

## Programme Continues...

Day 3	
09:00 -10:15	<b>MANAGEMENT AND ORGANISATION</b> Experience/skills of Project Sponsor Other Technical Skills Available Other Management and Administration Skills/Experiences Involvement of Project Sponsor in Management of Project
10h15-10h30	<b>Break</b>
10:30-12:30	<b>FINANCIAL VIABILITY</b>  Present Financial Situation of Sponsor/Company; Completeness of Cost Planning <ul style="list-style-type: none"> <li>* Direct Costs</li> <li>* Contingencies</li> <li>* Factory</li> <li>* Overheads</li> </ul>
12:30-13h30	<b>Lunch</b>
13h30-15h00	<ul style="list-style-type: none"> <li>• Administration Overheads</li> <li>• Sales Costs</li> </ul>
15:00-15:15	<b>Break</b>
15:15-17:00	<b>Profit and Loss</b> Cash Flow for Liquidity Planning Sensitivity of Investment Break-even analysis Rate of Return
Day 4	
09:00 -10:15	<b>ECONOMIC AND SOCIAL DESIRABILITY</b> Employment Created Contribution to Foreign Exchange Situation Increased Economic Integration Importance for Special Target Groups Environmental Implications
10h15-10h30	<b>Break</b>
10:30-12:30	<b>SWOT ANALYSIS</b>
12:30-13h30	<b>Lunch</b>
13h30-15h00	<b>CREDIT DECISION AND PROPOSED CREDIT CONDITIONS</b>  Credit Decision Proposed Credit Conditions
15:15-17:00	<b>Securities/Guarantees</b> Post lending Monitoring and Control
Day 5	
09:00 -10:15	Case Study/Credit Appraisal Exercise
10h15-10h30	<b>Break</b>
10:30-12:30	Presentations.
12:30-13h30	<b>CLOSING REMARKS</b>
13h30-15h00	<b>LUNCH</b>

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The SADC DFRC is accredited by the Botswana Qualification Authority as a training provider



The SADC-DFRC is a  
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present

# Credit Risk Management for SMEs



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*Building Partnerships for Economic  
Growth & Development*

3<sup>rd</sup> - 7<sup>th</sup> April 2017

*Sibane Hotel*

Ezulwini. **SWAZILAND**

## Objective

The analysis and assessment of projects, particularly those of Micro, Small and Medium Sized Enterprises (MSMEs), with respect to their financial and technical viability forms one of the major responsibilities of most Financial Institutions. Financial Institutions have a vital interest to finance only those projects which are profitable in the long run and thus ensure the payback of the loan, so that the revolving nature of loans is sustained. The Credit Appraisal training programme, therefore, aims to develop and enhance Credit Appraisal Officers' skills, knowledge and competencies in undertaking efficient and effective appraisals and assessments so that only viable projects are ultimately funded. Efficient and effective Credit Appraisals are an essential step in facilitating higher rates of loan repayments.

## Learning Outcomes

By the end of the Credit Appraisal training, participants will: -

- Be better placed to have a thorough understanding of the complexity of an enterprise and the interdependence of different areas such as Market, Production and Finance;
- Improve their competencies to appraise/ assess business opportunities and Project Proposals;

- Improve their ability to effectively and efficiently assist their client entrepreneurs in drawing up bankable Business Plans;
- Be able to offer enhanced support to entrepreneurs during the Project Implementation phase.

## Methodology

The methodology will be highly participatory combining Lectures with group discussions, exercises and practical case studies, which will be used to evaluate key issues arising from the classroom interaction.

## Facilitator

Mr. Windu Matoka is a consultant based in Zambia with experience of over 20 years working in the entrepreneurship environment. He worked in different areas such as conducting training needs assessment among micro, small and medium sized enterprises (MSMEs). He was also involved in development of tailor-made entrepreneurship and small business management training manuals for different target MSMEs, provision of entrepreneurship and business management training services both at training of trainers (TOT) and training of entrepreneurs (TOE) levels and he is motivational speaker.

Mr. Matoka holds a Bachelor of Business Administration Degree (BBA), a Master of Business Administration (MBA) Degree and is currently at dissertation stage of a Doctorate of Business Administration (DBA) programme.

## Programme

Day 1	
<b>08:30– 09:00</b>	<b>Registration</b>
09:00 -10:15	<b>Welcoming Remarks</b> <b>Introduction of Participants &amp; Expectations</b> <ul style="list-style-type: none"> <li>• What is Credit Appraisal?</li> <li>• The Importance of Credit Appraisal in Lending Institutions</li> <li>• Key Appraisal Areas</li> </ul>
10h15-10h30	<b>Break</b>
10:30-12:30	<b>MARKET ANALYSIS</b>  <b>Identification of market</b> <b>Volume of demand</b>
12:30-13h30	<b>Lunch</b>
13h30-15h00	<b>Supply and supply structure</b> <b>Demand and supply</b>
15:00-15:15	<b>Break</b>
15:15-17:00	<b>MARKETING ASPECTS</b>  <b>Characteristics of competition</b> <b>Distribution channels</b>
Day 2	
09:00 -10:15	<b>Factors determining location</b> <b>Location costs</b> <b>Other aspects</b>
10h15-10h30	<b>Break</b>
10:30-12:30	<b>TECHNOLOGY AND PRODUCTION</b>  <b>Description of production process,</b> <b>Required production capacity,</b> <b>Alternative technologies</b> <ul style="list-style-type: none"> <li>• Description of relevant technologies</li> <li>• Assessment of 'appropriateness' of technology;</li> <li>• Flexibility with regard to:</li> <li>• Variances in utility supply</li> </ul>
12:30-13h30	<b>Lunch</b>
13h30-15h00	<b>Capital equipment</b> <b>Plant lay-out</b> <b>Availability of raw materials</b>
15:00-15:15	<b>Break</b>
15:15-17:00	<b>Labor</b> <b>Government regulation</b>