



Youth Entrepreneurship:

Creating alternative ways for productive and decent work

Camilo Montes Pineda

Director of the National
Training for Work System

SENA - Colombia



Seminar on Youth Employment
Inter-American Network for Labor Administration
(RIAL)

Rio de Janeiro, May 20 and 21, 2008



¿What is SENA?



- Social and Massive Appropriation of Knowledge:
Free Professional Capacity
- National Training Service. Founded in **1957**
 - National **Public** Entity
 - 115 Training Centers, **267** Headquarters.
 - 21,000 Instructors
 - Budget 2007: USD 600 million
- Main income: Parafiscal contributions (2% company payroll)
 - 200,000 courses in all modalities



More Coverage

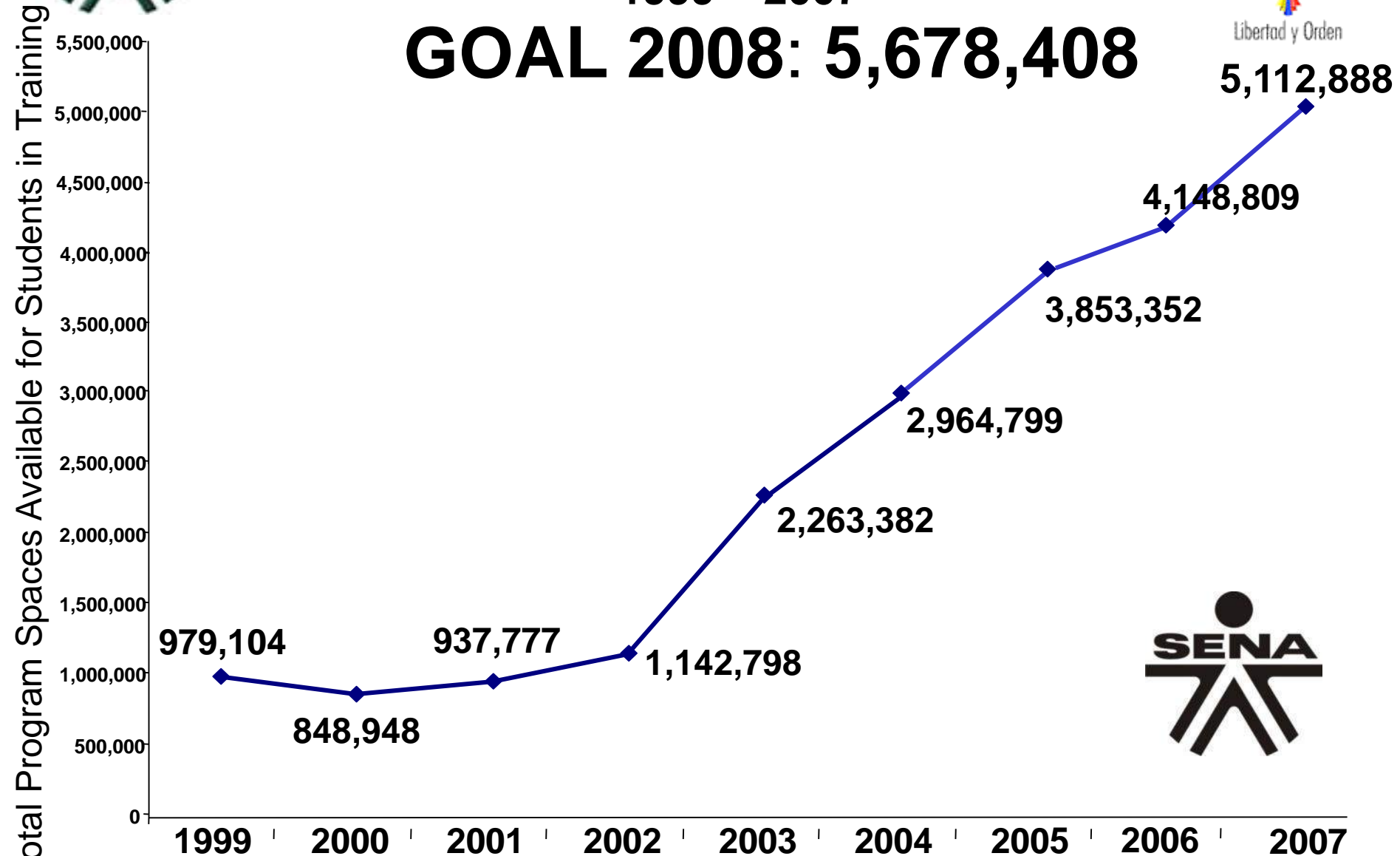
Program Spaces Available for Students in Training

1999 – 2007

GOAL 2008: 5,678,408



Libertad y Orden



República de Colombia

Source: Dirección de Planeación – Dirección General SENA

PRESENCE OF SENA IN THE COUNTRY'S TERRITORY



**Agosto
2002**



2007

**100% COVERAGE IN
1,098 MUNICIPALITIES OF THE COUNTRY**



**SENA is an entity of young people:
75.18% of the apprentices are under 25 years
of age**

Source: Dirección de Planeación - SENA



They are young people with the lowest level
of income:

78,69% of levels 1 y 2



OUR CHALLENGE

If we train our apprentices to work, **it is very likely that they will not find a job**, and when they find it they will do it in existing microenterprises with high productive weaknesses.



There will not be a rise in employment or improvement of employment opportunities if there are no new enterprises led by productive entrepreneurs.



Value Chain of creation of enterprises



Sensitization

Transformation of the *life plan* towards entrepreneurship.

Identification

Identification of the *extent of maturity* of the initiative and position in the surroundings.

Formulation

(*Preincubación*) Maximization of the extent of maturity of the initiative through the development of a business plan.

Implementation

(*Incubación*) Construction of the value proposal of the company and beginning of operation in the natural market.

Acceleration

Maximization of the aggregated value of the company through the internationalization and continuous innovation to rethink the business constantly.



Entrepreneurship Policy of SENA

- 1. The professional capacity, education and, in general, the training in the framework of entrepreneur productivity and thinking.**
2. The formal development of a support industry.
3. Operation of creative sources for the funding of enterprises.



1. The learning process in the framework of Entrepreneur Productivity and Thinking



- All knowledge given should be useful.
- **The training should be undertaken by projects.**

4 Sources of Training

ICTs

(Information and Communication Technology)

Instructors
(Promoters)

Team Work
(Collaborative)

Surroundings





1. Training in the framework of entrepreneur productivity and thinking



- All knowledge given should be useful.
- **The training should be undertaken by projects.**
- **Entrepreneurial Thinking should be developed in all the apprentices.**

Apprentices for Society



We are SENA apprentices...

...Free thinkers with Critical Capacity,
Creative Entrepreneurs and Leaders



The Rural Youth Program:

In 2007 more than 162,000 young peasants came to SENA

- 
- They receive technical and entrepreneurship training
 - Training materials are used as capital seed.
 - At the end, they receive the program certification in advance and count on a business plan.

Specialized Training in Entrepreneurship

128,834 Apprentices took the course in 2007

- Training Program of 74 hours in 5 modules.
- Entrepreneurial thinking, identification of initiatives, formulation of business plans, elements of entrepreneurial management.



In 2007 more than 145 thousand young students were enrolled in integration with professional capacity programs.





In 2007, one thousand young people in the **Leaders for Development Program**



Entrepreneurship Policy of SENA

1. The Professional Capacity, education and, in general, the training in the framework of Entrepreneurial Productivity and Thinking.
2. **The Formal Development of a Support Industry.**
3. Operation of creative sources for the funding of enterprises.



2. The Formal Development of a Support Industry



- **Assembly of Entrepreneurship units in all the SENA centers and universities.**

Entrepreneurship Units

115 at SENA with 826 advisors



They coordinate the development of the culture of entrepreneurship at the capacity centers, identify entrepreneurial initiatives, guide the development of projects, and advise on the formation process of new companies.



2. The Formal Development of a Support Industry



- Assembly of entrepreneurship units in all the SENA centers and universities.
- **Promotion of the implementation and strengthening of technology-based Businesses Incubators.**



Businesses Incubators



INCUBAR
SUCRE



GÉNESIS



INCUBAR
CESAR



INCUBADORA DE AGRUPAMIENTOS
AGROINDUSTRIALES DEL URABÁ



República de Colombia



Impact of Incubators in Colombia



27 active Incubators

YEAR	NUMBER OF ENTERPRISES	NUMBER OF JOBS	NATIONAL SALES Value in Dollars
2003	288	2,783	12,736,000
2004	255	2,289	20,814,000
2005	258	1,829	43,029,500
2006	342	1,871	10,756,500
2007	147	1,619	14,594,430
2008 (*)	61	756	4,553,395
TOTAL	1,351	11,147	106,483,825

(*) 2008 figures correspond to the first trimester

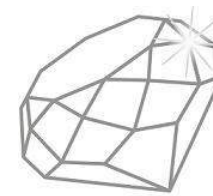


2. The Formal Development of a Support Industry



- Assembly of Entrepreneurship units in all the SENA centers and universities.
- Promotion of the implementation and strengthening of technology-based Businesses Incubators.
- **TecnoParques Network.**





TecnoParque COLOMBIA

Aplicación productiva del conocimiento y las nuevas tecnologías

1,132 Entrepreneurial Initiatives
7,605 involved entrepreneurs
7 Connection points throughout the
country.





2. The Formal Development of a Support Industry



- Assembly of Entrepreneurship units in all the SENA centers and universities.
- Promotion of the implementation and strengthening of technology-based Businesses Incubators.
- TecnoParques Network.
- **Sustainability support for the Apprentices of SENA.**



Sustainability support for Entrepreneurs Apprentices



It is a contribution to apprentices of lower incomes.

SELECTION REQUIREMENTS:

- High School Graduate
- Not be enrolled in school or be employed, no FIC.
- Registration of their business idea at the Entrepreneurship Unit and obtain a fulfillment report as the idea develops from the unit.
- Demonstrate good academic performance

This sustainability support is delivered by SENA in accordance with the public invitation for students who satisfy the requirements and seek to improve and facilitate the training process.

5,941 Entrepreneurs





2. The Formal Development of a Support Industry



- Assembly of Entrepreneurship units in all the SENA centers and universities.
- Promotion of the implementation and strengthening of technology-based Businesses Incubators.
- TecnoParques Network.
- Sustainability support for the Apprentices of SENA.
- **Activities related to Entrepreneurship.**



Activities related to Entrepreneurship in partnership



- **Business Plan contest** (Ventures and Mincomercio).
- Virtual lecture on Entrepreneurial Thinking.
- SEBRAE Challenge : **Entrepreneurial Simulation** (registration until August 2008).
- World study on Entrepreneurship (GEM)
- Permanent update through the National System of teleconference of SENA
- Study of 500 promising products: Undertaken to identify and analyze new export opportunities from Colombia to the United States.
- Promotion of our entrepreneurs at the most important **national fairs**. 160 entrepreneurs at Feria del Hogar, Expoagropecuaria, Feria Internacional de Bogotá.



Activities related to entrepreneurship in partnership



- **Investment round tables** for 80 technology-based entrepreneurs. June 2008 in Bogotá, Medellín, Cali and Barranquilla.
- **Business round tables** for 267 entrepreneurs of the Emprender Fund in 2007.
- SENA Publication - Dinero Magazine : “Ser Empresario”, 6 collectible editions. September – December 2007.
- CREO Publication, Ideas to train and undertake. In partnership with the Business Incubator of Antioquia.
- Participation at the **TIC AMERICAS OF THE OAS**. In the 2007 version, an entrepreneur of SENA won; in the 2008 version there are two finalists.



Entrepreneurship Policy of SENA

1. The Professional Capacity, education and, in general, the training in the framework of Entrepreneurial Productivity and Thinking.
2. The Formal Development of a Support Industry.
3. **Operation of creative sources for the funding of enterprises.**



This is How Enterprises are Financed



	Tiempo →			
	Seed	Growth	Consolidation	Decrease/ Increase
Personal Savings (Ángeles Inversionistas)	●	○	○	○
Social Savings (Capital Semilla)	●	◐	○	○
Private Savings (Capital Riesgo)	●	●	◐	○
Corporate Funds	◐	●	●	○
Private Markets (Private Equity)	○	◐	●	○
Market Shares	○	○	●	●
Debt (Credit and Microcredit)	○	○	◐	●



3. Operation of creative sources for enterprise funding.

- Creation of Innovating Enterprises Program.
- **Emprender Fund.**



Emprender Fund



- Created through the **Labor Reform** of 2002.
- **SEED Capital non refundable** if the agreed management indicators are fulfilled.
- Contributions for up to 81 million pesos (30,000 USD)
- Bet to **Colombian Youth**. Good faith agreements (*Does not require real guarantees*).
- Closeness between the Capacity Program and the proposed Business Idea.
- Growth supported by **KNOWLEDGE**.

www.fondoemprender.com

fondoemprender@sena.edu.co

16,552 Business Plans
344 Entrepreneurial Units
1,063 Municipalities
32 Departments

Source: Sistema de Información Fondo Emprender

19 de Septiembre de 2007



**Fondo
Emprender**
¡Por un país de propietarios!



www.fondoemprender.com

fondoemprender@sena.edu.co

2005 - 2008

6 National Assemblies

32 Local Assemblies

\$91,415 Million

1,612 Approved projects

4,908 Entrepreneurs

304 Municipalities

28 Departments

Jobs Projected: 7.669

Sales Projected: USD \$181 Million



**Fondo
Emprender**
¡Por un país de propietarios!





3. Operation of creative sources for enterprise funding.

- Creation of Innovating Enterprises Program.
- Emprender Fund.
- **Opportunity Banks.**



**BANCA DE LAS
OPORTUNIDADES**



The Bank of Opportunities is a long-term policy strategy of the National Government aimed at achieving the **access to financial services of all the population of the country, with emphasis on that of low income citizens** to reduce poverty, promote social equality and promote economic development.

Payments and Transfers, Savings, Insurance and Pensions, and **Credits**



**BANCA DE LAS
OPORTUNIDADES**



RESULTS

November 2006 – March 2008

- 58,674 sensitized people towards the program.
- 21,441 Credit applications presented by SENA
- 8,780 Approved Projects
- 25 Financial Entities involved.
- Total disbursements: USD \$9.04 million



“We believe that conditions are ripe as ever for social change, and that education will be their teacher body.
AN EDUCATION, FROM THE CRADLE TO GRAVE,
thoughtful and dissatisfied, we will inspire in us a new way of thinking and incite us to discover who we are in a society that wants more for itself.”



Gabriel García Márquez

Colombian Nobel Laureate