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# EMPOWERINCLUSIVE

## NATIONAL PRACTICES



# Introduction



Business Support Organizations (BSOs) are essential pillars in creating a thriving entrepreneurial ecosystem. By offering services that enhance business operations, improve competitiveness, and foster innovation, BSOs play a critical role in nurturing the growth of startups and small businesses. In North Macedonia, the USAID Business Ecosystem Project has been instrumental in supporting and strengthening these organizations, enabling them to better serve entrepreneurs. Through the project, BSOs have been able to improve their existing services and introduce new ones tailored to the unique needs of the local entrepreneurial community. This collaboration ensures that entrepreneurs gain access to a variety of essential resources, such as targeted training, mentorship, and networking opportunities, which are vital for business growth, sustainability, and market competitiveness. By empowering BSOs, the project helps create an environment in which entrepreneurs can thrive, overcome challenges, and scale their businesses with the necessary tools and knowledge. The overall goal of this initiative is to foster a robust and sustainable business ecosystem that supports long-term economic development in North Macedonia.

## Key factors

Several key factors that drive the effectiveness of this project include:

**Capacity Building for BSOs:** The project focuses on building the capacity of BSOs to enhance their ability to deliver critical services to entrepreneurs. This includes providing training for BSO staff, improving organizational processes, and expanding their knowledge base to better support local businesses.

**Access to Resources:** Through the project, BSOs help entrepreneurs access a wide range of resources, such as training programs, mentorship opportunities, and networking events. These resources are essential for entrepreneurs to gain new skills, navigate market challenges, and make valuable business connections.

**Enhanced Business Competitiveness:** By providing tailored support to entrepreneurs, BSOs help improve the competitiveness of small and medium-sized enterprises (SMEs). This involves offering advice on operational efficiency, market expansion, and innovative practices that allow businesses to thrive in increasingly competitive environments.

**Fostering Entrepreneurial Ecosystem Collaboration:** The project emphasizes collaboration among BSOs, government agencies, and private sector actors. This collaborative approach creates a more cohesive business environment, where different stakeholders can share knowledge, resources, and opportunities, which leads to a more vibrant and sustainable entrepreneurial ecosystem.

**Sustainability of Services:** One of the key outcomes of the USAID Business Ecosystem Project is ensuring the sustainability of the services offered by BSOs. This involves helping organizations establish sustainable business models that continue to support entrepreneurs even after the project's completion.



**Capacity Building:** By focusing on strengthening the internal capabilities of BSOs, the project has enabled these organizations to provide more effective support. This includes improving their staff expertise, enhancing service delivery mechanisms, and equipping them with the necessary tools to better understand and respond to the needs of entrepreneurs.

**Improved Services:** The project has assisted BSOs in refining their existing services and introducing new ones. For example, business development workshops, mentorship initiatives, and market access programs are now being offered to entrepreneurs, helping them scale their operations and compete more effectively.

**Networking and Collaboration:** BSOs, with support from the USAID project, have facilitated numerous networking events and collaborative platforms, allowing entrepreneurs to connect with potential investors, partners, and industry experts. This collaborative ecosystem fosters a more supportive environment, where entrepreneurs can learn from each other and gain access to new opportunities.

**Sustainability and Long-term Growth:** By ensuring that BSOs operate with sustainable business models, the USAID project is helping to ensure that these organizations can continue to support entrepreneurs in the long run. This includes building financial sustainability and expanding their reach to support a larger number of businesses.





- Through capacity-building efforts, BSOs have become more effective in offering targeted support to entrepreneurs. This includes improving business practices, operational efficiency, and innovation strategies. As a result, businesses are better equipped to compete in both local and international markets, which directly impacts their growth and profitability.
- By providing training, mentorship, and consultation services, BSOs empower entrepreneurs with the skills and knowledge they need to overcome challenges and seize opportunities. This has enabled numerous startups and SMEs in North Macedonia to develop the confidence and capability to scale, innovate, and sustain their businesses over time.
- The improved operations and competitiveness of businesses have contributed to job creation and overall economic growth. As businesses grow, they require more staff, leading to the creation of additional employment opportunities. This, in turn, contributes to a more dynamic and resilient local economy, fostering a culture of entrepreneurship.
- BSOs have helped bridge gaps in resources by connecting entrepreneurs to financial capital, investment opportunities, and market networks. This has led to increased access to crucial resources such as funding, which is often a barrier to business growth, especially for startups and young businesses. By facilitating connections to investors, BSOs have enabled entrepreneurs to secure the necessary capital to scale their ventures.
- One of the key impacts of the project is its focus on promoting gender equality in entrepreneurship. With a particular emphasis on supporting women entrepreneurs, BSOs have helped to increase female participation in the business sector, challenging traditional gender roles and creating more inclusive opportunities. This has a positive social impact, promoting gender equality and empowering women in business.



- 1) **Limited Financial Resources** Many BSOs struggle with financial sustainability. While the USAID project has provided crucial funding and support, many BSOs still face challenges in diversifying their funding sources. Without adequate resources, it can be difficult for BSOs to expand their services, maintain high-quality operations, or reach a broader base of entrepreneurs in need.
- 2) **Capacity and Expertise Gaps** Although BSOs have made strides in enhancing their capabilities, there remains a gap in terms of expertise and staffing. In some cases, BSOs lack the specialized knowledge and experience to meet the diverse needs of entrepreneurs, especially in highly technical or rapidly changing industries. This can limit the quality and relevance of the services they offer.
- 3) **Market Fragmentation** The business support ecosystem in North Macedonia can be fragmented, with various organizations offering similar services without effective coordination. This lack of cohesion can lead to inefficiencies, overlapping efforts, and confusion for entrepreneurs seeking support. Additionally, fragmentation makes it harder for BSOs to form strong networks and partnerships with other key stakeholders, such as investors and policymakers.
- 4) **Weak Linkages to the Private Sector** A significant challenge for BSOs is establishing strong linkages with the private sector. While BSOs can provide training, mentorship, and networking opportunities, entrepreneurs often find it difficult to connect with potential customers, partners, and investors. Strengthening these links is critical for increasing the impact of BSOs and ensuring that entrepreneurs can access the resources and opportunities they need to grow.