



What Works Series

# Best Practices in Mentorship for SMEs

June 2023  
Building Markets



**Building Markets**  
Small **Business.** Big **Impact.**

## **Preface and Acknowledgment**

Building Markets is a non-profit organization that unleashes the transformational power of small businesses to address pressing social challenges by driving job creation and inclusive growth. Founded in 2004, the organization finds, builds, and connects competitive local small and medium-sized enterprises (SMEs) to supply chains and investment. Utilizing this model, Building Markets has supported more than 26,700 SMEs, assisted those businesses in winning \$1.36 billion in contracts, and \$21 million in loans, and helped create over 23,500 jobs across diverse markets like Jordan, Myanmar, Afghanistan, Liberia, and Haiti.

In Türkiye, Building Markets has provided ongoing livelihood and business development services to SMEs in refugee and host communities since 2018. The long-term impact and support of refugee community livelihoods and economic development prospects are vitally important from the perspective of maintaining and increasing refugees' economic contributions to the Turkish economy and improving social cohesion. To this end, Building Markets engages in a process of continuous improvement, including testing innovative solutions to monitor and evaluate its program services.

Mentorship services are essential in Building Markets' Find-Build-Connect program model. In April 2020, Building Markets developed a new series of individual and group sessions. Since its launch, this series has been delivered to nearly 500 SMEs owned by Syrian refugees and the Turkish host community. In 2022, Building Markets engaged Trust Consultancy and Development (Trust) to conduct an external evaluation of its mentorship services. This overview presents the findings of that evaluation, which was conducted by interviewing approximately 150 representatives of SMEs that participated in mentorship services from April 2020 to June 2022. The Organization for Economic Co-operation and Development's (OECD) six evaluation criteria (relevance, coherence, effectiveness, efficiency, impact, and sustainability) were used to conduct the evaluation.

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# Introduction

Since the start of the crisis in Syria in 2011, Syrians in Türkiye have been a major actor in the Turkish economy. Many Syrian entrepreneurs left their country, took their know-how, and started a wide variety of businesses in Türkiye, creating jobs for their Syrian counterparts and the host community. According to 2020 statistics, it is estimated that Syrians have established 14,000 companies, hold at least four billion Turkish in capital Lira (approx US \$215 million in December 2022), and employ nearly 50,000 workers.<sup>1</sup> While Syrian businesses have great potential to contribute to the Turkish economy, they face significant challenges, such as difficulty navigating the Turkish market and adapting to Turkish regulations and laws, restrictions on their in-country movement, and limited access to financial services and partnership opportunities. Within this context, Building Markets has been implementing mentorship services primarily targeting Syrian-owned and employing small and medium-sized enterprises (SMEs) in Türkiye since 2018. The organization's sessions (or boot camps) generally include a general discussion on a specific topic (e.g., export development, tendering, and procurement) with the goal of providing strategic approaches to solve challenges faced by the participating SMEs. The one-to-one mentorship services consist of individual sessions to advise, provide solutions, and address the unique business needs of participating SMEs.

## Methodology

For this evaluation, Building Markets commissioned Trust Consultancy and Development (Trust) to measure the impact of its mentorship services, considering the level of satisfaction of the SME beneficiaries and the service implementation strengths and gaps. Trust evaluated the services based on the OECD Evaluation criteria.<sup>2</sup>

Between 2020 and 2022, 190 SMEs participated in mentorship services. Trust surveyed the representatives of 131 businesses by phone, using contact details provided by Building Markets. Trust also conducted semi-structured interviews with 15 businesses participating in the mentorship services. These interviews allowed Trust to gain greater insights into the impact of the service and gain an understanding of the opportunities and challenges experienced by these SMEs in Türkiye. Case studies from these detailed interviews have been incorporated into this report to provide examples of how businesses learned from mentorship services.

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<sup>1</sup> Hardan, Mohammed. 11 May 2021, "How Syrian Refugees Contributed to Turkish Economy." Al-Monitor. <https://www.al-monitor.com/originals/2021/05/how-syrian-refugees-contributed-turkish-economy>

<sup>2</sup> Organisation for Economic Co-operation and Development (OECD), "Better criteria for better evaluation: revised and updated evaluation criteria" Retrieved online: <https://www.oecd.org/dac/evaluation/evaluation-criteria-flyer-2020.pdf> (2020)

# Building Markets' Mentorship Services for SMEs in Türkiye

## Mentorship defined: why one-on-one mentorship?

Building Markets provides mentoring in three main categories. First, Building Markets offers a series of services to develop a business plan with regular check-ins to monitor implementation over a fiscal quarter. The organization also provides results-based strategic planning advice and support in identifying customized organizational development solutions. Finally, mentoring services also include a series of business diagnostic services to identify and prioritize areas for operational development and to build capacity and competitiveness in areas such as human resources, tendering, exporting, financial literacy, local market understanding, and engagement.

The one-on-one mentor-mentee approach allows the mentor to provide case-specific guidance, hear the issues and barriers that the mentee may face, and discuss and find ways to mitigate these barriers together. Through the one-on-one mentorship program, technical experts selected by Building Markets gave support and advice, and mentors allocated discussion time or questions and answers.

SMEs also participated in group sessions designed to deliver strategic advice and capacity-building on technical topics.

## Main Findings

- The majority of beneficiaries surveyed (**74%**) **agreed that receiving mentorship services positively impacted the development or growth of their business.**
- **31% of SMEs surveyed reported gaining new business opportunities due to the mentorship received.** This rate was higher for businesses who also participated in 1:1 sessions (40%), while much lower for businesses who only attended group sessions (boot camps) (14%).
- Beneficiaries noted the **significant impact of advice given on planning, logistics, and decision-making.** They reported they saw an increase in the pace of business development, for example, by introducing new business approaches, such as online commerce platforms appropriate to their business, learned during the mentorship.

*"It had a great role in benefiting me through the marketing of my products electronically, through which I achieved increased sales and accessed a new market."*

Beneficiary

- Among the respondents, **35% reported successfully securing a loan, grant, or tender** thanks to the mentorship they received. Beneficiaries believed this was due to their improved networking skills and greater knowledge of the Turkish market, developed through the new information they received.

- Participating businesses reported that mentors provided satisfactory answers to their questions, with the vast majority of all surveyed beneficiaries (87%) responding positively, with a higher rating for one-to-one mentorship beneficiaries (89%). The findings showed that mentors had been very effective in addressing the issues raised by the participants.

"My knowledge about how to apply for tenders was limited. Thanks to this mentorship, I could apply. Now I apply for many tenders."

Beneficiary

- When asked to describe the **overall impact of the mentorship service on their business, 83.2% responded with “positive” and “very positive,” while only 9.16% answered negatively.** Those who answered ‘negative’ noted having various issues that mentors were unable to resolve, which were related to their personal legal situation or dependent on governmental authorities, such as obtaining a work permit or a travel permit, which indirectly affected the success of their business affairs. Trust also found the Turkish language barrier and the unfavorable economic situation in Türkiye to be external challenges that prevented some beneficiaries from reaping the full benefit of the mentorship service.

## The story of Sima - An interior designer and a business owner



A graduate in architecture, Sima has 22 years of experience in the field. When she moved to Türkiye in 2015, Sima established “More Design Company”. She found a supportive enabling environment for entrepreneurship in Türkiye and invested in the decoration and construction sector. In order to start her company, Sima obtained all the necessary licenses for it to operate.

Regarding her experience with Building Markets, Sima said, “I got to know Building Markets through INGEV. I committed to attending many conferences and then I was invited to attend the mentorship service, which had a great impact on changing our understanding of the Turkish market. My plan became clearer by focusing on e-marketing, and thanks to the mentorship services, we were able to understand and learn Turkish laws and regulations, especially labor law. This had a positive impact as it helped to penetrate the market confidently by knowing the details of the preferred products of the Turkish consumer and general knowledge of their preferences, so that we could grow and expand. I really can't forget the value of Building Markets.”

In conclusion, Sima advises her friends and any entrepreneurs not to start their business without conducting a detailed market assessment. She also advises not to overly rely on foreign work experience, due to the unique characteristics of the Turkish market.

# Challenges for SMEs

## Challenges for growth

### *Access to Information*

One of the opportunities provided through the mentorship program was access to knowledge on financial services and resources available to SMEs in Türkiye. Mentors helped the SMEs access different resources throughout the service delivery, directing them to other actors that provided support when needed. Numerous grants and financial support opportunities are available for refugees, especially from government agencies such as KOSGEB and TÜBİTAK, as well as from EU agencies. In addition, many other NGOs provide consultation, training, and networking activities, and institutions such as the European Central Bank provide consultancies for businesses that meet the compliance requirements; however, Syrian SMEs do not have the information on the availability of these and do not know how to access them.

### *Compliance*

SMEs also have more problems accessing grants and financial support despite the availability of such services, due to their difficulty meeting the compliance criteria. Particular sectors with higher transportation, shipping, and fuel costs, such as logistics businesses, have reported experiencing significant damage. Moreover, as many beneficiary businesses were recently established, the financial difficulties prevent them from growing their business after the initial start, even for SMEs with great potential, as they face challenges finding investors that can financially support them.

Foreigners have more difficulty meeting the requirements and are limited by specific regulations, such as not being allowed to receive bank loans when the company only has Syrian workers, which is the case for many Syrian SMEs.

### *Turkish Language Barrier*

The language barrier negatively impacts the ability of refugee-owned businesses in Turkey to access knowledge about financial opportunities, laws, and regulations. This difficulty translates into a lack of compliance with necessary documentation or certifications, which limits their access to sources of funding. More generally, we have found that many companies do not comply with the rules, often unknowingly or due to fears and concerns about administrative procedures. This is why laws and regulations were specifically targeted during the mentoring services.

### *Inflation*

Another challenge creating a barrier for businesses to integrate into the Turkish market and establish relations with other Turkish businesses is the current inflation rate. Price volatility, lack of financial resources, increasing prices of raw materials, transportation and shipping costs, and reduced purchases are causing significant financial difficulties and hindering growth, especially for newly established and smaller businesses.

*"There is a company that I mentor, a Syrian entrepreneur. He gets machinery orders, even from Germany. He receives many orders but*



*needs financing to fulfill them. He cannot start another order without delivering one and getting paid for it. Yet, we cannot find funding for his business, which is very upsetting.”*

Building Markets' Mentor

### *Labour Shortage*

A general labor shortage is a compounding factor, with a lack of qualified workers, especially in the fields of technology, computer programming, construction, design, and decoration identified, a factor worsened for newer SMEs with limited resources.

## The story of Fatima - From a long lineage of confectioners

Fatima graduated from the Faculty of Management Information Systems in Syria and holds an MBA from the American University in Cyprus. Fatima and her family work in multiple sectors, including sweets, and have more than 40 years of experience in this field. It is a traditional profession that they inherited from their ancestors in the Syrian city of Al-Nabek in the countryside of Damascus, a city with a wide reputation in confectionery. Building on this rich legacy when they moved to Türkiye, Fatima and her family opened “Teba Sweets” in 2018.



On her experience with Building Markets, Fatima says, “I got to know about Building Markets through a sponsored advertisement I saw on social media. We quickly communicated with them and got mentoring and guidance services that had a hugely positive impact by increasing production, developing products and contributing to faster sales. Compared to the work before the mentorship, I felt a great improvement in

our work which is undoubtedly due to the guidance and direction service. In addition, the group counseling and referral services have helped to broaden our knowledge of the market, of our competitors, and to network with them. These services also increased the networking of our company with other companies that we did not know before. Having a mentor who supports you by helping you make the right decision was especially beneficial; this will help the business develop for the better.”

Thanks to her experience in several sectors, especially in product control and development, as well as in performance development, Fatima aspires to lead the company remotely in different sectors. Ultimately, she advises her friends and entrepreneurs to take care of their relationships with the organizations or sectors in which they work, as this will open new horizons in their career.

## The story of Muhamad - Connecting northern Syria to Türkiye

For Muhamad Keshetan it became clear there was a gap in the market for specialists in logistics services in Northern Syria. Muhamad presented his idea to his friends, who encouraged and helped him to launch his small business, which quickly began to expand. Muhamad was forced to move to Türkiye in 2017 due to the war and established Afaq Lojistik. The company is now expanding to several fields, including shipping and transportation, customs clearance, small goods storage service, packaging, online shopping service, and construction.



“The guidance and service I obtained from Building Market shed light on many weaknesses in my company. I was able to overcome them through the advice that was given to me. Building Markets has played a major role in supporting me in the development and growth of my business. Thanks to Building Markets, I was also able to get a project through their publications on social media. The counseling and guidance service greatly enriched my knowledge of the Turkish market, especially in the field of contracts. Building Markets also gave us sound advice to expand further and grow to target a larger segment of society. If I consult a person with a good opinion, I can gain from his mind and good experience.”

Muhamad hopes there will be continued opportunities in Türkiye for the refugee and host communities. Muhamad’s advice to future entrepreneurs is to ensure conducting a comprehensive feasibility study before starting any business endeavor. In addition, he emphasizes persistence, passion, and putting maximum effort into work.

# Conclusion

## Recommendations and lessons learned for potential replicability.

Like the SME ecosystem in Türkiye, the sessions' participants come from diverse backgrounds and target very different markets. While this heterogeneity can be beneficial in networking events, to learn from each other, for instance, it poses challenges when finding the right curricula to benefit the majority. As a result, Building Markets should prescreen SMEs and group them according to size, growth potential, and industry. This would better target specific groups with the right program and unify the expectations of both parties from the start. Regarding the great results obtained through one-to-one mentorship sessions, Building Markets should augment the access to this service and develop direct ways of communication between SMEs and mentees, such as Hotlines, for instance. This would markedly improve communication and ensure maximum participant motivation and engagement. Concerning the curricula per se, regarding the fast digitization in the SME ecosystem in Türkiye, Building Markets could increase its reach and spread greater awareness of its services by expanding the digital components of its training programs, especially concerning social media. Still, in the same vein, providing programs exclusively in the beneficiaries' language could significantly facilitate understanding and avoid unnecessary translations.

## Opportunities for growth

Overall, Syrian SMEs show great potential for the Turkish economy through trade with the MENA region as well as with other foreign countries, due to the cultural proximity and the Arabic language. More locally, Syrian SMEs in the food sector find a good market in Türkiye, with imported Syrian products appealing to the Turkish palate and easily reaching consumers. Indeed, following participation in the mentorship program, 80% of respondents from the food and beverage sectors confirmed they won more contracts, 80% increased their sales, 100% developed their business, and 100% received satisfactory answers to their questions during the mentorship. Other industries showed strong potential, such as IT and cultural industries (e.g., hand-crafts...etc.).

## Areas needing focus and improvement

The evaluation identified a number of topics for future mentorship sessions, based on the challenges faced by participating businesses.

- Provision of high-quality interpretation services for mentorship delivered in Turkish
- Increasing knowledge of increased focus on sales and marketing in the Turkish marketplace
- Digital marketing and e-commerce for SMEs
- Increasing knowledge of mentors related to the Turkish context and regulations to better support help companies in addressing with legal requirements procedures such as official documentation and certifications, accounting and taxation
- Accounting and tax issues

- Increased focus on how to access financial incentives, grants, and investments, and developing business plans
- Developing strategic action plans for businesses
- Project management principles for businesses
- Considering the massive knowledge gap in this area, mentorship services should be combined with legal advice services to ensure comprehensive support to SMEs.

## Key Recommendations

- It is recommended to implement a **selection process when starting mentorship services**, considering the growth potential of the business and especially targeting production-oriented companies that produce services or goods. Similarly, conducting a **needs assessment** for each business before they begin the program will ensure that a more specific program is implemented.
- The mentorship program could increase its reach and spread greater awareness of the services by **increasing the focus on digitalization, social media, and IT in general**.
- It is recommended to **prioritize face-to-face activities**, where possible, to ensure maximum motivation, engagement, and interaction, especially when linking different businesses, to encourage networking.
- To ensure clarity and understanding between mentors and mentees, it is recommended to **establish a quick and easy mode of communication, such as a Hotline**.