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AID: Halkbank will help businesses that encounter cash problems.

Halkbank aids small companies

ISTANBUL
Bloomberg

Halkbank, Turkey's second-biggest government bank, will provide loans worth YTL 1.5 billion (\$860 million) for small to mid-size businesses to help them in the global crisis.

Halkbank will lend YTL 800 million to help businesses with cash shortage problems and \$400 million for export projects, according to a filing with the Istanbul Stock Exchange yesterday. The bank will offer discounts of 0.2 percentage points on the monthly rate for lira loans, it said.

The cheap loans are part of an agreement with the Turkish Union of Chambers and Commodity Exchanges or TOBB, which represents the country's small businesses. TOBB will deposit YTL 100 million with Halkbank to fund the loans, the bank said.

Ayso Catering breaks the chain of turmoil

ISTANBUL
Hürriyet Daily News

Ayso, one of the largest catering firms in Turkey, which supplies food to 50,000 people per day, is planning to expand overseas, Turkish weekly magazine Ekonomist reported in its latest issue.

The company supplies food to Turkey's largest GSM operator, hospitals and universities and is now preparing to offer services to Mavi Jeans' production plant in Egypt and the military and university in Kosovo.

Kemal Sofuoğlu, founder of Ayso, was originally a member of the military. Seeing that a career in the military was not for him, he resigned and went into business, initially in tourism and egg production. He won the tender to operate facilities at Pamukbank Banking School in Silivri, which he converted into a five-star hotel. Then in 1990, he went into catering, initially supplying food to 500 people.

Dilek Demiral, who then worked at the reception of the Pamukbank Banking School facility, put her heart into the business and has now become managing director of the firm.

Customers

The company, which employs 800 people, offers services via two models, contract catering and a central kitchen service. The central kitchen service is delivered from its Silivri facilities, which cover an area of 2,800 square meters. A total of 10,000 people in Çerkezköy, Hadımköy and Avclar are supplied with food, Demiral said.

Aside from contract catering, Ayso also operates cafés and restaurants in various institutions, such as hospitals and universities, reaching 35,000 people.

The company has a 300-square-meter facility in Çorlu's

As one of the largest catering firms in Turkey, Ayso elevates its targets despite the current global turmoil. The firm prepares to offer services to an Egypt plant of Mavi Jeans as well as institutions in Kosovo



Hürriyet photo

GROWTH: As employers started providing food for workers due to demands by labor unions, the industrial food business developed, says Ayso manager.

Vakıflar Village that offers services to nearly 5,000 people in the surrounding region.

The firm offers food to call centers of Turkey's largest GSM operators and corporate companies such as Ulusoy Holding, said Demiral.

Ayso has 40 food technicians and engineers. It also employs

hazard analysis and critical control points, or HACCP, a systematic approach to food and pharmaceutical safety that addresses physical, chemical, and biological hazards by prevention rather than finished product inspection.

Unlike other companies, Ayso also stands out with its insurance

against food poisoning. The company is also a member of the Europe Catering Association, or ECA.

Ayso earned YTL 18 million in 2007 and is aiming for 15 percent growth this year, Demiral said. Regarding operations in external markets, she said, "For one and a half years, we managed the food department of the Kafkas University in Azerbaijan. Therefore, we have the necessary infrastructure to achieve overseas operations. We are in talks to provide food to Mavi Jeans' production facilities in Egypt. We have also made contact with the military and a university in Kosovo."

Stepping into retail

Demiral voiced plans to step into retail next year with a \$6 million investment. The company will invest in the food sector via retail, adding a new brand will emerge in the market, she said. There is a plan for an investment in Kiev. Companies with sufficient equity capital will not give up investing amid the crisis climate, Demiral added.

As employers started providing food for their workers when labor unions in Turkey increased workplace rights, the industrial food business developed, said Demiral. However, tender laws obstructed development in the industry. "Thanks to our industry, an industrial kitchen mentality has developed at hotels as well."

As catering has become an indispensable part of corporate companies, the total turnover of the industry worldwide has reached nearly \$330 billion. In Turkey, the figure is around \$80 billion and the industry's market volume is estimated at \$26 million. Seven million people are said to benefit from catering services in Turkey. The industry's total transaction volume is \$6.5 billion, employs 350,000 people and provides employment indirectly to 1.5 million people.



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Intrapreneurship for innovation

"Innovate or die!" We hear that expression every day. Today, business success depends on how innovative a firm is and how quickly it can launch products. However, in difficult times, firms tend to become more conservative, focusing on protecting assets.

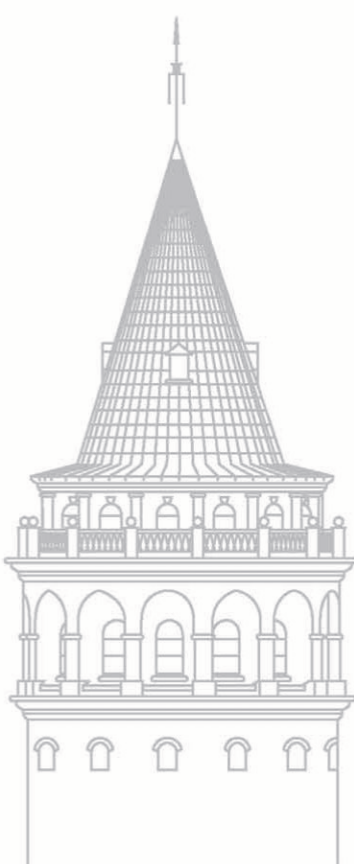
Even when the natural impulse is to become defensive, companies need to innovate. One way to foster that creativity is to encourage "intrapreneurship." Gifford Pinchot, credited with coining the term, defines "intrapreneurs" as "in-house entrepreneurs," those "dreamers who ... can increase the speed and cost-effectiveness of technology transfer from R&D to the marketplace."

According to Pinchot, intrapreneurs are not the same as inventors, who create new products. Intrapreneurs are those who take innovation and creatively maneuver it through the company and into the market. They have a different style and they do not always fit comfortably into the organization.

Modern corporations are more focused on increasing the efficiency of tasks and less on fostering innovation. Rules and procedures bring structure and efficiency, but they also stifle innovation, and thus a company's ability to compete. Yet some large global companies like DuPont and 3M are known for nurturing their entrepreneurial employees. Can we do the same thing here? I believe companies in Turkey need to foster intrapreneurship, because developments in technology are completely changing the way people live and work. Moreover, intrapreneurs shake up the status quo and every company needs to be challenged to remain competitive. For intrapreneurship to flourish, firms need to create a certain kind of environment.

Firstly, intrapreneurs thrive on freedom and shrink from hierarchical, command-and-control environments. They tend to seek forgiveness rather than ask permission. Managers must differentiate between rules that guide and enhance performance, and rules that restrict or stifle. Secondly, companies need to allow for a degree of failure in new projects. Intrapreneurs experiment with things in order to understand how to use them to the company's benefit. Thirdly, companies need to design a hiring process that is more accepting of nonconformity. If a company tends to hire people with nicely rounded edges who meet its definition of "safe" candidates, it will not get the risk-taking pioneers who push the boundaries forward. Instead, look for people who are non-compliant, who are not easily satisfied. Look for people who are not afraid to speak their mind.

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Debating the path to success

ISTANBUL

Hürriyet Daily News

Innovation is the most significant common aspect of successful entrepreneurs in Turkey, according to a recent report released by the Turkish Enterprise and Business Confederation, or TÜRKONFED.

TÜRKONFED, which announced 2008 as the year of small- and medium-size enterprises, or SMEs, prepared the report to show realistic propositions about the transformation of SMEs, which form the backbone of the national economy. The confederation released the report Tuesday. It assesses common features of successful entrepreneurs and defines the way to success.

The report, titled "Transformation of SMEs: Big Successes of Small Enterprises," prepared under the presidency of Professor Erol Taymaz, cites the common aspects of the 24 successful entrepreneurs chosen via a nationwide research.

TÜRKONFED aims to understand how successful SMEs have attained their success, and to create models for other SMEs and policy makers, said TÜRKONFED Chairman Celal Beysel.

It is more important to focus on success secrets rather than reasons for failure, he said. "We know that some SMEs can attain significant success despite all challenges and manage to grow rapidly amid a climate of fierce competition. There are many lessons to draw from these enterprises."

Some SMEs manage to tackle problems, grow rapidly, especially by following innovative processes, the confederation had said prior to a symposium



AA photo

KEY FOR SUCCESS: It is more important to focus on secrets of success rather than reasons for failure, says chairman of the Turkish Enterprise and Business Confederation.

sium titled "Transformation of SMEs," which was held in Istanbul on Oct. 8 as a major part of the project.

Success comes as a result of high endeavors and major efforts, according to the recent report. A substantial proportion of successful entrepreneurs have reported that they did not use bank loans but financed via their own resources while establishing their enterprises. Successful entrepreneurs know well the market they operate in and monitor the demand of consumers and customers as well as the products of rival firms in the market.

The report has shown that a majority of successful entrepreneurs have the required technical information concerning their enterprises, as they have the necessary training due to formal education or being professionals.

Most successful entrepreneurs differentiate between technical knowledge and marketing skills, and hence make the duty distribution accordingly.

The TÜRKONFED report highlights methods that may reduce the costs of establishing an enterprise and that may enable closeness to customers. Financial instruments for the establishment and development of SMEs should be expanded and diversified, the report said. Research and development programs should be simplified and diversified, it said.

According to the report, vocational education should also be encouraged and those SMEs that provide or support vocational education should be supported with public resources. The Small and Medium Industry Development Organization, or KOSGEB, and similar support programs should be assessed, and problematic aspects should be amended, the report said. Sector programs for developing and expanding professional suppliers and services for SMEs should be implemented, it said. The confederation also urged wide use of quality standards and certification.

*The 'sectors' page of HürriyetDN is the venue of our weekly exploration of the deeper dynamics in Turkey's economy