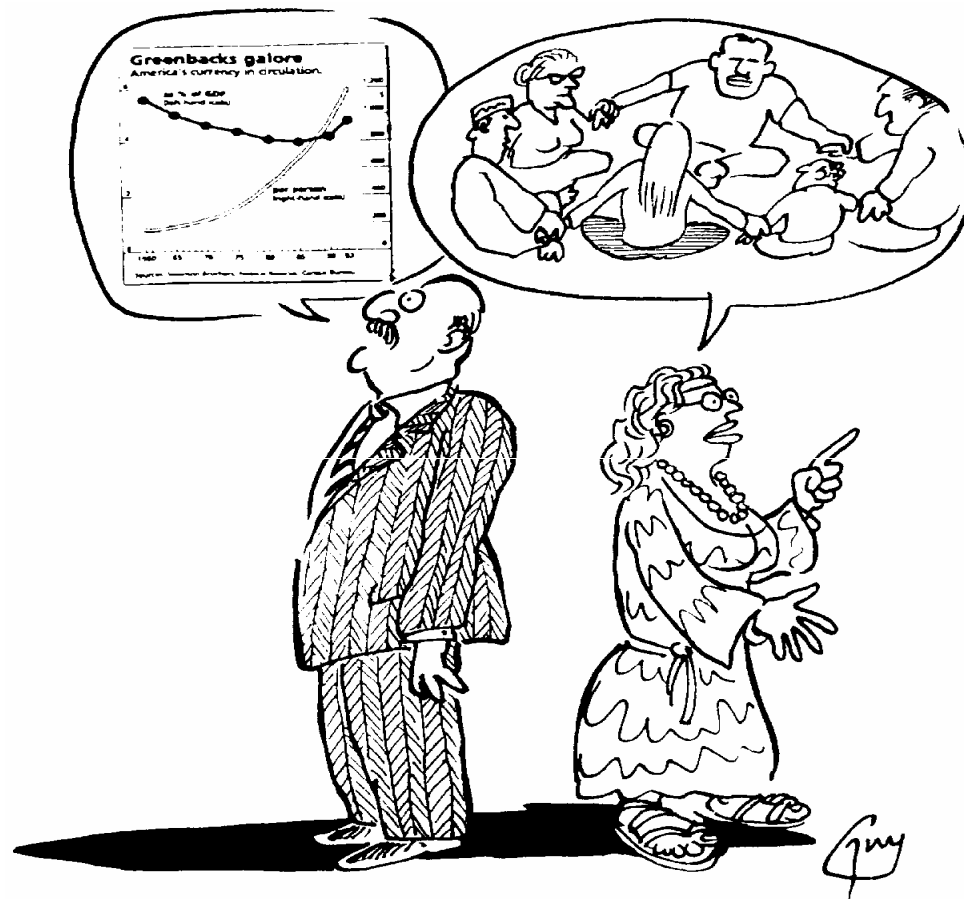
**Equity?**



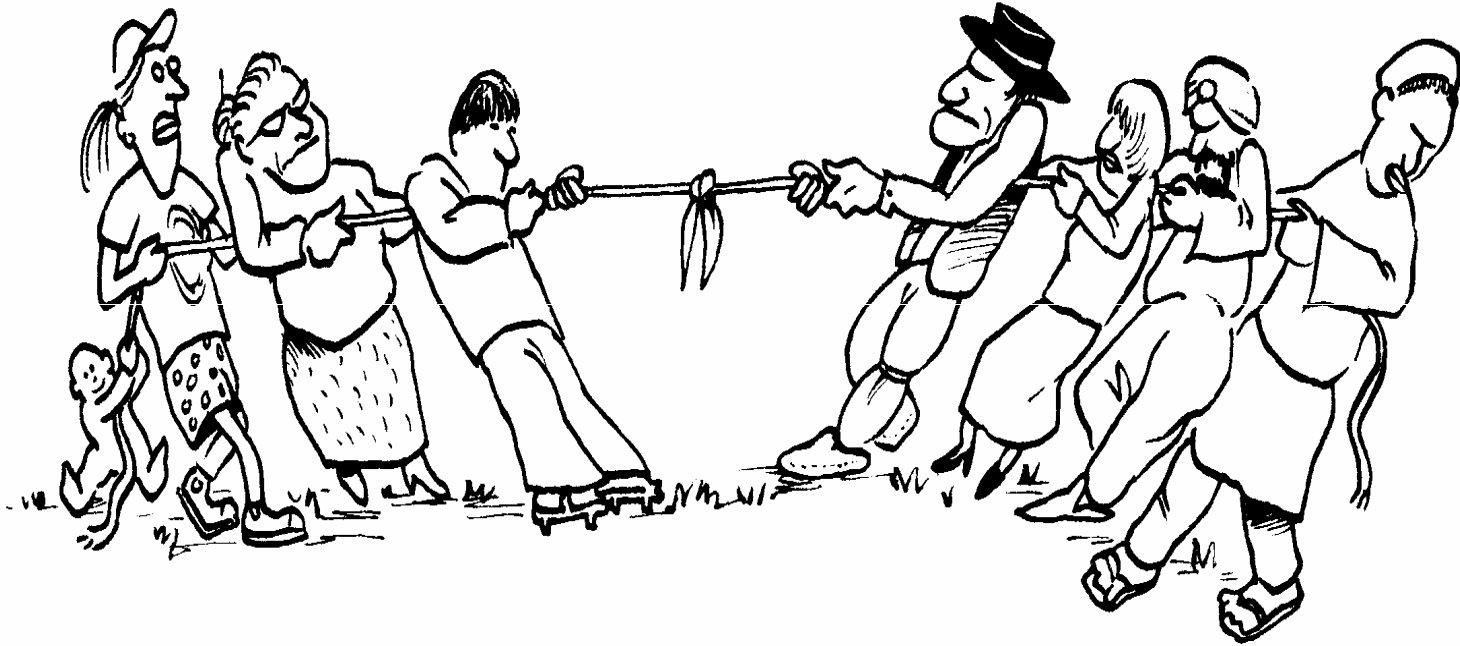
**Transparency?**



**Consultation?**



**Speaking the same language?**



**Mutual Benefit?**

## Accredited YBPs

Argentina  
Australia  
Barbados  
Belize  
Brazil  
Canada  
China  
Colombia  
England & N. Ireland  
Guyana  
Hong Kong  
Hungary  
India  
Israel  
Kenya  
Mauritius  
Mexico  
Nigeria  
Saudi Arabia  
Scotland  
South Africa  
Sri Lanka  
Syria  
Trinidad & Tobago  
Ukraine  
Uruguay

## Pilot YBPs

Bangladesh  
Bolivia  
Hungary  
Indonesia  
Jamaica  
Malaysia  
Nepal  
Philippines  
Poland  
Russia  
Singapore  
Uganda

## Under consideration

Albania  
Bulgaria  
Brazil  
Ghana  
Mauritius  
Pakistan  
Thailand  
USA

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