

# Small Business Support Services: What Drives Business Growth and Job Creation?

SME Snapshot, May 2024



**1** HIGHLIGHTS

**2** SPOTLIGHT

**3** LESSONS LEARNED FROM SMES THAT HAVE  
INCREASED BUSINESS TRANSACTIONS

**4** ABOUT BUILDING MARKETS TÜRKİYE PROGRAM  
SERVICES

**5** CASE STUDY

**6** RECOMMENDATIONS

**7** HOW WE WORK

## Highlights

---

This Snapshot edition is designed to share insights on effective business support services for small and medium-sized enterprises (SMEs), drawing on Building Markets' experience providing a suite of services in Türkiye. It considers the impact of tender distribution, export promotion, mentorship, training, access to finance, and networking and matchmaking events to offer a comprehensive view of how to best promote sustainable growth. The goal is to foster a shared understanding of impactful strategies and to encourage a collaborative exchange of knowledge among stakeholders committed to the advancement of SMEs.

SME Snapshots are based on quantitative and qualitative data collected through business verification and re-verification surveys conducted by the organization's team in Türkiye—one of the primary activities implemented as part of the organization's "Find, Build, Connect" model. These surveys routinely collect data on various aspects of businesses, encompassing ownership details, organizational size, import-export capabilities, and operational challenges, providing a comprehensive overview of business characteristics and operations. Additionally, this snapshot also draws on program monitoring and evaluation data, further enriching the insights by incorporating feedback, outcomes, and impacts observed from the organization's various initiatives. This multi-dimensional approach enables Building Markets to identify market trends, better understand the evolving needs of entrepreneurs in the local market, and share opportunities and recommendations with the growing network of SMEs and partners.

Since 2018, Building Markets has provided a suite of services that support refugee and host community businesses in Türkiye. To date, we have created a Business Directory of +3,000 SMEs, distributed and published +7,500 opportunities on our Tenders Directory, and have trained and mentored nearly 2,000 SMEs. Market research products published by Building Markets create an evidence base to better understand the economic contributions of refugees and identify opportunities to promote social cohesion through economic development in Türkiye. Businesses participating in Building Markets activities have won over US \$50 million in new business opportunities and helped create or maintain over 4,000 full-time equivalent (FTE) jobs across Türkiye.

To learn more about our work in Türkiye and to read other publications, click [here](#).

We sincerely thank all the businesses that participated in these surveys and interviews.

*This Snapshot was researched and authored by the Building Markets team, including Mohannad Altay (MEAL and Program Officer), Gamze Çubukçu (MEAL Assistant), and Navar Maarri (Program Services Senior Coordinator). Data analysis was conducted by Zonglong Chen (Data Analysis Statistician).*



This project is a gift of the United States.

SMEs are key players in driving economic development and creating new job opportunities globally.<sup>[1]</sup> In Türkiye, SMEs represent 99.7% of all enterprises, yet they constitute 70.6% of the total employment, highlighting the significant potential for greater employment growth and economic contribution.<sup>[2]</sup>

To capitalize on this potential, the country has outlined a development plan aimed at fostering SME growth. The plan sets specific targets for SMEs, such as enhancing their access to finance, institutional development, and operational efficiency through focused policies. These policies are designed to cater to the unique needs of SMEs and entrepreneurs, with a focus on increasing their capacity for innovation, scale, and supply chain optimization. The overarching goal is to ensure SMEs secure a stronger position in value chains, thereby amplifying their contributions to economic growth and employment, while also boosting their levels of export, innovation, and competitiveness.<sup>[3]</sup>

However, Türkiye faces a unique challenge with the presence of a substantial number of Syrian refugees in Türkiye, approximately 3.2 million.<sup>[4]</sup> While initially posing integration and resource strain challenges, these refugees also represent a significant opportunity for the country's SME sector. With effective integration policies, refugees can transform into significant assets for the economy, invigorating growth by boosting demand and introducing diverse skills and entrepreneurial enthusiasm to the local business environment.

This situation underscores the critical role of supportive policies in maximizing the benefits of hosting a large refugee population. As refugees assimilate into their host community, their consumption increases, driving demand for a broad spectrum of goods and services, including food, clothing, housing, and transportation. This surge in demand can spur business expansion and create employment opportunities, aiding local entrepreneurs and the workforce. Furthermore, the diverse skills and experiences that refugees bring can lead to innovation and entrepreneurship, enhancing economic dynamism and resilience.<sup>[5]</sup> Ultimately, by embracing the potential of the refugee population, host communities can enrich the socioeconomic landscape of the region, turning the challenges of a sudden refugee influx into a source of economic strength.

In this context, initiatives like Building Markets Türkiye and its peers play a crucial role in facilitating the resilience and growth of refugee and host community businesses, their employees, and the households they support. By harnessing unique data, robust networks, and strategic partnerships, BuMa drives sustainable economic growth. Offering vital services in Arabic, English, and Turkish, it unlocks the potential of refugees and small businesses, which are crucial for rapid community support and long-term recovery efforts like rebuilding and job creation. BuMa's comprehensive support empowers these businesses to prosper, building towards a more inclusive economy.

---

1 KOSGEB. 2024. "Strategic Plan." Available [here](#).

2 Turkish Statistical Institute. 2023. "Small and Medium Enterprise." Available [here](#).

3 Presidency of Strategy and Budget. 2024. "Twelfth Development Plan." Available [here](#).

4 Presidency of Migration Management. 2024. "Temporary Protection." Available [here](#).

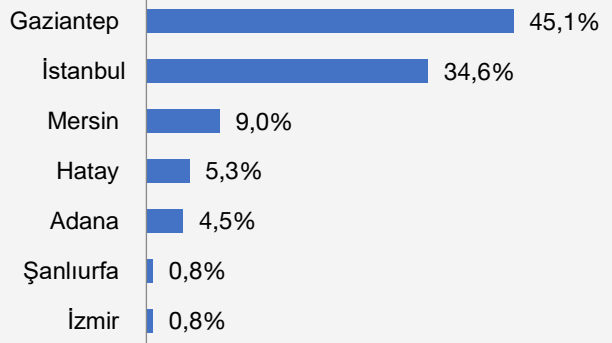
5 World Bank. 2023. "Theory and Evidence on The Impact of Refugees on Host Communities." Available [here](#).

# Lessons Learned from SMEs that Have Increased Business Transactions

To understand the value added and impact of different business support services on SME revenue and job creation, here we share firmographic and demographic information on the businesses that attributed winning transactions and creating jobs to their participation in one or more of Building Markets' services. Over the last six years, SMEs in our network have won a total of 761 transactions, with a combined value of \$50 million US. These transactions resulted in creating and sustaining over 4,000 FTE jobs.

The three top sectors among these businesses that won the transaction are manufacturing (31%), wholesale and retail (23%), and prof scientific technic activity<sup>6</sup> (12%). These businesses are primarily located in Gaziantep (45%), İstanbul (35%), and Mersin (9%). Of the surveyed firms, 68% are microbusinesses (<10 employees), 28% are small businesses (<50 employees), and 5% are medium-sized businesses (<250 employees). The vast majority (93%) are owned by and employ Syrians.

**TOP LOCATIONS FOR SMEs**

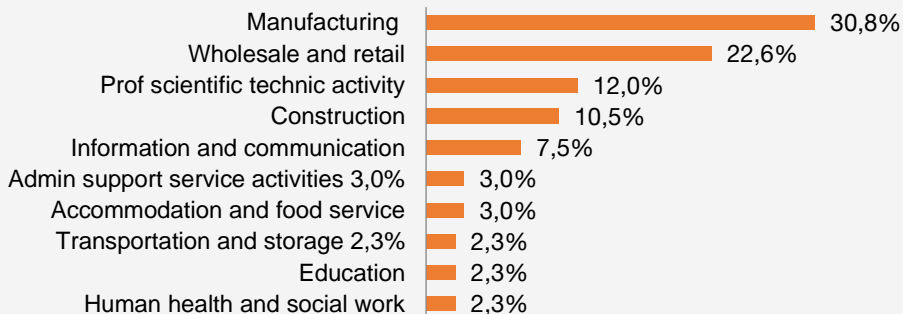


In addition to Arabic speakers, most of the businesses employ a Turkish speaker (95%) and an English speaker (80%). Around 54% of businesses employ at least one woman full-time/part-time. On the other hand, 10% of the businesses reported having at least one female owner.

Nearly 74% of these businesses have had an international client in the past six months, and around 70% of these businesses reported that they export goods or services. These businesses generally have a positive outlook on the economy, with 42% of businesses expecting their profits to increase over the next six months and 57% expecting profits to stay the same. Likewise, 40% of businesses expect to increase their staff in the next six months, and 58% plan to keep staffing at the same level. Over half of businesses (60%) pay their suppliers within 30 days.

Half of the businesses surveyed expressed interest in participating in training. These training types include sales administration, aimed at enhancing sales operations and customer relationship management; feasibility studies for new projects, designed to evaluate project viability through market analysis and risk assessment; and accounting and financial management, focused on bolstering financial literacy with essentials in budgeting and strategic planning. Such training is helpful for SMEs seeking to improve operational efficiency, make informed decisions, and ensure financial sustainability, thereby fostering their visibility and long-term success within the community.

**TOP SECTORS FOR SMEs**



<sup>6</sup> This sector includes specialized professional, scientific, and technical activities. These activities require a high degree of training and make specialized knowledge and skills available to users.

# Lessons Learned from SMEs that Have Increased Business Transactions



Only 6.8% of businesses have received a formal loan in the past, but 55% are interested in receiving one.



On average, businesses are looking for around \$132,871 US in loans.



Around 37% are interested in an investor or business partner.



Most businesses (87%) have a business plan for the next 12 months.

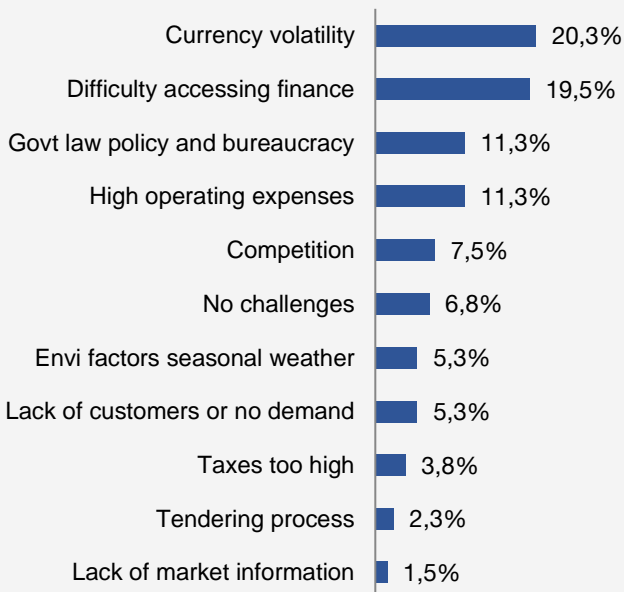


The majority of businesses (80%) do not have additional branches.



The destination of exported goods encompasses Arab (30%) and European (19%) countries, Syria (17%), and Iraq (11%).

## Top Challenges for Transaction-winning Businesses in the Next 6 Months



A focused approach is necessary to address the significant challenges faced by transaction-winning businesses. The primary obstacle is the ongoing currency volatility, which poses a substantial financial challenge, closely followed by difficulties in accessing finance. Addressing these issues requires targeted financial support and strategies to enhance financial stability and access to capital, ensuring businesses can navigate and thrive despite these economic hurdles.

*In Türkiye, high exchange rates are causing prices to rise. Global financial changes and varying risk views make exchange rates unstable, making predictions difficult. However, Türkiye's strict financial policies could help stabilize the lira if improvements continue.<sup>[7]</sup>*

*According to KOSGEB's next 4-year plan<sup>[8]</sup>, SMEs have high expectations regarding financial support. KOSGEB collaborates with both domestic institutions/organizations and international organizations such as the World Bank and JICA to provide financial assistance. It is essential to continue efforts to facilitate access to finance in the upcoming periods to meet the needs and expectations of SMEs.*

7 Central Bank of the Republic of Türkiye. 2023. "Inflation Report 2023-IV" Available [here](#).

8 KOSGEB. 2024. "Strategic Plan." Available [here](#).

## About Building Markets Türkiye Services

---

Building Markets Türkiye offers a range of services aimed at supporting SMEs within its network to create jobs and develop their capacities. These services cater to both Syrian refugee and host community SMEs, fostering growth opportunities and resilience. In this section, we highlight the type of services we provide and share what insights we've learned that can support concerned stakeholders in their decision-making and implementation of programs to strengthen SMEs.



**Tender Distribution Services:** This service shares information about tender opportunities and quotations on the Tender Opportunities page. This helps suppliers enter markets more easily, tackling a common business challenge. Our weekly Procurement training and Webinar Series educate SMEs on how to effectively participate in tender processes. These sessions provide a deep understanding of procurement procedures, helping SMEs learn how to secure profitable contracts. The Tender Videos explain strategic methods and the dynamics of tendering in each session. Engaging with this series can enhance SMEs' competitiveness in the fast-changing procurement field.

- \$28,563,000 US transactions facilitated.
- +7,500 tender opportunities distributed and published.
- 931 tender applications facilitated.

The team's facilitation of transactions totaling \$28,563,000 US demonstrates their effectiveness in connecting businesses with opportunities. They've also ensured widespread access to potential projects by distributing and publishing over 7,500 tender opportunities. Additionally, their facilitation of 931 tender applications streamlines the process for businesses to secure transactions.

**Mentorship and Advisory Services:** The consulting services are designed to foster growth in SMEs by focusing on key areas such as operational efficiency, regulatory compliance, and the dissemination of market information. These services are adept at utilizing government support programs to enhance the capabilities of SMEs, with a particular emphasis on supporting women entrepreneurs to help them maintain and prosper in the marketplace. Each SME benefits from personalized sessions where they collaboratively analyze relevant data with specialized mentors and business managers, working towards the collective goal of market sustainability.

- \$13,000,000 US transactions facilitated.
- 750 SMEs mentored.

The mentorship and advisory services have mentored 750 small businesses. Moreover, the program has enabled transactions amounting to \$13,000,000 US, showcasing its effectiveness in aiding SMEs in securing business deals.

**Export Promotion Services:** Export promotion services help SMEs expand globally by offering specific training in areas such as Buyer Outreach, Search, and Export Documentation, as well as guidance in Logistics, Shipping, and Customs. This service allows SMEs to effectively connect with international buyers and manage the complexities of global trade. By providing direct connections and crucial advisory services, these services simplify the export process, enabling SMEs to take advantage of international opportunities and contribute to economic growth.

- \$6,000,000 US transactions facilitated.
- 3,880 export requests were distributed.

Through export promotion services, the program has facilitated transactions totaling \$6,000,000 US, displaying effectiveness in connecting businesses with international opportunities. Additionally, they've distributed 3,880 export requests, indicating a high demand for products or services from international markets.



## About Building Markets Türkiye Services

---

**Training Services:** Training services are available to help SMEs improve their business skills and competitive advantage, allowing them to successfully close deals. These trainings are designed to be easy to access and comprehensive, providing live online sessions for interactive learning and virtual on-demand courses through an online platform. The courses cover important topics like tendering strategies, digital transformation, banking, digital marketing, sales management, and export development. By taking part in these training programs, SMEs can boost their skills and explore new opportunities, thus strengthening their market position and learning how to secure successful transactions.



- \$560,000 US transactions facilitated.
- 1,100 unique SMEs trained.

The training services provided have impacted 1,100 unique SMEs, equipping them with skills and knowledge. This indicates the commitment to enhancing the capacity and capabilities of these businesses to thrive in competitive markets. Furthermore, the program has facilitated transactions totaling \$560,000 US - highlighting its contribution to SMEs' ability to secure business opportunities.

**Access to Finance Services:** This service focuses on providing SMEs with the information they need to improve their options for business funding. It offers practical advice through webinars and advisory services on how to access lending and financing opportunities. The service is committed to hosting events that highlight these financial resources and making sure SMEs are well-informed when they seek financial support.

- \$3,000,000 US A2F transactions facilitated to SMEs.
- 12 access to finance events.

Access to Finance services has facilitated \$3,000,000 US in transactions for SMEs, supporting their financial needs for growth. Additionally, through 12 Access to Finance events and mentoring sessions, numerous businesses have received guidance on financial topics, enhancing their ability to navigate financial challenges effectively. These efforts underscore the program's commitment to empowering SMEs with access to vital financial resources and knowledge.

**Networking and Matchmaking Events:** SMEs gain from various events that increase their visibility, help them enter new markets, and provide them with up-to-date information. Matchmaking events showcase their products and services, enabling them to meet potential business partners and expand their networks. These events, including matchmaking, thematic events, and thematic webinars, encourage interaction, offer practical training, and share insights on important issues like job creation and digitalization. Through these platforms, SMEs can promote their offerings, establish connections, and develop skills needed for business growth.

- \$6,000 US transactions facilitated.
- 50 matchmaking events and thematic webinars.
- Research & advocacy event.

The program has conducted 50 events to enhance business networking and partnerships, promoting growth and innovation. These events directly contributed to supporting the attending SMEs to win business opportunities with attending buyers worth \$6,000 US.

## Case Studies

### **Resilience in Action: Urban Research Center's Success Story**

Radwan Mouaket, a mechanical engineer who graduated from the University of Aleppo in 2006, began his journey in Syria's metal construction industry in 2011. The eruption of war led him to Türkiye, where he initially contributed to building cement factories before seizing an opportunity in 2016 to establish [Urban Research Center](#), specializing in Syrian city studies. Despite challenges in Türkiye's business landscape, including language barriers and legal unfamiliarity, Radwan navigated through, expanding his consultancy into market research and NGO consultations, eventually venturing into project implementation in Syria and Türkiye.



"Discovering Building Markets Türkiye proved pivotal for us—a vital link connecting SMEs to valuable opportunities, bolstering societal infrastructure," says Radwan. In 2019, the company joined the Building Markets network. Since then, they've utilized various services, including tender applications and training sessions covering access to finance, digital presence enhancement, and mentorship. Radwan explains, "This enabled us to work on enhancing our digital presence through Building Markets consultancy sessions, effectively showcasing our services, expertise, and track record."

Radwan emphasizes the significance of Building Markets Türkiye's Tender directory, praising its user-friendly interface and comprehensive coverage, enabling access to previously inaccessible opportunities. He highlights the team's proactive sharing of tenders through WhatsApp groups, streamlining the application process and broadening their reach.

"Our partnership with Building Markets has directly resulted in securing transactions worth \$9 million US."

From beginnings with just 15 employees, the company has experienced remarkable growth, now boasting a workforce of 75 individuals both within and outside Türkiye. What's particularly noteworthy is that all the employees are Syrian refugees residing in Türkiye— "The diversity within our team serves as a source of strength and enrichment," Radwan says. "Many of the Syrian employees possess fluency in multiple languages, contributing to a vibrant and multicultural work environment. Furthermore, their diverse backgrounds and previous experiences bring a wealth of expertise to the table, spanning various fields such as engineering, economics, accounting, and more."

Radwan reflected on the community's resilience during earthquakes, noting how people supported each other. Despite initial disruptions, the team adapted and capitalized on reconstruction opportunities, especially in prefabricated housing. However, challenges arose, such as increased area rents and market shifts due to inflation and currency depreciation.

The rise in interest rates significantly impacted market dynamics, as many companies opted to allocate funds to banks rather than invest in on-ground projects. This shift in financial priorities exacerbated the challenges faced by small businesses, which struggled to secure the necessary financing to sustain operations and facilitate recovery efforts.

Radwan underscores the critical importance of access to finance for small businesses, emphasizing its role in enabling their continuity and aiding in the recovery process.

"Due to the earthquake, supply chains were disrupted, particularly for sandwich panels to Syria," he explains. "We had to pivot and source materials from Iraq as an alternative. Additionally, the departure of some companies from Gaziantep necessitated exploring new supplier relationships for operational continuity."

"Drawing from my own experiences," Radwan advises fellow entrepreneurs, "Patience is key. Despite facing challenges, including periods of unprofitability and issues with INGOs during tender implementations, we persevered."



## Recommendations

---

For those supporting small businesses, learning from the services offered by Building Markets Türkiye can offer valuable insights into effective SME assistance. Here's how various stakeholders can apply these learnings to bolster SME growth and success further:

- **Tender Opportunities Platform:** Consider enhancing online platforms to offer comprehensive resources for tender participation, including regular updates on tender opportunities and quotations, structured training programs, webinar series focusing on effective tender processes and procurement procedures, and informative videos on strategic methods and tendering dynamics. Stakeholders can better equip suppliers to navigate and capitalize on the evolving procurement landscape by offering a multifaceted approach to procurement education and tender opportunity dissemination.
- **Mentorship and Advisory Services:** Focus on improving SMEs' operations, ensuring they meet legal requirements, and keeping them informed about market trends. Utilize government programs to support these businesses, particularly helping women entrepreneurs thrive. After-sales services are crucial for integrating SMEs into both local and global markets, guiding finalizing deals, and adopting digital technologies. Conduct personalized sessions where data is analyzed with experienced mentors and business managers to help ensure these businesses can continue to compete and grow.
- **Export Promotion Services:** To bolster SMEs' global expansion efforts, consider exploring export promotion services. These services offer tailored training sessions on key aspects like buyer outreach, search strategies, and export documentation. They also provide valuable guidance on logistics, shipping, and customs procedures, which are essential for navigating international trade intricacies. Moreover, initiatives such as trade missions and B2B matchmaking events can facilitate direct connections between SMEs and international markets, empowering them to capitalize on global opportunities more effectively.
- **Specialized Training Programs:** Developing tailored training programs for SMEs is pivotal in addressing their specific business needs. SMEs can enhance their skills by offering a comprehensive curriculum covering digital transformation, marketing, and finance, coupled with live online sessions and on-demand access. Engaging expert instructors, emphasizing practical application, and seeking continuous feedback for improvement are essential strategies. Building partnerships with industry associations and chambers of commerce can further enrich the offerings, empowering SMEs to boost their competitiveness and success in the market.
- **Networking and Matchmaking Events:** To create impactful events for SMEs, focus on offering diverse platforms that boost their visibility and facilitate market expansion. Develop matchmaking events that enable SMEs to showcase their offerings and forge valuable connections with potential partners, fostering networking opportunities. Additionally, host thematic events and webinars that encourage engagement and provide practical training on job creation and digitalization. Through these initiatives, SMEs can enhance their market presence, establish fruitful connections, and acquire the necessary skills for business growth. Strive to cultivate a supportive atmosphere that fosters collaboration and community among participants, ensuring the events serve as valuable resources for SMEs seeking growth and development.

## How We Work:

---

Building Markets addresses inequality worldwide by advancing inclusive economies that work for all. We do this by opening opportunities for small business owners — who fuel more than 70% of the world's jobs — to transform their lives and communities. Since 2004, Building Markets has combined its deep local knowledge, comprehensive data, and global networks to build confidence and strength in more than 28,360 small business owners affected by marginalization. From securing \$1.416 billion in contracts or loans to creating over 74,877 full-time jobs in places where they're needed most, Building Markets is elevating small businesses as engines of enduring social impact and economic growth.

In Türkiye, Building Markets has built a unique network of 3,000 Syrian-owned SMEs. Verified businesses access services that increase their visibility, improve their performance and connect them to new opportunities. Since 2017, our programs in Türkiye have led to SMEs winning \$50 million in new contracts and capital.

## Are you a small business operating in Türkiye?

---

### INCREASE VISIBILITY



Get verified and create a Unique profile on our Business directory

### ACCESS TRAINING



Enroll in online and in-person courses that target your company's growth

### CONNECT TO OPPORTUNITIES



Locate tenders in your sector and win new contracts and capital

Interested in Learning More?  
Contact our supply chain and finance experts:

Whatsapp: +90 536 734 38 56  
Email: [turkey@buildingmarkets.org](mailto:turkey@buildingmarkets.org)