

Chapter 5

Certification of SME Consultants under the National Labor Competency Certification System

Chapter 5 Certification of SME Consultants under the National Labor Competency Certification System

5.1 Current situation of certification for SME consultants

As discussed in Chapter 3, in Mexico there are several certifications that are awarded for skills in consulting services for small and medium enterprises.

In Table 5-1 we can see the relatively common certifications related to SME consultants, distinguished in two categories: certifications to show a certain skill to the general public (certification of approval), and certifications in the context of compliance with the requirements and skills needed to be assigned to a specific project (certification for work). It is noteworthy that the certificates for work also have function to present the skills to the general public, although their level of recognition varies depending on each certification. The certification of SME management consultants in Japan was also originally created to certify consultants in order to have them engage in the diagnosis projects of the Agency for Small and Medium Enterprises, which later became a general certification that verifies skills of SME consultants and was adopted by a broad spectrum of people who did not always want to devote themselves to public services.

Table 5-1 Representing certifications associated with SME consultants in Mexico

	Name of the certification	Administering institution
Certification of approval	Labor Competency Certification for SME Consulting	CONOCER
	Labor Competency Certification for General Consulting	CONOCER
	APEC-IBIZ CBC (Certified Business Counsellor)	COMPITE
Certification for work	Business consultant	<i>México Emprende</i> – Ministry of Economy
	Financial Extensionist	Financial Extension – Ministry of Economy
	Consultant	FONAES
	Professional Service Provider (PSP)	SAGARPA
	Consultant“M”	Ministry of Tourism
	Consultant“H”	Ministry of Tourism
	Accreditation of COMPITE Consultant	COMPITE
	Instructor certified by <i>Nacional Financiera</i>	NAFINSA
	CANACINTRA recognition as SME consultant	CANACINTRA
Consultant	<i>Instituto Tecnológico de Estudios Superiores Monterrey</i>	

Source: Prepared by the Study Mission.

No matter if we deal with projects by the government or private institutions, the need to employ the best human resources to achieve a specific goal is normal, and it is quite understandable that each entity set their own certifications for work.

On the other hand, there is also a trend towards incorporating certification of approval as a requirement to apply for work. The National Support Fund for Social Enterprises (FONAES¹) and the Ministry of Tourism (Consultant "M") require applicants to obtain labor competency certification for General Consulting in order to work in their projects.

The evaluation on certification for work is often performed in conjunction with training. However, if they ensure that basic work of consultancy is executed with a certain quality through a certification of approval, having specific knowledge of the project and receiving training in practical skills is enough. Similarly, government officials leave the determination of labor competency of applicants to the trusted certificates, since they themselves can not assess the specialized skills.

Under this circumstances, certification of approval that is considered more appropriate as a requirement of the application is the certification of competencies of the National Council of Standardization and Certification of Labor Competencies (CONOCER²) under the national system, which is a certification by very reliable third instances.

5.2 Certification of SME Consultants under the National Labor Competency Certification System

5.2.1 Organization of CONOCER

The CONOCER is a public entity established as an extragovernmental organization of the Ministry of Public Education (SEP³) under the "General Rules and Criteria for Integration and Operation of Standardized System of Labor Competency and Labor Competency Certification System⁴" on the ground of Article 45 of the General Law of Education⁵.

¹ *Fondo Nacional de Apoyo a las Empresas Sociales*

² *Consejo Nacional de Normalización y Certificación de Competencias Laborales*

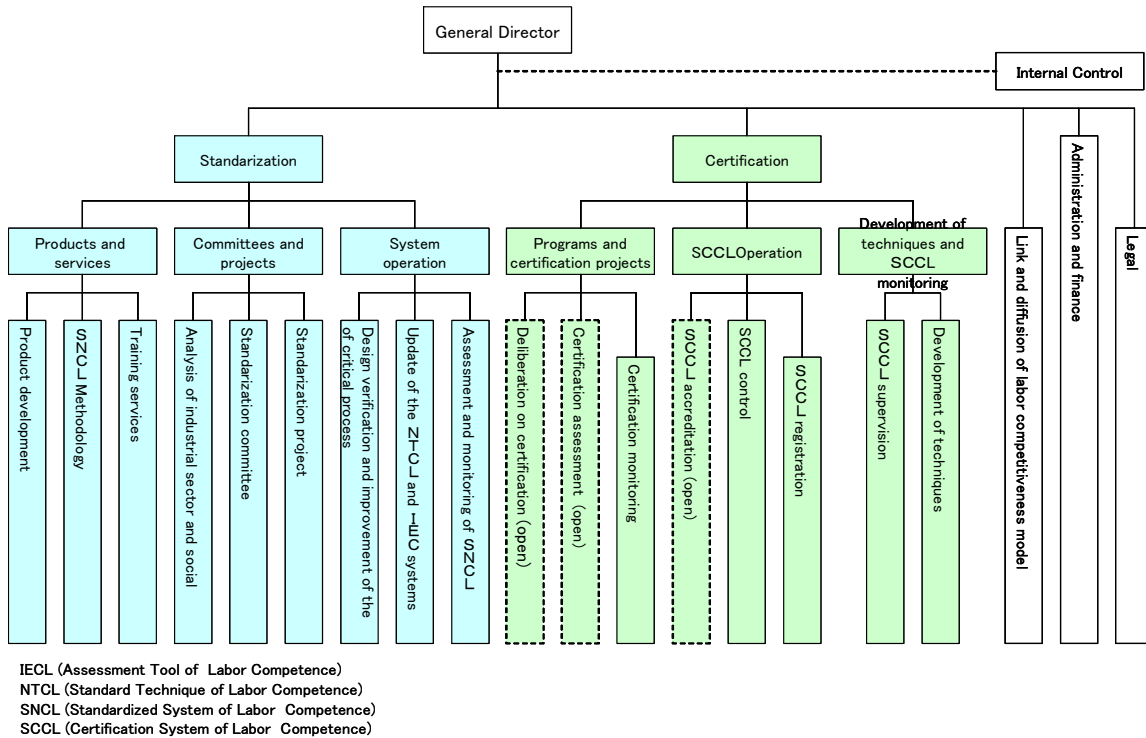
³ *Secretaría de Educación Pública*

⁴ *Reglas Generales y Criterios para la Integración y operación de los Sistemas Normalizado de Competencia Laboral y de Certificación de Competencia Laboral*

⁵ *Lay General de Educación*

This organization is divided mainly into two areas, one in charge of standardization and the other in charge of certification, with 75 employees in total, including the administrative areas (to date of 12 January 2009). Figure 5-1 shows the organization of CONOCER.

Figure 5-1 Organization chart of CONOCER



As date of January 12, 2009

Source: Prepared by the Study Mission based on data published by the CONOCER

The CONOCER itself is not dedicated to the development of Labor Competency Technical Standards (NTCL⁶) and/or evaluation and certification of competencies, but manages and monitors these systems. You can say it plays a role in ensuring the quality of occupational competency assessment in Mexico.

Specifically, to set the standard, it installs the standardization committee composed of representatives and stakeholders in every industrial sector, which establishes and updates the NTCL. Also, regarding the certification system, assessment centers are responsible for implementing the occupational competency assessment and the certification bodies audit and supervise the assessment

⁶ Norma Técnica de Competencia Laboral

centers. CONOCER is in charge of monitoring the application of the standardization methodology, accreditation of certifying bodies and registration of assessment centers, as well as issuing certificates based on the request of the certifying bodies. Giving an official approval to the certification of competencies for/and the industry sector has been adopted.

The institutionalization of standardization and certification of labor competencies in Mexico began around 1993, which came to be in its full stage of development with the Technical Education and Training Modernization Project (PMETyC⁷) initiated in 1995 through the World Bank funding.

Mexico's industrial sector had the following problems: most of the economically active population begins to work before receiving sufficient formal education, training for work is kept low, and the existing education and training schemes do not match the needs of the industrial sector. The PMETyC while cultivating the culture of lifelong learning, and assessing and recognizing the empirical knowledge acquired by non-formal studies, opened its doors to people who never had opportunities to take formal studies as well as those who did not have new opportunities to learn and develop.

On the initiative of CONOCER, created by an agreement between the SEP and the Ministry of Labor and Social Welfare (STPS⁸), the NTCL was developed and serves as a reference for training, assessment and certification of individual labor competition, and in consequence, the operation rules are updated as well as the mechanism of the function for the evaluation and certification of competencies.

The key indicators at the time PMETyC ended in late June 2003 were as follows.⁹

Number of standarization committees:	76	
Number of NTCLs approved:	613	(47% had never been applied.)
Number of certification bodies:	32	
Number of certified personnel:	67,438	(Only certificates that meet all standards excluding certification by units)

When the PMETyC was terminated, CONOCER activities were practically suspended due to financial difficulties.

⁷ *Proyecto para Modernización de la Educación Técnica y la Capacitación*

⁸ *Secretaría de Trabajo y Previsión Social*

⁹ World Bank (2004). *Implementation Completion Report on a Loan in the amount of US\$265 Million to the United Mexican States for a Technical Education and Training Modernization Project*. p.29.

The new CONOCER was reactivated under the Multiphase Skills-based Human Resource Development Program (PROFORHCOM¹⁰) initiating in 2006 with funds from Inter-American Development Bank.

The 3 goals PROFORHCOM are:

- 1) Improve the pertinence, effectiveness and quality of the professional and technical education for the labor / job training.
- 2) Promote articulation and transferability of students between educational methods and between learning routes throughout life.
- 3) Promote the use of NTCL to assess job skills, human resource management of enterprises and to improve the relevance of educational programs.

The program consists of 2 elements. One is the "relevance of the professional / vocational and technical education" and the other is the "establishment of a system of standardization and certification of competencies" that the CONOCER is in charge.

With regard to the role of CONOCER, the "General Rules" state:

The objective of CONOCER is to assist the federal government in the attributions established in the General Education Law, in order to provide training for the job, acquire knowledge, abilities or skills, to enable the recipient to develop a productive activity demanded in the market by some skilled occupation or a profession, for which the following activities shall be done:

- A) Designing, organizing and promoting throughout the country in accordance with relevant provisions, the development of the Standardized System of Labor Competency (SNCL) established in terms of the General Law of Education and by defining technical standards of occupational competence.
- B) Designing, organizing and promoting, in accordance with relevant provisions, the development of the Labor Competency Certification System (SCCL) established in terms of the Education Act, under which it is established, under the scheme of certification to that effect established by the Secretariat of Public Education, in conjunction with other federal authorities, compliance with technical standards SNCL.

5.2.2 Framework of standardization and certification of labor competencies

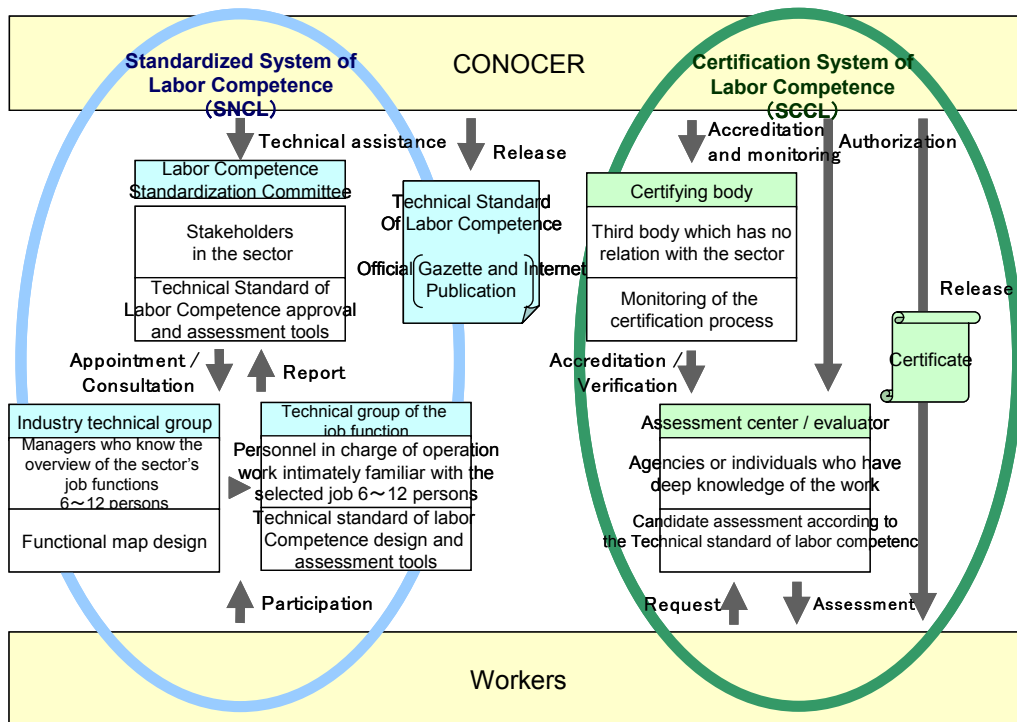
They say the system of CONOCER follows the English National Vocational Qualifications (NVQ). Certainly, there are similarities in the development of the certification standards among the industrial sector, for example, the 5 point scale that indicate the level of occupational competence,

¹⁰ *Programa Multifase de Formación de Recursos Humanos Basada en Competencias*

among others. However, unlike the CONOCER, the NVQ is a close linkage between certification and the training and education as well as the system that certifies levels 1 to 5 according to the degree of learning of the employees.

Figure 5-2 illustrates an overview of standardization and certification of labor competencies by the CONOCER.

Figure 5-2 Overview of the standardization and certification of labor competencies

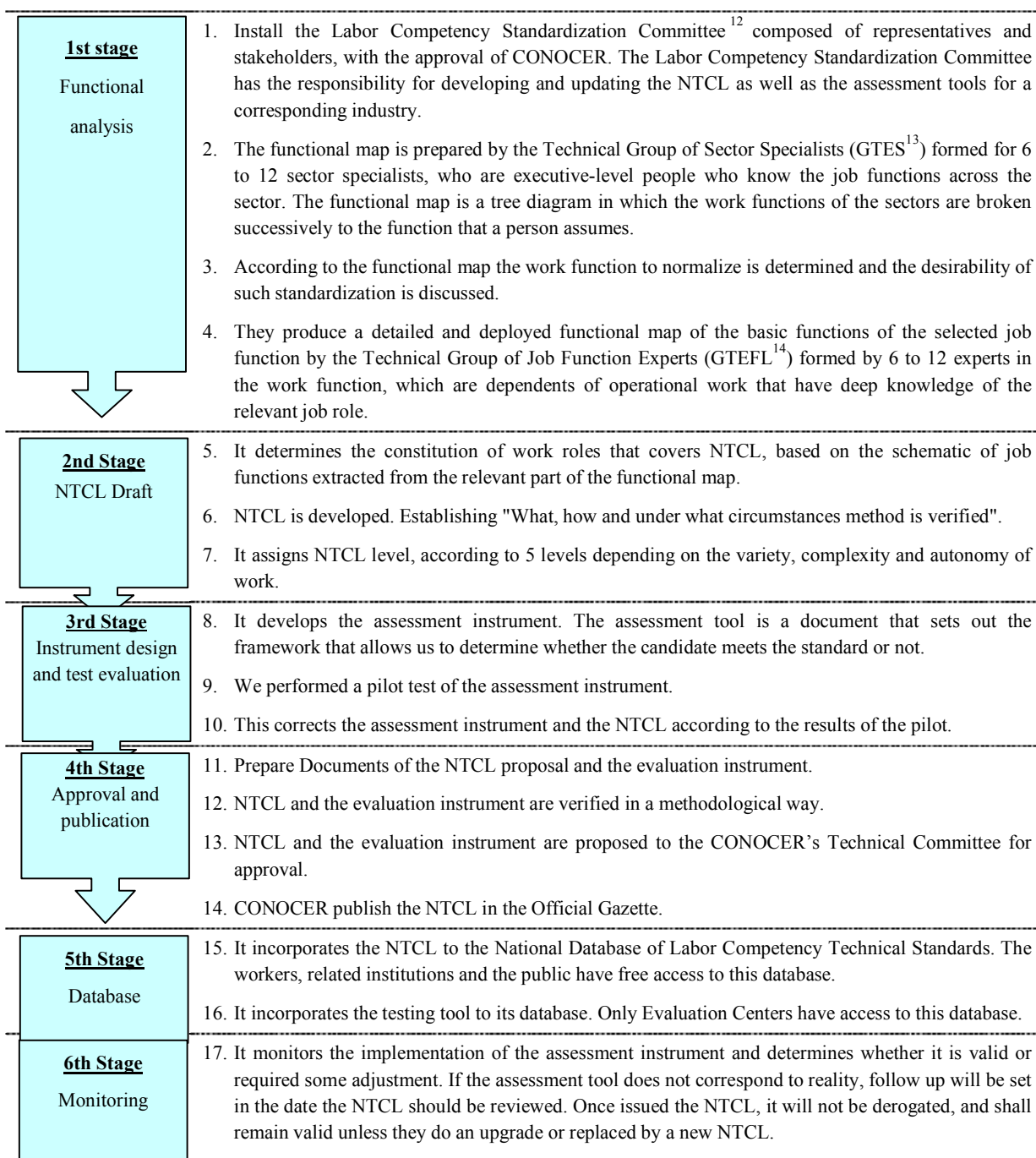


Source: Prepared by the Study Mission based on the "General Rules".

(1) Standardized System of Labor Competency (SNCL)

The SNCL is a system and a process for developing NTCLs and the evaluation tool¹¹ for each of these standards. The system is run by an organizing committee involving employers and workers in each industrial sector, and the procedures and technical guidelines are provided by CONOCER as a technical support.

¹¹ *Instrumento de Evaluación de Competencia Laboral*



¹² *Comité de Normalización de Competencia Laboral*

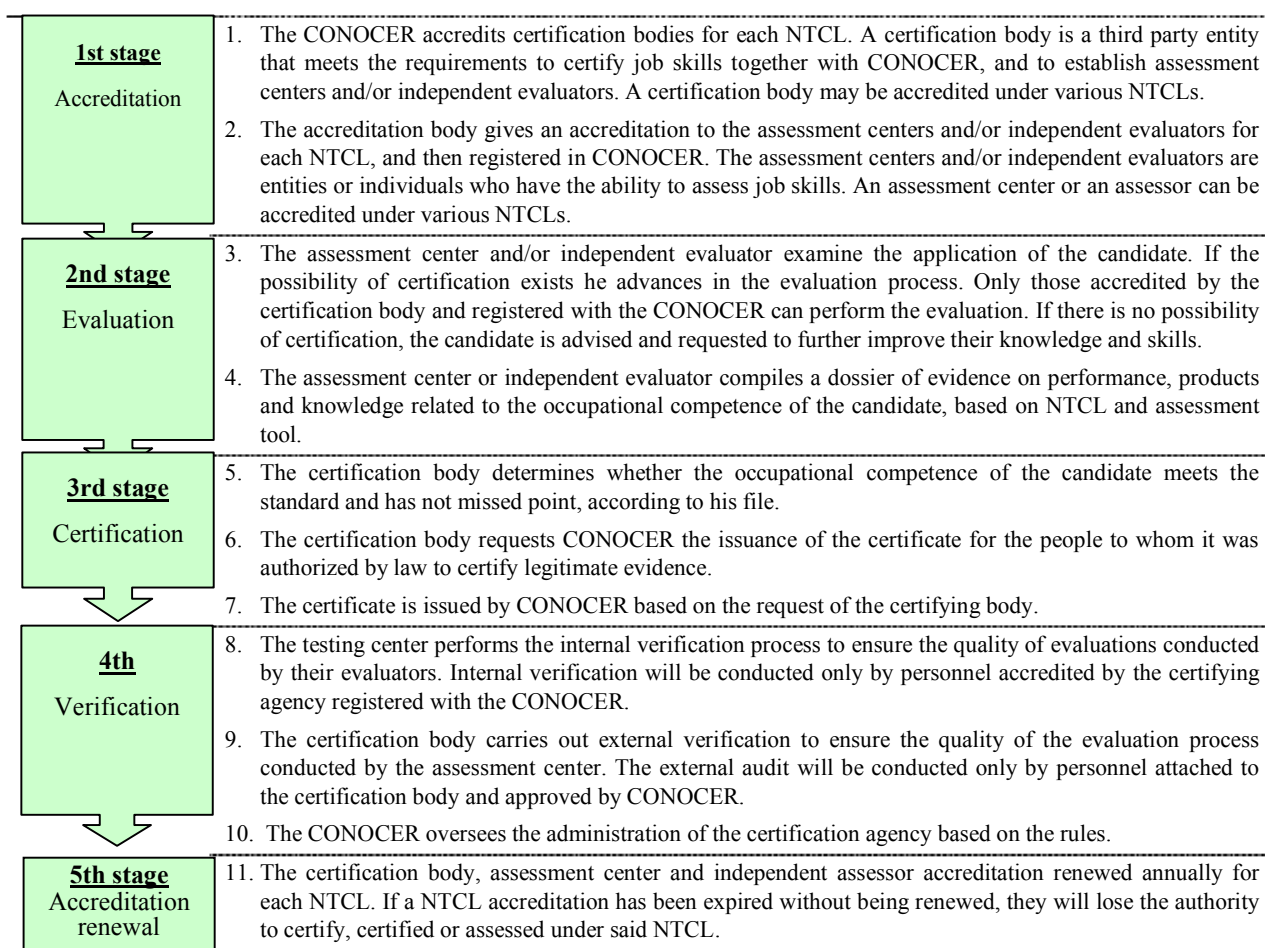
¹³ *Gropo Técnico de Especialistas en el Sector*

¹⁴ *Grupo Técnico de Expertos en la Función Laboral*

(2) Labor Competency Certification System (SCCL)

The SCCL is a system and process for certifying impartially and objectively the occupational competence of each worker, according to the NTCL and their assessment instruments.

The "open system", separated from the training, is a particularity of the SCCL. The NTCL is published so that anyone can access it and workers can provide the service for evaluation and certification according to their individual free will. The "General Rules" prohibit certifying bodies and/or assessment centers to require any courses as a condition for evaluation and/or certification as provided in Article 45 of the General Law of Education, which says knowledge or skills that are credited regardless of how they were acquired.



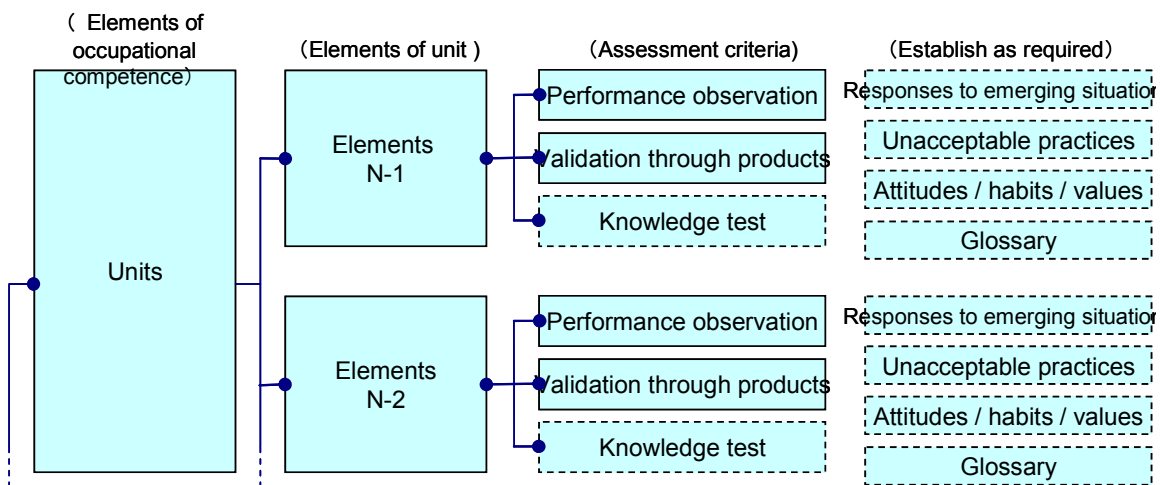
5.2.3 Structure of the Labor Competency Technical Standards (NTCL)

NTCL format is unified and consists of the general profile including the code, title, purpose, approval date, publication date, competency level, corresponding occupations in the National Occupational Catalog Information System and classification according to the North American Industry Classification System; the schematic diagram of the job function; and the specific standard of the labor competency.

Figure 5-3 schematically illustrates the specific structure of the labor competency standards.

The standard as a whole has a tree structure. The NTCL defines one or more units of labor competency involved in the given job function as well as 2 or more elements of labor competency contained in each unit, and lists 3 types of criteria for evaluation: performance, products and knowledge.

Figure 5-3 Structure of Labor Competency Technical Standards (NTCL)



Source: Prepared by the Study Mission based on data provided by CONOCER.

The performance evaluation criteria refer to the evaluation by direct observation of work activities in the scenes of physical execution of work or in a simulated situation. It is an essential technique for measuring the occupational competence, but the cost of the assessment is higher.

Instead, the criteria for evaluating the product shows the result of work done so far through the evaluation of documents and productions, and the evaluation criteria of knowledge is useful to assess the existence of the necessary knowledge to run a job through a written examination, which

constitute indirect techniques to measure the quality of the performances. For the evaluation through the products, the assessment instrument has a mechanism that detects the veracity of the statement of the candidate, by which the problem of credibility is solved.

It is essential to establish at least one of the criteria for evaluating performance or product for each element, while the criteria for the assessment of knowledge is optional. The criteria for the appropriate response to emerging situations, regulations establishing the impropriety of the certification without prejudice to the results of other reviews when they commit certain prohibited acts, the rule on the attitudes required at work and the glossary, can be added as needed.

The composition of the units and elements derives from the functional map which is made through the functional analysis of SNCL. The number of units included in a NTCL is defined taking into consideration the economically active population who is subject to the certification in the standardization process.

To precisely determine some of the required work depending on different circumstances, a set of variables called classifications for the elements can be established. For example, if the analysis to be carried out in the company's administrative diagnosis varies according to each sector, we establish classifications such as "manufacturing sector", "market sector" and "service sector", to establish the evaluation criteria in each of them.

It is worth mentioning that NTCLs newly issued after 2006 under the new CONOCER are called "third generation" standards. The structure and application is different from that of those created in the past. The sections 5.2.2 and 5.2.3 describe the third generation standards.

Table 5-2 summarizes the main differences with NTCLs "second generation" issued before 2003. In the third generation standards the documentary structure is simpler and easier to understand unifying all of the NTCLs are more unified, according to international benchmarks.

Table 5-2 Comparison of current and previous NTCL

	Third generation (from 2006)	Second generation (to 2003)
Definition of work subject to certification	The occupation and classification are specified for the job, as described in the National Occupational Catalog Information System (SICNO ¹⁵) and North American Industry Classification System (NAICS)	It defines the field and scope of work expressed in sentences.
Number of units	The NTCL may have only one unit.	The NTCL must always be composed of 2 or more units. Established units did not correspond to the reality, only attaching to the forms and creating difficulties.
Certification unit	You can certify by units in all the NTCLs.	Each NTCL determines whether to allow certification by units or can not be certified unless it meets all units.
Mandatory units and optional units	Does not exist the concepts of "mandatory units" and "optional unit", since all units are individually subject to certification.	It can form the NTCL by "mandatory units" that must be met without fail for certification, and "optional unit" which is to meet only with the necessary amount between various units.
Assesment tool.	The Labor Competency Standardization Committee developed the assessment tool. All assessment centers or independent evaluators should use the same assessment tool.	Each assessment center or independent evaluator develops the instruments. Problems of fairness and quality were pointed out, because the instrument varies for each assessment center or evaluator.

Source: Prepared by the Study Mission based on data provided by CONOCER.

5.2.4 Current situation with the recommendations from previous studies

Table 5-3 outlines the proposals made in the preliminary investigation and the current situation regarding each of these proposals. Out of 10 proposals, the one already done is the "Implementation of the new Certification System of Consultants for SMEs" which, although it is implemented, no one has yet certified.

The NTCL solely defines the performance, productivity and knowledge based certification, as well as the process and practical assessment method defined by the assessment instrument. According to the standard of the second generation, each assessment center developed its own assessment tool, so from the beginning no framework for the definition and creation of a national written examination and evaluation of two stages existed.

It is believed that CONOCER itself stagnated along with the completion of PMETyC, and no measures were found to integrate the existing framework and recommendations.

¹⁵ *Sistema de Información del Catálogo Nacional de Ocupaciones*

Table 5-3 Actions in response to proposals made in previous studies

Proposals made in previous studies		Subsequent development and current situation
2001 Study on Training and Certification System	2002 Follow-up study	Proposal
	Verified status	
<p>1 Implementing a new system of certification of consultants for SMEs</p> <p>The existing system of certification in General Consulting covers the certification of consultants from all sectors, and in turn, tends to provide certifications for promotional purposes, therefore is not effective as a mean for the selection of consultants, which can be high or low level.</p>	<p>Publication scheduled for March 2003.</p> <p>The Committee for Standardization of Consultants Sector from CONOCER performs the following activities:</p> <ol style="list-style-type: none"> 1) Review the current standard General Consulting (periodic review every two years) <ul style="list-style-type: none"> • Already done. 2) Development of a new standard of Consultancy for SMEs. <ul style="list-style-type: none"> • It is in the final revision. It plans to release in March '03 in the Official Gazette. 3) Implementation of Standard Technical Consulting <ul style="list-style-type: none"> • It began the study. 	<p>Published in October 2006. Certification bodies and assessment centers are already accredited.</p> <p>In October 2006, was published the NTCL of Consultancy for SMEs in the Official Gazette.</p> <p>In January 2008, was appointed as <i>Espacio Empresarial</i> was accredited as assessment center NTCL for Consultancy for SMEs. The <i>AICON International SC</i> was the certified body In September 2008, yet no one certificate.</p>
<p>2 It gives greater importance to the written examination.</p> <p>In order to qualify them selectively, the evaluation must be conducted in accordance with the following weights (category of seniors):</p> <ul style="list-style-type: none"> Evaluation of documents 10% Written exam 70% Practical exam 10% Interview 10% 	<p>The Study Mission's proposals are inconsistent with the regulation.</p> <p>According to the regulation of CONOCER, is evaluated as follows:</p> <ul style="list-style-type: none"> Product 1 / 3 Performance (presentation skills, etc.) 1 / 3 Knowledge (written test) 1 / 3 	<p>No review has been implemented consisting of 2 phases.</p> <p>The NTCL Consultancy for SMEs does not establish the evaluation procedure in two stages.</p> <p>The normal procedure is to assess knowledge separately, provided they do not measure outputs and performance, which is opposed to the system by determining only the knowledge in the first evaluation.</p>
<p>3 2 categories for Juniors and Seniors</p> <p>Absorb those with existing certification in General Consulting in Juniors category (or candidates for technical consultants) without subjecting them to evaluation, thus canceling the certification in General consultancy.</p>	<p>Unification</p> <p>The Standardization Committee draws up a new unified standard. It also discussed the cancellation of certificates in General Consulting for when you get the required number of people with new certification. The basic position of the Ministry of Economy is to allow only the new rule seeks to require, at some point, the new certification for those engaged in government projects.</p>	<p>Certification under the rule in two phases and the repeal of the rule are inconsistent with the regulation.</p> <p>In the NTCL of CONOCER, there is no mechanism by which certification is granted in stages such as Seniors and Juniors for one standard.</p> <p>Once issued the standard (published in the Official Gazette), it will not be repealed, unless it is updated or replaced by a new.</p>

Proposals made in previous studies		2002 Follow-up study		Subsequent development and current situation
Proposals made in previous studies		Proposals		
<p>2001 Study on Training and Certification System</p> <p>4 Sectoral accreditation for "manufacturing industry" and "trade and service industry."</p> <p>Deepening the speciality of the same consultants used both to strengthen the consulting service and to meet the needs of enterprises.</p>	<p>Unification</p> <p>The Standardization Committee determines the following 5 areas where the consultants for SMEs carry out their functions:</p> <ol style="list-style-type: none"> 1) Personnel management and administrative strategies 2) Marketing and sales 3) Operations 4) Legal 5) Financial <p>We analyzed the possibility of choosing one of subparagraphs 2) and 4) but was defined as a conclusion that all fields would be mandatory, but were established examination for 2) and 4) at a relatively low level of difficulty.</p>	<p>Verified status</p>	<p>Proposals</p>	<p>Se acredita por funciones y no por sectores</p> <p>According to the NTCL Consulting for SMB mandatory units are assigned as the "Start of the consulting service" and "Close" and you must choose one of the following 5 fields as an optional unit.</p> <ol style="list-style-type: none"> 1) Strategic Management 2) Human Capital 3) Marketing and sales 4) Operations 5) Finance <p>Fields is shown by functional rather than sectoral.</p>
<p>5 Implementation of the system of certificate renewal.</p> <p>You should implement a system of certificate renewal every 3 to 5 years for the General Advisory and Consultancy for SMEs, with reference to the registered consultants in management of small and medium enterprises in Japan, the requirements for management consultants for small and medium enterprises in APEC, Professional Engineers of the United States, and so on.</p>	<p>It was decided to implement the system. The detailed regulations are under analysis.</p> <p>The Working Group No. 4 of the Standards Committee is working on implementation. The detailed regulations are under analysis, including the need to conduct a test as a condition for renewal.</p>			<p>In the framework of CONOCER, there is no renewal of certificate.</p> <p>The certification provides by CONOCER, does not expire, nor is required to renew.</p> <p>The certificate specifies the version of the standard. The version that has been certified will be obsolete when you update the rule, however, is left to market (the company that hires the staff) to decide whether certification under an outdated version is valid or not.</p>
<p>6 Delivery of training on the rules of ethics.</p> <p>People should be training on the rules of ethics in the training course.</p>	<p>It was decided the delivery. The method of application of penalties is being analyzed.</p> <p>The working group No. 6 of the Standards Committee developed the draft. CONOCER seeks to incorporate the understanding of the rules of ethics and declaration of compliance within the system. It has been identified as a problem and not has any legal authority to apply penalties or sanctions.</p>		<p>Provide Spanish language translation of the following Japanese information: "Standard ethics of diagnosis for registered consultants in management of small and medium enterprises" and "Summary of ethics for professional engineers, Code of Ethics of the Engineering Association of the United States.</p>	<p>The training course is beyond the powers of CONOCER.</p> <p>The General Education Act provides that the evaluation and certification should be carried out regardless of the method or process of acquiring occupational competence, thus the training of consultants is not a matter of CONOCER. Training organizations can develop training programs under the NTCL, but CONOCER has no authority to establish appropriate programs, etc.</p>

Proposals made in previous studies		Proposals		Subsequent development and current situation
2001 Study on Training and Certification System	2002 Follow-up study	Verified status	Proposals	
<p>7 Implementation of technical consultancy sector The system will be strengthened if it is added the certification system by technical consultancy sectors with high technical expertise.</p>	<p>To be agreed in the future implementation. In the Committee for Standardization</p>	<p>To be agreed in the future implementation. In the Committee for Standardization</p>	<p>There is no movement towards implementation. The Standardization Committee for the consulting sector has suspended its activities for more than a year, and there is no movement toward the normalization of the Technical Consultancy.</p>	<p>There is no movement towards implementation. The Standardization Committee for the consulting sector has suspended its activities for more than a year, and there is no movement toward the normalization of the Technical Consultancy.</p>
<p>8 Authorization of the General Consultancy certification without exams (transitional measures). To compel the General Consultancy certification is awarded the certificate of General Consultancy without examination to nearly 400 consultants with more experience to complete the total lack of accredited consultants.</p>	<p>Proposal was not adopted. It postponed the mandatory certification. Once established the rules, be unfair to certify without testing. The compulsory certification was postponed by one year, since there were not a certain number of certified auditors.</p>	<p>Proposal was not adopted. It postponed the mandatory certification. Once established the rules, be unfair to certify without testing. The compulsory certification was postponed by one year, since there were not a certain number of certified auditors.</p>	<p>Mandatory certification in some programs. The National Support Fund for Social Enterprises (FONAES) requires consultants to certify in General Consulting, which has been very well received.</p>	
<p>9 Conditions for applying for the Consultancy System for SMEs. 1) Keep the basic structure of awarding body - certification body - assessment center. 2) Install a committee for the drafting of the exam contents under the direct supervision of CONOCER. 3) The assessment center will entrust the implementation of written and practical examination to a neutral and external body.</p>	<p>It is not has been determined the position of the exam and practice. 1) Continue the current system under the proposal. 2) The contents of exams are an assessment tool, which is planned to make off-site of the evaluation body. There is also a proposal to integrate the development and control of the contents. 3) Not defined. It is analyzing the process as the assessment center to organize the test with the contents prepared by the drafting committee. Regarding practice, the situation is unclear, as it relates to the obligation of the training course.</p>	<p>It is not has been determined the position of the exam and practice. 1) Continue the current system under the proposal. 2) The contents of exams are an assessment tool, which is planned to make off-site of the evaluation body. There is also a proposal to integrate the development and control of the contents. 3) Not defined. It is analyzing the process as the assessment center to organize the test with the contents prepared by the drafting committee. Regarding practice, the situation is unclear, as it relates to the obligation of the training course.</p>	<p>Update the standard is required to unify the assessment instruments including the test and practice. The assessment instrument of the NTCL of Consultancy for SMEs is not prepared, neither exist the committee for drafting the exam contents. The current NTCL corresponds to the second generation and assessment centers develop their own assessment tool. Your system is not prepared for the CONOCER provides the unified test. After updating the NTCL to the third generation, the evaluation instrument will also be developed by the Standards Committee, which will facilitate the unification of it.</p>	<p>Update the standard is required to unify the assessment instruments including the test and practice. The assessment instrument of the NTCL of Consultancy for SMEs is not prepared, neither exist the committee for drafting the exam contents. The current NTCL corresponds to the second generation and assessment centers develop their own assessment tool. Your system is not prepared for the CONOCER provides the unified test. After updating the NTCL to the third generation, the evaluation instrument will also be developed by the Standards Committee, which will facilitate the unification of it.</p>
<p>10 Simultaneous realization of the written examination at the national level Performed once a year a nationwide simultaneous examination lasting 2 days.</p>	<p>It can not be perform. It has never be performed a written exam simultaneous nationwide, and is virtually impossible to implement.</p>	<p>Having a reserve of about 1,000 questions to present at random in the exams. The neutral body prepares and maintains about 1,000 questions (300 questions each year to replace), and each time an assessment center request it (every 3 to 6 months), presents some 200 problems in the exam. They are willing to accept the proposal. There is also a proposal to prepare 2,000 questions for present them in the examination for each candidate.</p>	<p>The system is not prepared to perform a Nationwide unified written examination. The testing center performs the evaluation at the request of the candidate, so never program the test date. The standard is the second generation in both the General Consulting and the Consulting for SMEs. Because the assessment tool is developed for each assessment center there is not made any unified review.</p>	

Source: Prepared by the Study Mission.

5.2.5 Current NTCLs related to the SME consultants

The Standardization Committee of the consulting sector has issued 11 NTCLs. Only 3 out of the 11 are actually used: General Consulting¹⁶, Consultative Sales¹⁷ and Coordination of the Development Process of a Strategic Plan¹⁸. While SME Consulting¹⁹ has been published and equipped with the accredited Certifying Organization and Evaluation Center, no cases of certification are registered yet.

In this section, in addition to the General Consulting and SME Consulting, we will also see the overview of the NTCL of Implementation of Classroom Teaching Courses²⁰ established by the Committee for Standardization in the field of administration and human resource development, a related NTCL for the SME consultants. Being an instructor of group training or internal training of a company is one of the main jobs of the consultant, and certification in teaching classroom courses is relatively well known among business management consultants in Mexico.

(1) General Consulting

The current NTCL General Consulting is the second generation NTCL published on August 16th, 2002 and the level of competition is determined as 5. Figure 5-4 illustrates the overall scheme.

To be certified, requirements to cover all unite is required.

There is only one element that requires evaluation by observation of performance. The evaluator plays the role of the client (entrepreneur) for the interpretation of roles, and looks at the candidate's performance through the presentation of the diagnosis of current situation and proposals for improvement, as well as questions and answers.

¹⁶ CCON0147.03 *Consultoría general*

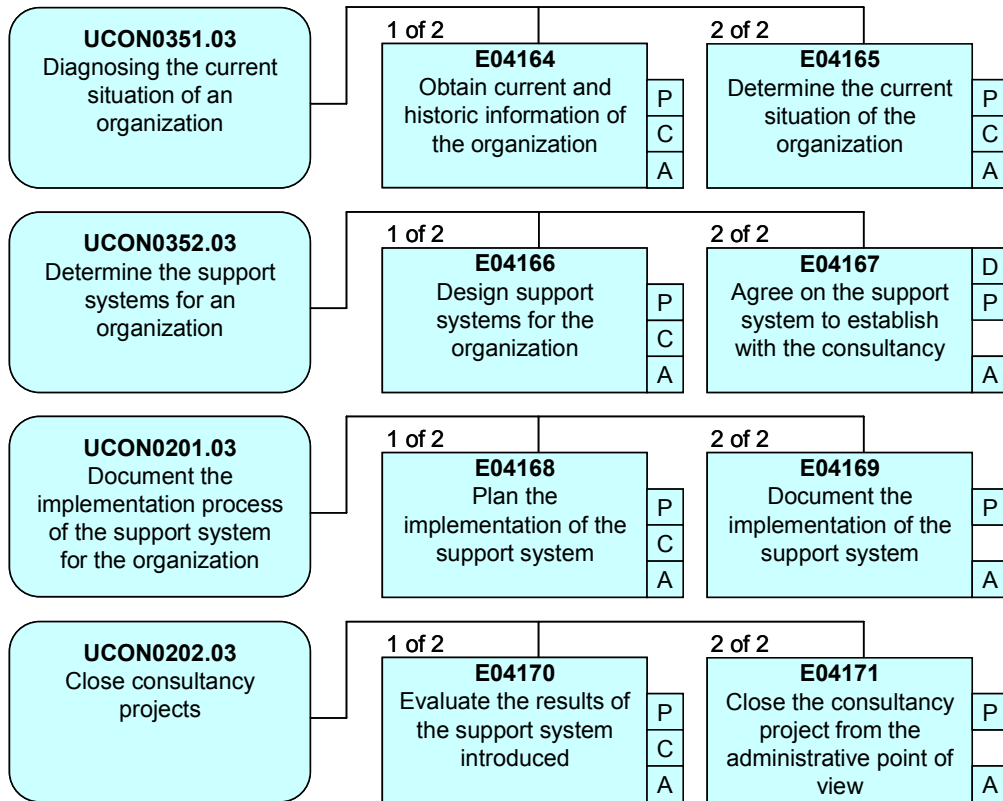
¹⁷ CCON0396.02 *Ventas consultivas*

¹⁸ CCON0507.01 *Coodinación del proceso de elaboración de un Plan Estratégico*

¹⁹ CCON0657.01 *Detección de áreas de oportunidad y mejoras de PyME*

²⁰ NUGCH001.01 *Impartición de cursos de capacitación presenciales*

Figure 5-4 Structure of the NTCL for General Consulting



D: Performance evidence **P**: Product evidence **C**: Knowledge evidence **A**: Attitudes evidence

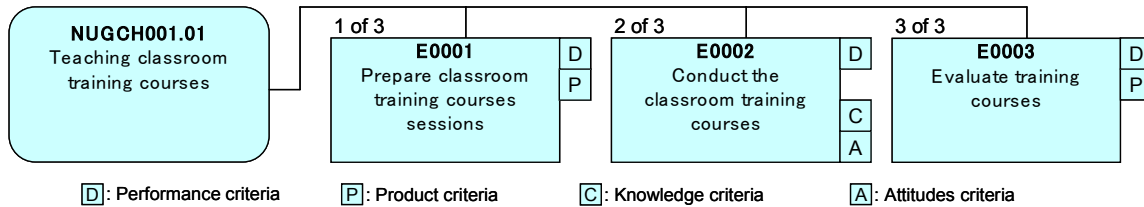
Source: Prepared by the Study Mission based on NTCL data.

(2) Implementation of Classroom Training Courses

The current NTCL Implementation of Classroom Training Courses is the "third generation" NTCL published on October 24, 2007. The level of competition corresponds to 3. Figure 5-5 illustrates the overall scheme.

It gives greater weight to the assessment of performance compared to the case of General Consulting. The evaluator goes to the place where training is imparted to physically observe and evaluate the candidate's words and actions.

Figure 5-5 Structure of the NTCL for Implementation of Classroom Training Courses



Source: Prepared by the Study Mission based on NTCL data.

(3) SME Consulting

The NTCL SME Consulting published on October 11, 2006 is the standard of "second generation" made before 2003. This is the NTCL Consultancy for SMEs which was never published in the Official Gazette following approval on December 17, 2003 by the technical committee of former CONOCER and was officially issued by the new CONOCER without updating its contents.

3 years have passed since its elaboration and preparation. Although the NTCL states it should be reviewed 2 years after publication, there are not active movements within the Committee on Standards in 2008, the deadline for the review.

The NTCL of SME Consulting is scarcely recognized and no organization or institution obligates consultants to have certification. There is not a general convocation but the evaluation of job competencies is done upon request from individual candidate, for which the existence of NTCL is difficult to be known in public without active utilization by the sector itself. Consequently, the certification of any SME consultant remains unrealized.

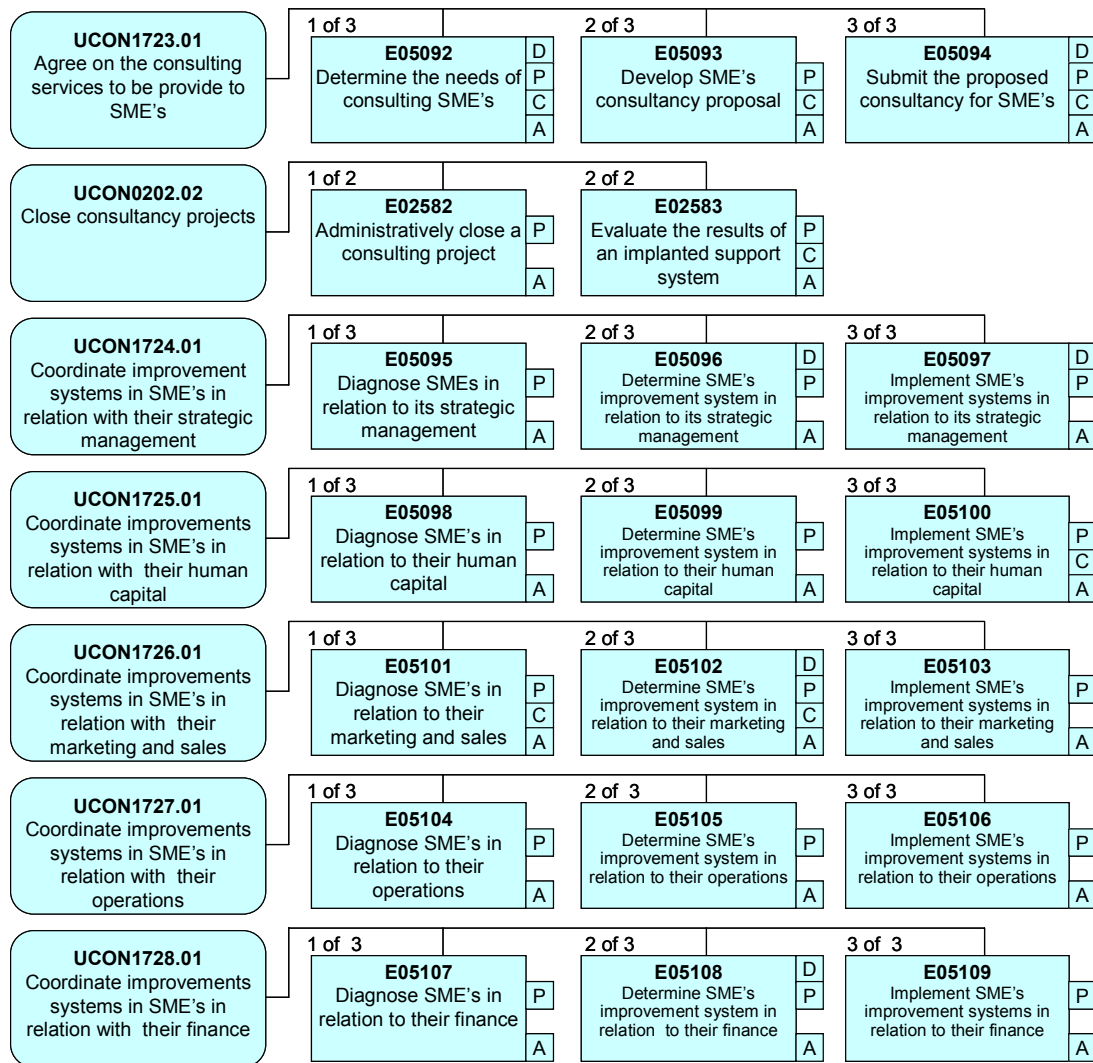
Figure 5-6 illustrates an overview of the NTCL of SME Consulting. The competency level is 5.

The NTCL consists of the 2 mandatory units related to the starting and closing of the consulting services, and 5 optional units (to choose one) related to the practice of consulting services in each functional area of business administration. Obtaining 3 units in total, the candidate will be certified for SME Consulting. It is a figure of the SME consultant for a specialized area such as strategies, human resources, marketing or finance.

It remains ambiguous how to address the areas of manufacturing, trade industry and the service industry, since there is no clear regulations. To be clear, what is in the "UCON1727.01:

Coordinate the improvement system for small and medium enterprises in connection with their operations," implied the control of production, and makes no mention of the administration in trade or service industry.

Figure 5-6 Structure of the NTCL for SME Consulting



D: Performance evidence
 P: Product evidence
 C: Knowledge evidence
 A: Attitudes evidence

Source: Prepared by the Study Mission based on NTCL data.

The future revision of NTCL SME Consulting will be based on the model of the third generation. It will need a technical analysis of the following:

- All units are subject to individual certification, regardless of mandatory or optional units. Therefore, if the certification in the SME Consulting is carried out by field of specialty, as it is currently done, 5 NTCLs will be developed separated, or probably it will include the fields of specialty units within a NTCL in order to designate the units in which the employee must become certified.
- It also develops the nationwide unified assessment tool.
- Wherever there are differences of labor between sectors, it can adequately clarify the regulations establishing the classes. First, it must identify the areas in which consultancy approach varies between sectors, and defines in case it is needed, attention to all sectors or certification by sectors dividing the NTCL or the corresponding unit.

5.2.6 Characteristics of the NTCL for SME consulting

In order to understand the characteristics of NTCL SME Consulting, ideas about certification of competencies will be organized by comparison with the registered consultants in managing SMEs in Japan.

In first place, we reconfirm the term "competency" as a concept of labor competition in the system of standardization and certification of competencies in Mexico.

Currently, the concept of competency is also known in Japan in the fields of personnel management and capacity development. Although the word competency often translates, for example, as "behavioral characteristics of a person of high performance," was originally a psychological term that referred to the "capacity to provide desired results using consciously the knowledge and skills you have". It is a concept that emphasizes in the results obtained by knowledge and skills rather than the type of knowledge and skills you have. Therefore, the main purpose of the assessment of competency is to focus on specific job actions of an individual and determine whether his acting demonstrates he can generate results in an efficient way.

What is known as "Labor competency" in Japan relates to the "skills to run a job." Until now, many companies have implemented the system of labor competency as a personal promotion by seniority, because it was expected that the knowledge and skills were increasing by individual

experiences. The assessment approach was the existence of sufficient knowledge and skills to run a job without giving much importance to the appearance of the obtained results at that time.

It is considered that the examination system of registered SME consultants in Japan is based on the concept of that labor competency.

Under that system, written and oral examinations serve as verification. The candidates may have sufficient knowledge related to business management and skills to analyze problems and propose improvements in order to diagnose the administration of small and medium enterprises and give recommendations. However, it is never determined if they are competent or not according to their actions and results obtained in the business places where they physically diagnosis and advise is done.

In the backend, it is understood that the skills in operational work of the registered SME consultants, will refine progressively as experience is gained under the instructions of senior consultants. Therefore it sets up a scenario where the people with knowledge and base skills are taught the methodology of operational work to start their career as registered SME management consultants, where they develop to master their work through their experiences to a level that enables them to instruct the less experienced people.

This idea can be seen in the year 2000 reform where the practice of company diagnosis which previously represented the third review was replaced by additional practical course.

Within the system of examinations for registered SME management consultants there are no elements for assessing their performance in addition to the consulting work and work experiences as conditions for the exam. Some pass the test even when they are students. Within the system of examinations for registered consultants in management of small and medium enterprises, there are no elements for assessing their performance in consulting work. And work experiences are not conditions for the exam. Some even pass the test when they are students.

In contrast, the system of standardization and certification of competencies in Mexico based on the concept of competency puts greater emphasis on compliance of the candidate for obtaining expected results or performance. So, when a person is certified in the SME Consulting, the candidate must have made sufficient labor based actions leading to good results at the site where the consultancy was carried out.

Furthermore, knowledge is required only when it is directly necessary for the performance. For example, in the case of the operation of a personal computer, you must know the operation of

mouse and keyboard, but not required knowledge related to the structure of the computer, its technical performance, market performance, etc. The NTCL SME Consulting established “Administrative diagnostic methodology”, “Estimated cost of proposed improvements”, "Techniques for managing a group", "Marketing techniques, etc.. as requirements for knowledge, but it does not require what is known as a theory of business administration, as the knowledge regarding the administration of companies are indeed a precondition for the performance of a consultant, but they are not knowledge directly applied to perform the function of the work called consultant.

Moreover, just in those cases where the evidences of the required knowledge by the NTCL can not verified through performances or products, an evaluation by questionnaires, etc. is implemented in an additional form.

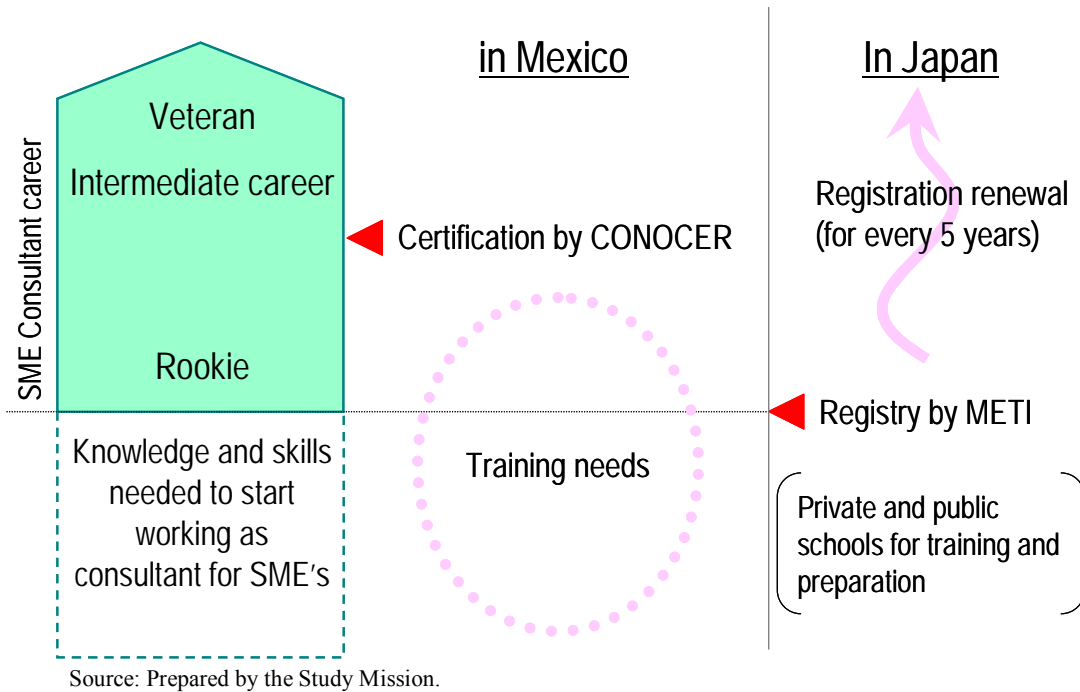
It is a very different approach for the registration of management consultants of SMEs system, where they are challenged on comprehensive knowledge of business administration at the first examination.

As mentioned above, the starting point of the system of certification of competencies in Mexico was to give a fair recognition to the result of a successful self-improvement through various learning opportunities for a worker who failed to receive enough formal education. Therefore, there is a principle of not questioning the learning method to assess labor competition. Also, the NTCL was built upon the concept of competency that gives importance to the specific actions leading to results, emphasizes the ability to run smoothly the work, rather than the systematic or scientific theories. You could say that is a coherent system to certify the knowledge and skills the candidate has acquired through the work day.

Also, the NTCL SME Consulting is a standard to certify consultants who have reached a certain level of mastery while engaged in consulting work, but it is not a certification to verify the required knowledge for those who are just beginning to work as consultants.

Figure 5-7 shows the comparison of the characteristics of the career and certification of consultants for SMEs in Mexico and Japan that were analyzed.

Figure 5-7 Career and certification of SME consultants



The SME consultant system of Mexico may be suggested the need of training programs to help acquire professional experience. It is possible to acquire knowledge in a self-taught approach, but it is not easy to accumulate work experience as a SME consultant through his own efforts. Currently consultants are left to seek employment at consulting organizations/firms and gain practical opportunities for himself, which can be a bottleneck to the attempt to boost to the number of SME consultants.

Only if a mechanism is established to provide broad opportunities to acquire professional experience to newcomers who may well become outstanding consultants, then the key element for the promotion of the labor competency certification will be achieved.

5.2.7 Movement toward the systemic reform

According to information at the end of August 2009, the revised General Rules will be published shortly in the Official Gazette and shall reform the system of standardization and certification of competencies.

The following describes the main specific points to be amended:

- 1) Unify the system of the current regime that is divided into two main areas of standardization and certification, so as to address the problem of having issued many technical occupational competency standards that are not being utilized.
- 2) Providing legal resources and empower the Committee²¹ in each sector, so that their judgments can deliver the adoption of other methods of standardization, approval of training courses in accordance with the standard as well as linking the assessment of labor competency with the training course, and much more.
- 3) The education and training institutions, such as universities and/or industry groups, etc., can perform as a Certification and Evaluation Entity (ECE²²) the training, evaluation and certification, besides the current system of assessment and certification established by the certification bodies and assessment centers.
- 4) Creation and public availability of the database of those who have obtained the certification of competencies²³ and the database of training courses approved by the sector committee for its adherence to the rule²⁴.

Along with this, plans to reform the organizational system of CONOCER, names and related terms are also planned.

The content as described in 5.2 is based on official information from the end of August 2009.

²¹ The current Committee on Standards of Competency Standards changes its name to Competency Management Committee or *Comité de Gestión por Competencias*.

²² *Entidad de Certificación y Evaluación*

²³ *Registro Nacional de Personas con Competencias Certificadas*

²⁴ *Registro Nacional de Cursos de Capacitación con base en Competencias*

Chapter 6

Establishment of a registration and training system for
SME consultants

Chapter 6 Establishment of a registration and training system for SME consultants

SMEs are an important engine of the national economy in any country in the world, representing 80% to 90% of all enterprises and employments in the same percentages and Mexico is no exception. Also, as seen in the example of Mexico noted in chapter 1, in many countries, SMEs generate a considerably low percentage of GDP as opposed to number of companies or jobs.

We can say that with the purpose of developing the vitality of SMEs that are the engine of the national economy, there is no nation which does not take the promotion of SMEs as the slogan in its economic policy. Within the policy of promotion of SMEs, the strategies tend to promote Micro enterprises as part of a social policy by the prospects of fighting poverty or creating jobs, and by focusing on low-income and reducing the income gap. Also, the promotion of SMEs is an important part of industrial policy from the standpoint of the contribution of the vitality of SMEs to the industrial competitiveness of the nation; public support is taken to mitigate unfavorable competitive conditions compared to large enterprises.

As we discussed in Chapter 1, the weaknesses of the Mexican economy can be found in the low value added, especially the delay in the improvement of labor productivity in comparison with neighboring countries. In recent years, as their superiority deteriorates in labor costs, Mexico has become less attractive as a production and export base that was previously more labor intensive and which has supported the assembly industry with lower value added.

Moreover, it is still difficult to say whether Mexico has overcome the weakness of the support industry, which was pointed out 10 years ago as a critical issue in industrial building and yet it still does not solve the vulnerability of the Mexican manufacturing industry which is more focused to end processes (assembly phases). This indicates a high demand for SME consultants.

In this chapter, we first clarify the role of the SME consultants as well as the expected roles of them, in addition to reviewing the conditions of supply and demand for SME consultants in Mexico. Finally, the proposal of the Study Mission will be submitted, which consists of the registration system and training SME consultants by the Ministry of Economy as well as a future image of the National Certification for SME Consulting from the National Council of Standardization and Certification of Labor Competencies (CONOCER¹)

¹ *Consejo Nacional de Normalización y Certificación de Competencias Laborales*

6.1 The role of the SME consultants and their market

Many SMEs are not very motivated to improve their management or operation and to renew their technology due to limitations of its technology or access to market information, as compared to large enterprises. Even if they are willing, they lack the required knowledge and administrative resources to carry it out. Except some of the advanced companies that are observed in Mexico City and Monterrey, Mexico SMEs are lagging behind in innovation and its administrative base is vulnerable without the benefits of market globalization. Also, considerable constraints in access to financing exist. To improve productivity and increase the value added, what is expected of Mexican SMEs is strengthening its capacity for basic administration.

It is expected that a SME consultant, bring as an outsider the solutions for the lack of administrative resources such as management *know-how*, information and access to financing, etc. This does not mean that he sophisticates the production engineering and the knowledge and experience that the company has, but instead it must take a position to diagnose its "management capability" that allows the company itself to run its business and have the benefit from the production engineering, knowledge and experience, as well as a position to give relevant advice and ideas for further enhancement and application of actions.

To make a consultancy on specialized fields, such as the production engineering and other specialized areas of the field, we should clearly distinguish the role of a consultant in management issues and an engineering field consultant. Of course, this distinction is not intended to exclude a person with sufficient knowledge and experience in administration and production engineering to offer his global support to SMEs.

As mentioned in Chapters 3 and 4, consulting firms or individual consultants are involved in various projects from the Mexican government to support SMEs. The main services of SME consultants are the diagnosis and company advice. The companies often ask for the training of their employees as part of the consultancy. The market information from various industrial sectors, financial, etc. is also part of the services provided to SMEs. It is also one of the services of consultants to serve as instructor of the awareness seminar with various topics, which is not organized for a particular company.

In general, consultants are experts in certain areas and provide consultations at the request of the customer who wants to be advised in these areas where they are strong. The Study Mission interviewed many consulting organizations and active consulting firms during the study process, in which they commonly recognized that consultants mean expertise in certain areas.

Indeed, in the SME consulting experts from different areas such as administrative strategies, human resources and staff development, finance, marketing, operations, sales, manufacturing engineering, etc. work. Additionally, we must remember that the manufacturing engineering is divided into several sub-areas. Similarly, experts exist for production management in manufacturing industries in different sub-areas such as quality control, process control, inventory control, cost control, etc.

The market for SME consulting, compared with that of consultants with expertise in other areas, is characterized by:

The promotion of SMEs, which constitute the basis of industry, has been and will be the inevitable challenge to the economic development of a nation and demand for consultants to offset the lack of administrative resources. However, one can say that latent demand is for the following reasons: 1) In some cases the SMEs themselves are not aware of the possibility or need for improvement. 2) Even if they are aware of the need for improvement in many cases they do not have the necessary funds to hire a consultant. 3) Even though it costs a lot of work, the benefits of the consultancy are not so easily in a short time. Therefore, the main market of SME consultants appears to be the projects of public support for SMEs, where the government explores the demand and covers part of the consultancy cost with public funds. It means that SME consultants play a role in the national promotion of SMEs.

Because the projects of public support are not necessarily attractive to consulting companies whose main clientele consists of large companies that have sufficient economic resources and the ability to cover the cost of SME consulting, demand of individual consultants is higher than that of consulting companies in the market for SME consulting.

From these two characteristics, we can explain the topic of this study, namely the need for a system for the registration and training of SME consultants established by the Ministry of Economy and the definition of the qualitative requirements of the SME consultants.

(1) Registration system of SME consultants

The customers of the SME consultants go from Micro enterprises operated with few employees to Medium-sized enterprises with different needs. There are also consultants with different backgrounds and experiences. Private companies seeking to directly access these consultants assess their capacity, experience and performance, of course, based on their own criteria. So the demand is concentrated in the capable consultants and those who lack capacity are eliminated in a natural way, which occurs in any country in the same way.

However, for the projects with public support that represent the main public market for SME consultants it is not appropriate to let the consultants only to the fate of market mechanisms. The government which is responsible for the promotion of SMEs requires a system to review and record the capacity, experience and ability of SME consultants being hired at the expense of the public budget. The reliability of the system will explore a greater demand for companies to not only ensure an appropriate budget management but also the quality of consultants, and also involve the promotion of SMEs as one of the Nation's goal.

(2) Qualitative requirements of the SME consultants

Service SME consultants typically follow the process of diagnosing first, then establish the improvement plan and provide advice for improvement and then evaluate. Especially in the diagnosis of the company, first step of the process, it is not uncommon for the same entrepreneurs to find they do not have correctly identified which are the problems or what are the challenges being faced. It requires an extensive knowledge based and experience to cover all types of transactions related to the areas of management of a company, such as administration, strategies, markets, organization, human resources issues, staff development, financial control, production management, sales management, marketing, etc. This is also explained by the following: 1) the fact that the diagnosis of a company led by an expert in one area tends to be inclined toward their own specialty. And 2) the fact that in many cases the main counterpart of operation, which assumes responsibility for all areas of the company in question is the SMEs entrepreneur.

Obviously there may be cases in which according to the selected topic through the diagnosis of the company, consultancy is needed as an expert to support of the corresponding area. However, the SME consultants are normally responsible of a company on an individual field basis. It is essential to have wide capacity to meet a wide range of problems. First of all, the SME consultants should be a generalist on the of SMEs fields of administration.

During the previous study, this concept, not being familiar in Mexico, was always discussed in with the concerned bodies and stakeholders. However, through the visit to many institutions associated with the SMEs during the study at this time, we feel this concept has now been gradually accepted in Mexico, unlike those days when the previous study was conducted.

It is worth mentioning as a reference that in Japan the need for SME consultants with a complete ability attracted attention long before. The national system of qualification of management SME consulting was established 60 years ago and is still operating. This system is widely recognized by both the public and the private sectors, thus many applicants submit the certification exam. Certified people are treated in preference to several support programs for SMEs in the central or local government or private programs.

This certification of Japan is characterized by considering the SMEs themselves as a specialty and to recognize and certify experts of the SME management to those who have average knowledge and ability to diagnose and advise on all areas of the SMEs (except the techniques inherent in the manufacturing industry).

6.2 Consultant role for SMEs as a specialist in the management of SMEs and their required capabilities

Two expected SME consultant functions are shown below as a specialist consultant in the management of SMEs:

- (1) Advisor: To become the closest adviser to the entrepreneur of an SME and support the growth and development of the client company, providing diagnosis and advice from a professional point of view to take appropriate steps before the administrative tasks.

- (2) Coordinator: Has the objective to attend in general and continuous manner all the administrative tasks that the SMEs has, which in case of a complicated problem of high specialization, try to solve it together in a perfect collaboration with other appropriate specialists.

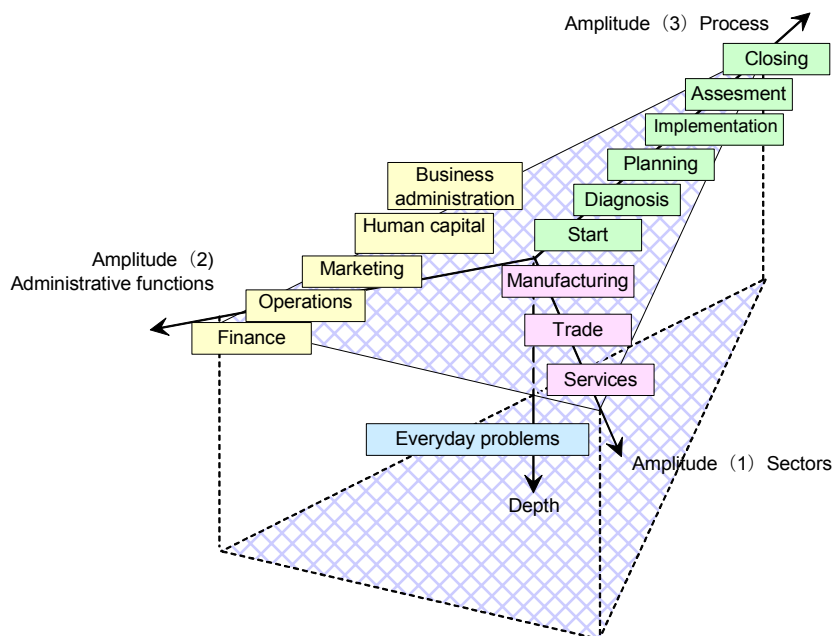
In Figure 6-1 shows the SME consultant's scope of work in a more concrete using the concept of amplitude and depth

The amplitude can be defined with the following 3 axes and any of them requires covering all areas.

- 1) Sectors covering the consulting service (manufacturing, trade, services)
- 2) Administrative functions covering consultancy services (business management, human capital, finance, operations, marketing)
- 3) Process of consulting service (start, diagnosis – improvements planning - implementation of system improvements – assessing, closing)

In terms of depth, it is a prerequisite to have a level of capacity to take action to everyday problems of the administration, being the closest adviser to entrepreneurs in SMEs

Figure 6-1 Scope of work of the SMEs consultant SMEs in terms of the amplitude and depth



Source: Prepared by the Study Mission

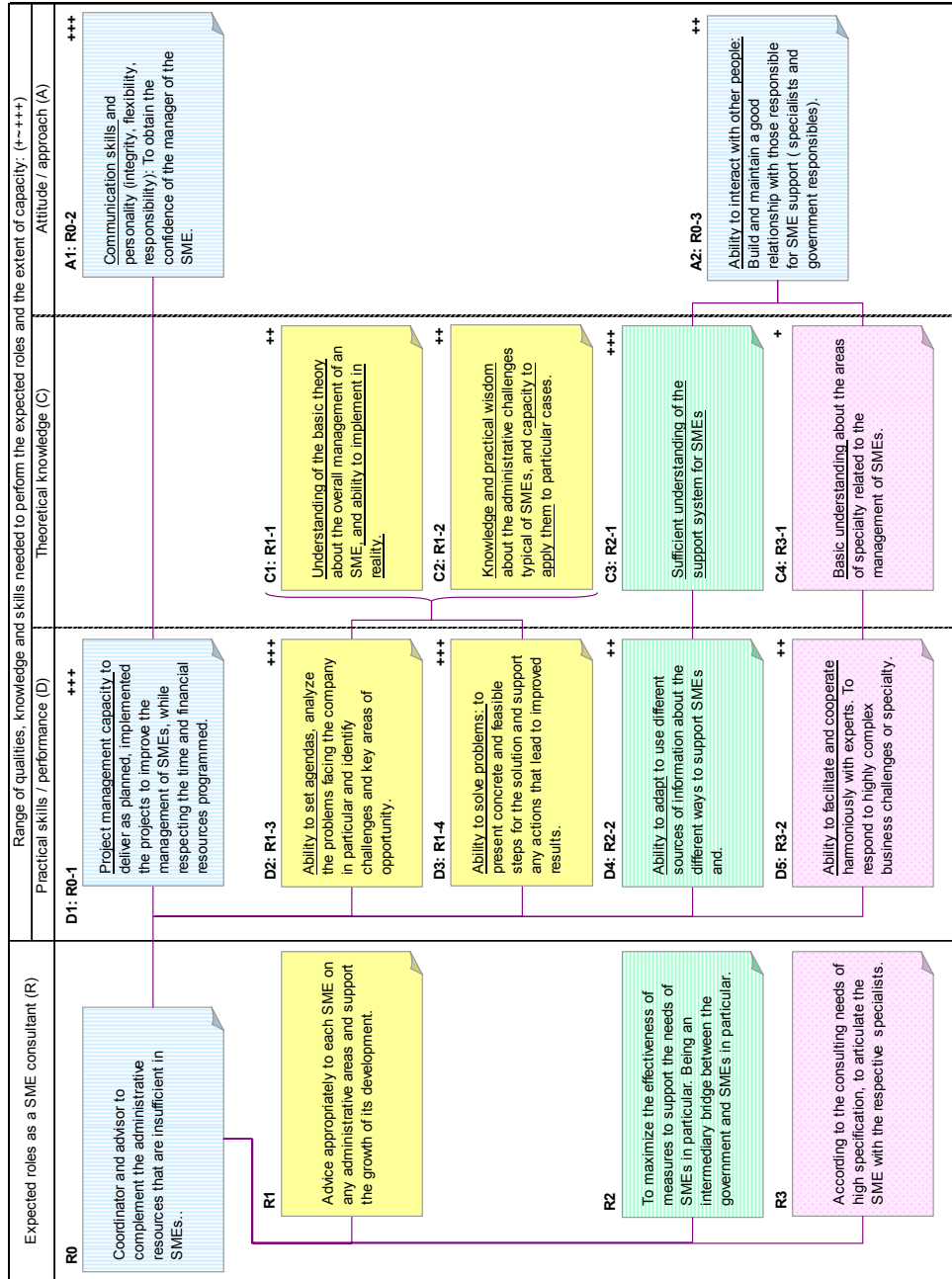
It is natural that a consultant has a strong and specialized field with respect to sectors and administrative functions. For the consulting business with the difficulty of proving the prior quality of their services, the main channels for obtaining new clients are the recommendation by the Chamber, etc. and the connection through your existing customers, so business customers tend to be concentrated in a particular sector. Moreover, considering the competitiveness of the consultant, it is better to deeply specialize in an area, and the depth of their expertise is welcome for both clients and for the same consultant.

Although a SME consultants attempt to cover the overall management of the SMEs of all the sectors, this does not mean that it will require the capacity to serve all areas in the same way as a specialist in specific areas mentioned above. This is impossible.

As a reference, we propose the “level that would, at least, perceive administrative problems related to all administrative functions for SMEs in any sector, type of business and operation.” In other words, the consultant should not be totally ignorant in areas outside their specialty, but must have the level where it can capture the profile of the problem albeit not so clear and design guidelines and measures of the schematic improvement. Coupled with this, he should not be biased to raise the opportunities in his specialized area, but should give more weight to the sense of balance that allows him to watch the entire SMEs without biased ideas and to judge precisely the priority of needed improvements.

Figure 6-2 shows a diagram that identifies the knowledge and skills required to perform these functions, on a map representing the correlation level of the hierarchy of job skills.

Figure 6-2 Map for occupational competence required for the SME consultant



Note: The keys to each of the elements are consecutive numbers for each of the classifications (R) role, (D) ability, (C) practice and (A) attitude. The number 0 indicates the level above the numbers from 1 onwards in the hierarchical structure. In addition, following "+", are shown in consecutive numbers the qualitative labor competencies needed to perform each of the roles of R0 to R3.

Source: Prepared by the Study Mission.

The first counselor required for an SME is not a specialist in the specific functions of the administration and marketing, financial accounting, etc.; but a person that can observe a balanced business management in general [R1 in Figure 6-2]. Particularly, it is very common that small companies do not yet have separated functions and the entrepreneur alone plays several positions at the same time such as product development, sales promotion, finance, etc. In addition, administrative tasks generally require a comprehensive approach because there are very few problems that are limited to some specific functional area.

Therefore, before a real problem such as the reduction of sales, etc. he requires the ability to disentangle factors in the correlation and interaction of administrative functions of the enterprise as a whole and identify the fundamental problems [D2]. Also in the process of addressing the fundamental problems already identified, it is necessary to have the ability to propose solutions in line with the company's strengths and resources, as well as make an appropriate adjustment predicting and monitoring the impact that could affect the entire company [D3]. For this, the consultant must have understood all administrative functions such as business administration and human capital, marketing, operations and financial accounting, all in accordance with the actual situation of the administration of the SME [C2].

It is worth mentioning that in order to demonstrate the above capabilities it is assumed that the consultant must have at least theoretical knowledge of business management [C1] in the range shown in Table 6-1.

Table 6-1 Range of the basic theory about the overall management of SMEs (C1 in Figure 6-1)

Business Administration	
	Analysis of the administrative environment (5 forces analysis, SWOT analysis, policy analysis, economic, social and technological (PEST))
	Strategies (Ansoff's growth vector, strategy of the competitive advantage of Porter, the competitive strategy of Kotler, de facto standard, core competence)
	Product portfolio management (life cycle of products, experience curve, market share)
	Hierarchical structure of strategies (mission, vision and value, domain of business, business strategies, role strategies)
	Organizational structure (line and staff, organization by function; divisional organization, matrix organization)
	Management plan (management cycle, plan in the medium and long term and annual plan, key performance indicators (KPI))

Managing human capital
<p>Administration of employment (recruitment, placement, transfer and promotion, certification system), system performance evaluation, salary system</p> <p>Education, training and capacity building (training by hierarchy and by goal; OJT and Off-JT)</p> <p>Leadership, motivation, revitalization of the organization</p>
Marketing
<p>Basic concepts of marketing (product-out and market-in, mass marketing - target marketing - one to one marketing)</p> <p>Marketing mix - products (articles of everyday purchases, buying items analyzed and specialty items, new product development and evaluation of merchantability, positioning), distribution channels (distribution channels policy, political push, pull policy) prices (process of determining prices, pricing policies), promotion (promotional mix)</p> <p>Market (segmentation, life cycle of products)</p> <p>Consumer behavior and decision making process for the purchase (AIDA: Attention, Interest, Desire, Action)</p> <p>Market research (target, type and process of market research)</p> <p>Brand (brand name, multiple brand)</p>
Operations
<p>Manufacturing operations</p> <p>Production Management - PQCDMSME (productivity, quality, cost, delivery date, safety, moral, ecology), mode of production (individual production / batch / serial production estimate / on-demand, production in many varieties and small quantities / low variety and lots), location and layout, production system (production line / cell), just in time (JIT) production plan (demand forecasting, material requirements planning (MRP); planning program on a long / medium / short-term, program evaluation and review technique (PERT)); acquisition of materials and subcontracting control (ABC analysis, order entry system, economic order quantity (EOQ), consultancy and assessment subcontractors); control of the operation (operation standard, standard time, promotion of multi-skills), study of the operation (measurement of the operation, study time), control equipment and facilities (5S, maintenance), total productive maintenance (TPM), Kaizen.</p> <p>Quality control (tools for quality control, total quality management (TQM), ISO)</p> <p>Environment control and security (health and safety measures, zero emissions and 4R (reduce reuse, recycle, refuse), ISO14000).</p> <p>Trade operations</p> <p>Store Management and Sales - location of the shop (shopping area); merchandise planning (budget sales, profit, depreciation, inventory and procurement, assortment amplitude and depth), methods of acquisition (purchase bulk / batch required / concentrate / distribute / joint),</p>

	<p>sales promotion (promotion in-store, sales floor layout, display, mixture of gross profit).</p> <p>Distribution - inventory control of goods (the entry of orders, control of quantity / value); rationalization of the distribution (the distribution center, transportation collaborative, management of the supply chain (SCM), planning, collaborative forecasting and replenishment (CPFR).</p> <p>Operations of the service industry</p> <p>Marketing services (internal / external / interactive).</p> <p>Service characteristics (intangibility, inseparability of production and consumption, imperishable, seasonal concentration of demand, heterogeneity, irreversibility of the transaction).</p>
Managing finances	
	<p>Three formats of financial statements (balance sheet, income statement, cash flow statement).</p> <p>Financial analysis (profitability, liquidity, productivity, growth potential, related to cash flow, analysis of the equilibrium point).</p> <p>Cash flow (cash flow concept, direct and indirect method).</p> <p>Calculating costs (actual cost / standard, cost per process / per order, cost absorption / direct).</p> <p>Evaluation of investment (net present value method, method of recovery period, method of internal rate of return).</p>
Legal aspects	
	<p>Kinds of corporation, statement and procedure (permit and authorization), admission to trading and equity, merger, succession, liquidation</p> <p>Labor law, tax law.</p> <p>Intellectual property (patent, copyright), environmental protection, consumer protection.</p>
Information systems	
	<p>Information Technology - Hardware, software, OS, applications, operations system, communications network (network of computers, Internet, intranet).</p> <p>Implementation of the system (life cycle of the system, study of the construction and purchase of a computer system).</p> <p>Information Technology - system (mid-term plan, annual plan).</p>

Source: Prepared by the Study Mission

In SME consulting, in many cases the key is to maximize the effectiveness of various support means offered by the same government and public organizations and the private sector. These

support means allow SMEs, which are under unfavorable limitations in comparison with large enterprises, to directly or indirectly acquire the necessary administrative resources for improvements and innovations that by other ways the SMEs could not have.

The SMEs consultant, by linking the administrative tasks of the SMEs with measures to support them, can expand the alternatives for the customer and create an opportunity for its development. For this, it is necessary that the consultant understands the structure and framework to support SMEs [C3], and also must have the ability to find a measure of support that matches the needs of customer enterprises using the best available sources information [D4]. This ability is directly related to the main role of the SME and it is required for all consultants to SMEs, whether they work or not directly with support programs.

If the demand exceeds the scope of the SME consultant in order to handle the case alone, for example, for those SMEs that need specialist support in special areas such as, the initial public offering, the foreign expansion or the technological upgrading, and so on., it is expected even to make the appropriate referral to specialists [R3]. In this case, the consultants will not simply get in contact with one another, but it is recommended to ensure all the coordination in order to allow discussions in case of any findings and problems and produce better results. For example reporting to the specialist the administrative situation of the company and providing support to the company to make full use of the specialist [D5]. For which, is essential to have the basic and sufficient knowledge in the field of administration to maintain good communication with the specialist [C4].

Finally, in order to demonstrate all mentioned skills and the production of results from the consultancy, it is essential to have a capacity for excellent project management [D1], and a personality that wins the confidence of the SMEs entrepreneur [A1] and an attribute that enhances the relationship with other people in building a good interaction between those involved in the support measures for SMEs, as well as with all several specialists [A2].

6.3 Supply and demand for consultants to SMEs in Mexico

Table 6-2 shows the number of business establishments in Mexico by sector and size, based on data in Chapter 1. Around 2.9 million Microenterprises, Small and Medium business establishments represent the total potential market of SME consultants.

Table 6-2 Number of establishments by sector in Mexico (in 2003)

Sector	Micro	Small	Medium	Large	Total
Manufacturing	298,678	19,754	7,235	3,051	328,718
Trade	1,533,865	33,031	9,976	3,715	1,580,587
Services	960,135	43,835	5,179	4,594	1,013,743
Total	2,792,678	96,620	22,390	11,360	2,923,048

Source: INEGI

The demand for SME for the services of consultants, or diagnosis of the company and advice, can not only be discussed based on the number of requests from companies for various support programs. Few companies are aware of the need for a consultant and have sufficient funds to employ them. The demand of the majority of MSMEs is waiting to be explored mainly by the government.

In the interview with the Ministry of Economy during the previous study, we recorded the data of regarding 600 thousand Micro enterprises and SMEs with the need of consulting. However, based on data from Table 6-2 and Table 6-3, the estimated demand at the national level appears to be 670 thousand business establishments in all. For this estimate, we assumed that the main market for consultants is in the small enterprises as opposed to Microenterprises establishments which for the most urgent challenge is the funding or whose status is not even for consulting, and Medium size business establishments which can expect to receive various types of information from their parent companies or related to its operation.

Table 6-3 Proportion of business establishments that require consulting

Sector	Micro	Small	Medium
Manufacturing	30%	70%	10%
Trade	25%	60%	10%
Services	15%	40%	10%

Source: Estimates of the Study Mission

That means that if the goal is to cover all the demand in 5 years, it will be required to attend 134 thousand business establishments a year.

Currently the Ministry of Economy is launching the "SME - JICA Business Consulting" through use of "SME Consultants with JICA Methodology" newly registered. Under the plan, the time to invest in diagnosing and advising companies for tracking and improving the diagnosis has been established as indicated in Table 6-4. If it is assumed that only with this program of the Ministry of Economy has to meet the demand of 134 thousand business establishments per year and calculate all business establishments based on 70 hours (4 months) required for Small establishments business, then it needs to be about 6 thousand registered consultants working full time.

Table 6-4 Duration of consultants working in the program "SME – JICA Business Consulting"

Enterprise size	Hours	Duration
Micro enterprise	50 hours	3 months
Small enterprise	70 hours	4 months
Medium enterprise	80 hours	4 months

Source: Ministry of Economy

On the other hand, as far as the actual supply of SME consultants in Mexico, Chapters 3 and 4 describe the results of the visit and study to the key government or private agencies. Table 6-5 reports the number of consultants in different agencies or programs. Note that in this table the consultants from *Financiera Rural* and *Nacional Financiera* (NAFINSA) are excluded as the main object of the first are non-SMEs and the main activities of the latter are to be business instructor training in financial areas.

Table 6-5 Consultants registered in key agencies (programs) to support SMEs

Agency	Program	Number of registered consultants	Note
Ministry of Tourism	Program M	249	4,018 companies certified as "M"
FONAES	Program for entrepreneurs of the most marginalized regions	853	
ITESM	Business Accelerator High-Tech Incubator	50	
UP	CEPii	25	For the manufacturing industries and hotels

COMPITE	Program productivity and quality management for SMEs	300	Until 2007 a total of 130 thousand companies (95% are Micro enterprises and SMEs) have benefited.
CANACINTRA	Recognition as CANACINTRA SME Consultants	230	The training course began in 2004.
Ministry of Economy	Business Service Center Mexico Emprede	400	Will be spent on consultancy and reception at the Business Service Center Mexico Emprede.
Ministry of Economy	National Program for New Entrepreneurs	-	(The Ministry of Economy does not have data from consultants.)
Ministry of Economy	National Program for Microenterprises	-	(The Ministry of Economy does not have data from consultants.)
Ministry of Economy	National Program for Financial Extension	(1,000)	Credit counselors
Ministry of Economy	Project "SMEs Consultants with JICA Methodology"	181	See details in Chapter 4.

Source: Interview conducted by the Study Mission

Several programs selected and registered consultants using its method and process. If we exclude the National Program for Financial Extension, because based on the number of registered consultants we noted that the table shows a double record in other programs, the total would be 2,288 people. Of course this figure includes those consultants with expertise in the support for entrepreneurs or companies or the front desk as well as experts in a given area.

In paragraph 6.1 of the Study Mission raises the concept of *generalist SME consultants*. It is assumed that the consultants reported above, the consultants "M" of the Ministry of Tourism, the SME consultants recognized by the National Chamber of Transformation Industries (CANACINTRA²) and the "SME Consultants with JICA Methodology" of the Ministry of Economy are trained and registered under that term. Currently, however, the total of them is nothing less than 660 people, assuming that there is no double counting. In addition, the consultants M and SME consultants recognized by CANACINTRA are focusing only on certain sectors.

It was mentioned as a reference in the previous study (2001) an estimated total of 2,135 consultants primarily for manufacturing SMEs, registered in government concerned agencies. At that time, the Regional Center for Business Competitiveness (CRECE³) supported the project by

² *Cámara Nacional de la Industria de Transformación*

³ *Centro Regional para la Competitividad Empresarial*

consulting the SMEs of the Ministry of Economy and had 305 registered senior consultants who provide the services of diagnosis, primarily to Micro enterprises. However, the CRECE disintegrated in 2005. Along with the disintegration of CRECE, the vision “CONSULTE” to develop 4,000 to 5,000 consultants per year also disappeared. Also, the Program of Integral Quality and Modernization (CIMO⁴) conducted by the Ministry of Labor and Social Prevention, which conducted the project to assist consultants, also suspended its project in 2001. Moreover, the Inter-Ministerial Commission on Industrial Policy (CIPI⁵) built a database of Consultants (CIPI-BDC⁶) in 2000, which registered 1,701 consultants. Currently, the database does not exist.

It is difficult to know the total number of private consultants who are engaged in SME consulting in various ways. However, based on the fact described above that key agencies and other systems have disappeared, we have no alternative but to conclude that the number of consultants in government support for SMEs has stagnated or decreased.

We could say that only the Ministry of Economy, the Ministry of Tourism and CANACINTRA are registering the generalist SME consultants with the knowledge and experience in all areas, as the Study Mission's proposed. Also, the Corporate Service Center Mexico Emprende, a national program of the Ministry of Economy has just started, which aims at a unified front desk for support to SMEs which also contains the consultancy service.

Absolutely it is more than clear that Mexico requires consultants to the SMEs for the huge potential and not estimated demand.

Incidentally, in Japan there are approximately 3 million 700 thousand SMEs in the manufacturing, trading and services, although its definition of enterprise size is a little different. For this amount of SMEs, the number of consultants in management for SMEs listed in paragraph 6.1, are about 19,000 entries, of which about 7,000 people are actually engaged to perform consulting services.

⁴ *Programa de Calidad Integral y Modernización*

⁵ *Comisión Intersecretarial de Política Industrial*

⁶ *Banco de Datos de Consultores*

6.4 Proposal for the registration system and training of consultants to the SMEs of the Ministry of Economy

For the purpose of this study to address the situation described in subsection 6.3: Support the launch of the registration system and the training of consultants to the SMEs by the Ministry of Economy who is the owner of the enhancing of SMEs, so that these consultants can engage into the Ministry's projects to support SMEs; and then make suggestions for the development of the national system of certification and work with the Ministry of Economy for its realization.

The Ministry of Economy has initiated the project "SME Consultants with JICA Methodology" mentioned in Chapter 4. The Study Mission finds that this project may be linked to the construction of the registration and training of consultants to the SMEs by the Ministry of Economy and works for its completion. This section explains the overview of the system being proposed as a goal and Chapter 8 is the of concrete action plan for structuring the system.

It should be noted that the current draft "SME Consultants with JICA Methodology" is a project that not only include the examination to evaluate the generalists as the first half of the project, but also the training in a methodology known as JICA methodology corresponding to the second half. The proposals presented here refer to the registration system and training of SME consultants based on the evaluation as generalists, which corresponds to the first half.

6.4.1 Considerations for structuring the system of registration and training of consultants to the SMEs of the Ministry of Economy

We will consider the following points for the proposal to introduce a new system of the Ministry of the Economy:

As discussed above, the Study Mission is supporting the implementation of the project "SME Consultants with JICA Methodology" of the Ministry of Economy as part of the study. Among many projects of FONDO PYME, this project is solely aimed at selecting and training consultants to SMEs and is believed to serve as a basis for structuring the new system. The following considerations and the proposal on the overview of the system are based on the experiences gained in this project "SME Consultants with JICA Methodology".

(1) Profiles and shared databases of SME consultants

Whatever the objective of the project, the consultants engaged to support SMEs need to understand the wide range of problems they face, and have at least a level of knowledge and experience to enable them to indicate to the directors the first step towards an improvement. Related to SME consultants as generalists in administration cited in 6.1, the "SME Consultants with JICA Methodology" is the first project that includes the selection of consultants to meet these requirements in the Ministry of Economy.

In the Ministry of Economy, it is also recognized the need for a system in which a third party evaluates and ensure the knowledge, experience and implementation capacity (outcome) of the SME consultants, in the same way as other government institutions require a staff who has taken the certification program for general consultants by CONOCER. However, training currently carried out by various departments of the Ministry of Economy is focused only on the methodologies required for the respective projects to support SMEs that each of them develops.

It is necessary that the Ministry of Economy structures a multidisciplinary system integrating all the projects in order to assess the qualitative requirements that serve as the basis for the consultants to the SMEs, as well as a database for the registration of persons approved as "SME consultants of the Ministry of Economy".

To share the database among the various projects supported by the Ministry of Economy will help the optimization of the overall budgetary allocation; instead of designing and implementing consultant training programs for each project as is currently being done.

(2) Training on the specific methodologies in accordance with the objective of the project

It should be required to register in this database to participate in training courses on specific methodologies required to support each project. The training is taught to people registered on the database instead of making calls for external participants. By contrast, external applicants should first be subjected to assessment for registration in the database.

(3) Database operation

The Ministry of Tourism, SAGARPA, as well as all governmental and private entities that have hired consultants to the SMEs have and maintain their database of consultants within the organization. Also the Ministry of Economy earlier had control over the Center for the Development of Competitiveness - Regional Center for Business Competitiveness (CETRA-CRECE⁷), which had a database of consultants. Now that CETRA-CRECE has disappeared and the database CIPI (CIPI-BDC) has been abandoned, the Ministry of Economy is the only one that does not have the database of consultants from related organizations to support SMEs.

The database will serve as a common tool for the Undersecretary for Small and Medium Enterprises who is in charge of promoting SMEs in the country. Unlike the individual projects which are developed under the FONDO PYME's annual budget, the structuring of the database, assessment for registration, as well as maintaining the database should be managed according to long term policy previously established, and with the budget and the own staff of the Ministry of Economy.

(4) Evaluation of applicants for registration in the database

The evaluation assesses the implementation capacity as a consultant, knowledge and skills of applicants. Those who have attained a certain level of skill in each of these 3 points will be recorded.

The Study Mission has heard several versions that explain the dissolution of CETRA-CRECE 2005. One reason was that the majority of CRECE consultants were young employees who had only received consultant training after graduating from the university, thus the demand of companies waiting for consultants capable of carrying out convincing consultations based on his experiences have gradually decreased.

The evaluation method will be defined in a way which is a method to be agreed with Mexico's current situation and the Ministry of the Economy can continue to apply for an extended period

⁷ *Centro para el Desarrollo de la Competitividad Empresarial – Centro Regional para la Competitividad Empresarial*

(5) Knowledge acquisition

Knowledge can be acquired by self learning. The majority of applicants to be registered in the database are already working. At the basic stage of the study, there were several comments that classroom lectures for a long time can be a heavy burden for the participants and therefore they were unrealistic. However, it is necessary that universities and / or the private sector provide the necessary courses to complement what is lacking in certain areas of the self learning.

A consultant as generalist for SMEs is a new concept in Mexico. In the current draft "SME Consultants with JICA Methodology", the Ministry of Economy distributes textbooks for self-study. In Mexico, books by specialty area are easily obtained; however it is rare to find textbooks that are comprehensive and standardized. If the Ministry of Economy prepares and publishes this book it will serve as an effective guide for self-learning of the applicants.

The Ministry of Economy needs to periodically review and revise the textbooks, as well as develop written exams with the help of external experts. Although the structuring and maintenance of the database, as well as assessment work for the registration should be administered with the budget and the own staff of the Ministry of Economy, the change of textbooks and the development of tests based in these books could also be done with an interval of several years using the budget for the FONDO PYME.

(6) Ensuring incentives for registered consultants registered in the database

The conditions for the database to work for a long period and become a tool to support the SMEs of the Ministry of Economy are the incentives for registration along with the establishment of system administration and maintenance by the same Ministry. By providing job opportunities to registered people, the number of applicants for the registration will grow and the system will develop. The entry in the database is a requirement for hiring consultants for support projects of the Ministry of Economy.

(7) System renewal of registration

They must establish a system of renewal of the registration in the database which will consider, as a condition, the results of the work during the corresponding period. With the renewal system,

we can assure the accumulation of experiences and improve the quality of the registered consultants.

(8) Two cases of training consultants

As mentioned in paragraph 6.3, Mexico lacks the number of consultants to the SMEs. It is necessary to establish a registration system to send a reliable consultant to enterprises, as well as the Ministry of Economy should provide the training to consultants.

Our proposal is for "SME consultants as generalists in administration." The training is supposed to focus on the following two groups. Figure 6-3 represents an overview of the training of generalists for the two groups.

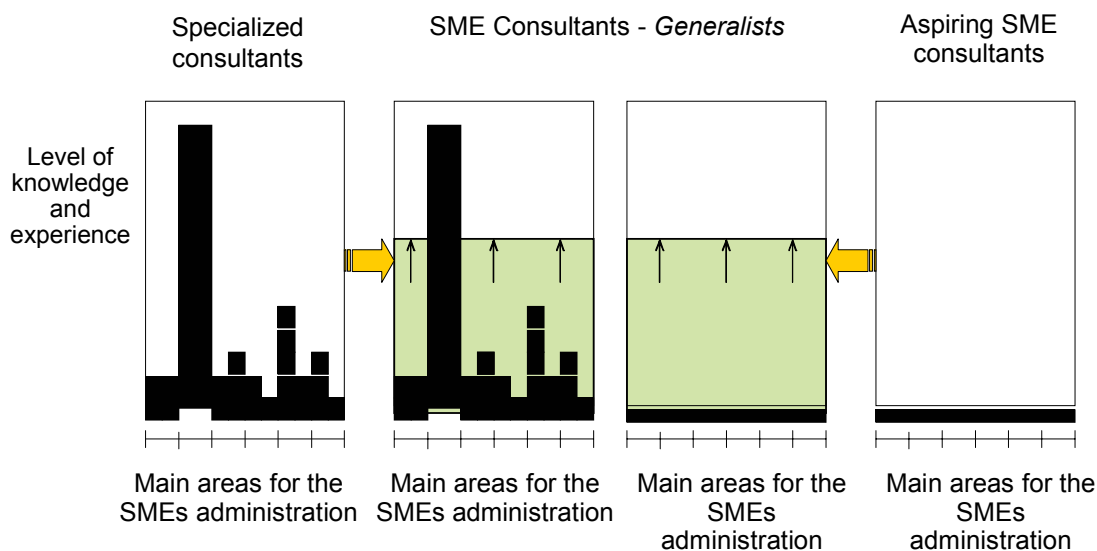
a) Consultants specializing in specific fields

Those who are already working as consultants with expertise in specific areas, but they lack of required comprehensive knowledge for other areas as *generalists*, and therefore not eligible for registration in the database.

b) People without experience as consultants

They are young graduates who want to be consultants taking advantage of the knowledge gained in universities, as well as those willing to work as consultants making good use of his experience in business, however, have no work experience as consultants, which do not qualify for registration in the database.

Figure 6-3 Two cases of training consultants



Source: Prepared by the Study Mission

Although the aim of the project "SME Consultants with JICA Methodology" is the selection of the first generation of consultants by the Ministry of Economy, most people finally registered already have working experience as specialized consultants in certain fields. They will be registered after they have reinforced the knowledge other than their specialties and have received training in the diagnosis of the company. They correspond to those of the group a) above.

The issue of consultant training, is usually focused on group b), however attention is also required for the formation and registration of the group a) as generalists, because it is a group with immediate performance and high demand.

(9) System of training for consultants

Although the "training of consultants" is focused on knowledge and practical techniques (implementation capacity and experience), knowledge can be developed through the system we prepared and published as teaching materials that enable applicants to self-study and take the exam. It has already been pointed out that it is unrealistic for the Ministry of Economy to provide continuous theory courses at the national level for an extended period of time and also consider that long-term courses are becoming a burden for participants. However, self-learning training courses created by private initiative in the stage in the registration database of the Ministry of

Economy is recognized and will be generally well received and settled. The relation between the participation in the program and the registration in the data base may also be an incentive for attending the program.

We need applicants with enthusiasm and skills that wish to be registered with the Ministry of Economy, and those who have been failed by lack of experience, are in the development stage for technical practices (implementation capacity and experience) by providing opportunities to gain experience.

The Ministry of Economy accepts these candidates to be junior SME consultants after applying certain evaluations, and logs in a comparative manner with senior consultants who have sufficient experience, and:

- 1) Allow the participation of junior consultants in the programs to support SMEs in the different departments of the Ministry, under the supervision of senior consultants.
- 2) Encourage that the private consulting firms hire junior consultants through the financial support offered by the Ministry of Economy.

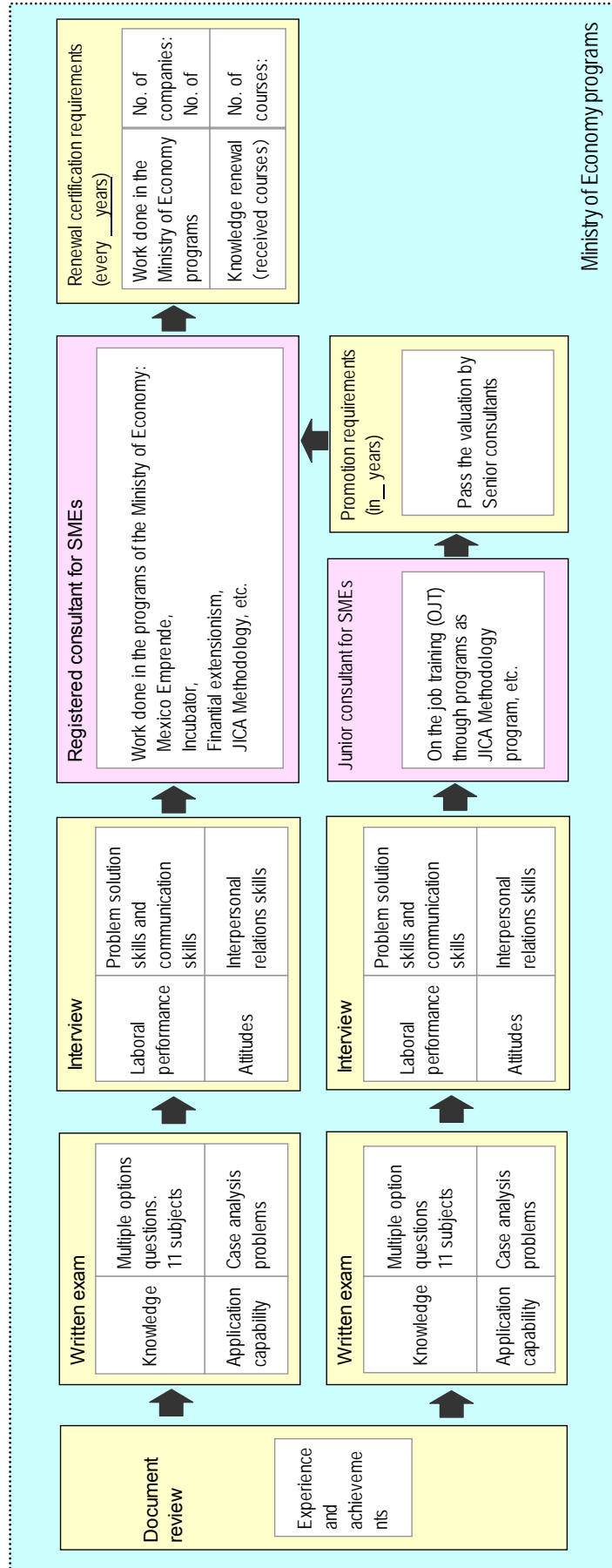
Distinguish certificates for senior and junior consultants, and offer a job opportunity to the junior, which consequently leads to the formation of consultants, is already used in Mexico with good results.

6.4.2 Overview of the proposal on the registration system and training of consultants to the SMEs of the Ministry of Economy

Figure 6-4 is an overview of the proposal on the registration and training of SME consultants of the Ministry of Economy, based on the considerations above. The consultants who have passed the exam and have been registered are considered as senior consultants; additionally we propose a system of junior consultants as a mechanism for consultant training.

The pilot project which is explained in Chapter 7 is a test to carry out this proposal.

Figure 6-4 Overview of the proposal on the registration system and training of consultants to the SMEs of the Ministry of Economy



Source: Prepared by the Study Mission

(1) Documents review

The experience and accomplishments as a consultant supported by diagnosis reports of companies, consultancy reports, etc. are the main objectives of the review. Also the experience as an instructor training is taken into consideration.

Those who do not have enough experience but according to other assessed points, are considered to have potential to be developed as consultants in the future, and continue with the written examination and interview candidates as for junior consultants

It is previously set for its review, the criteria for qualification for the senior and junior consultants.

(2) Textbooks publication

Textbooks are permanently published on the website of the Ministry of Economy to support the self-learning of the applicants to be registered as consultants. Also, it will be convening to have a periodically meeting of textbooks committee for their modifications.

(3) Written exam

As a principle, different questions will be presented each year by combining multiple-choice questions and open questions. Through multiple-choice questions the general knowledge required by the SME consultants will be assessed, and through open questions that seek specific examples of the companies, the understanding of the problems and the ability to advice on the solution will be assessed.

The written exam will be done in a single physical place to ensure impartiality. In principle, exam must be based on the content of textbooks, and the referred textbooks committee will change the textbooks as well as develop the exam.

(4) Interview

The work of the SME consultants is the diagnosis and consulting of the SMEs. To carry out such work, skills for communication with different people, companies and backgrounds are needed. It will assess whether they have the skills to help the solution of the problems of the companies, with a fluid communication, as well as basic skills for interpersonal relationships.

(5) Database of SME consultants shared with the Secretariat of Economy

Those who pass the screenings should be addressed as the senior consultants in the database of the Ministry of Economy. Database will be used as a common tool for the Ministry of Economy, so when the departments require consultants for their respective projects, they can offer registered consultants of the database, and add training on the specific methodologies required for their projects. Giving projects to registered consultants will assure their employments and give them the incentives to join the system and register.

The applicants who passed the written examination and interview despite having no experience are registered in the database as junior SME consultants.

(6) Renewal of registration in the database

It will establish a system of renewal of registration in the database. For the renewal, we established requirements, such as, result of work, achievements and training courses received in the corresponding period, to ensure the improvement of skills of the consultants after registration.

(7) Junior consultants

Those who were registered as junior consultants are devoted to their work under the supervision of senior consultants after receiving training in the methodologies required for projects of the Ministry of Economy, with the aim of gaining experience as consultants and improve its ability to implementation. Determination of a period in which senior consultants will evaluate juniors performance, is required. Then all those approved will be promoted to senior consultants.

(8) System Administration

A series of activities of the registration and training of consultants to the SMEs of the Ministry of Economy described in subparagraphs (1) to (7) are carried out with the budget and staff of the Ministry of Economy, regardless of individual projects that are developed with the annual budget.

6.5 Future prospect of evolving the SME Consultant Registration and Training System of the Ministry of Economy to the national certification system

Once the system of defining, evaluating and registering the professional ability of the generalists in the SME management area is confirmed in the SME Consultant Registration and Training System of the Ministry of Economy, the System can be transferred to the national qualification system of SME consultants which is valid in wider purposes. The transfer is to promote: fairness and transparency with a recruiting system based on the evaluation by a third party, neither the Ministry of Economy as employer or a consultant as employee; and efficiency of SME consultant trainings which now involve much redundancy, through establishing a certification which is not merely a requisites to work in SME support programs/projects of the Ministry of Economy but an endorsement to the public of the fundamental ability as SME consultant.

Figure 6-5 is the future prospect of substituting the national certification system for an especially versatile part in the SME Consultant Registration and Training System of the Ministry of Economy proposed in Section 6.4., and connecting the two systems without overlaps.

The points to be considered are:

(1) Validity period and renewal of the certification

The function and required ability of SME consultant proposed in 6.2. is not only applicable to those working for programs/projects of the Ministry of Economy but universal. Therefore the Registration System of the Ministry of Economy based on the job competency requirement displayed in the Figure 6-2 can be totally substituted by the national certification system in terms of the qualification and ability required to obtain the certification.

However, regarding whether the certification once obtained should be valid for life or not, the national certification system may have flexibility to some extent according to the needs of those who employ the certified persons. Certifications by CONOCER, for instance, do not have renewal system. They believe job competencies once acquired will not be lost. On the other hand, such workplaces giving importance to gathering newest information and updating knowledge will regard abilities as becoming obsolete without continuous learning after getting certified.

The Registration to the Ministry of Economy needs the renewal system. In order to raise cost-effectiveness of SME support programs/projects, the Ministry would better use consultants adapted to the new SME policies and evolving methods of consulting and management.

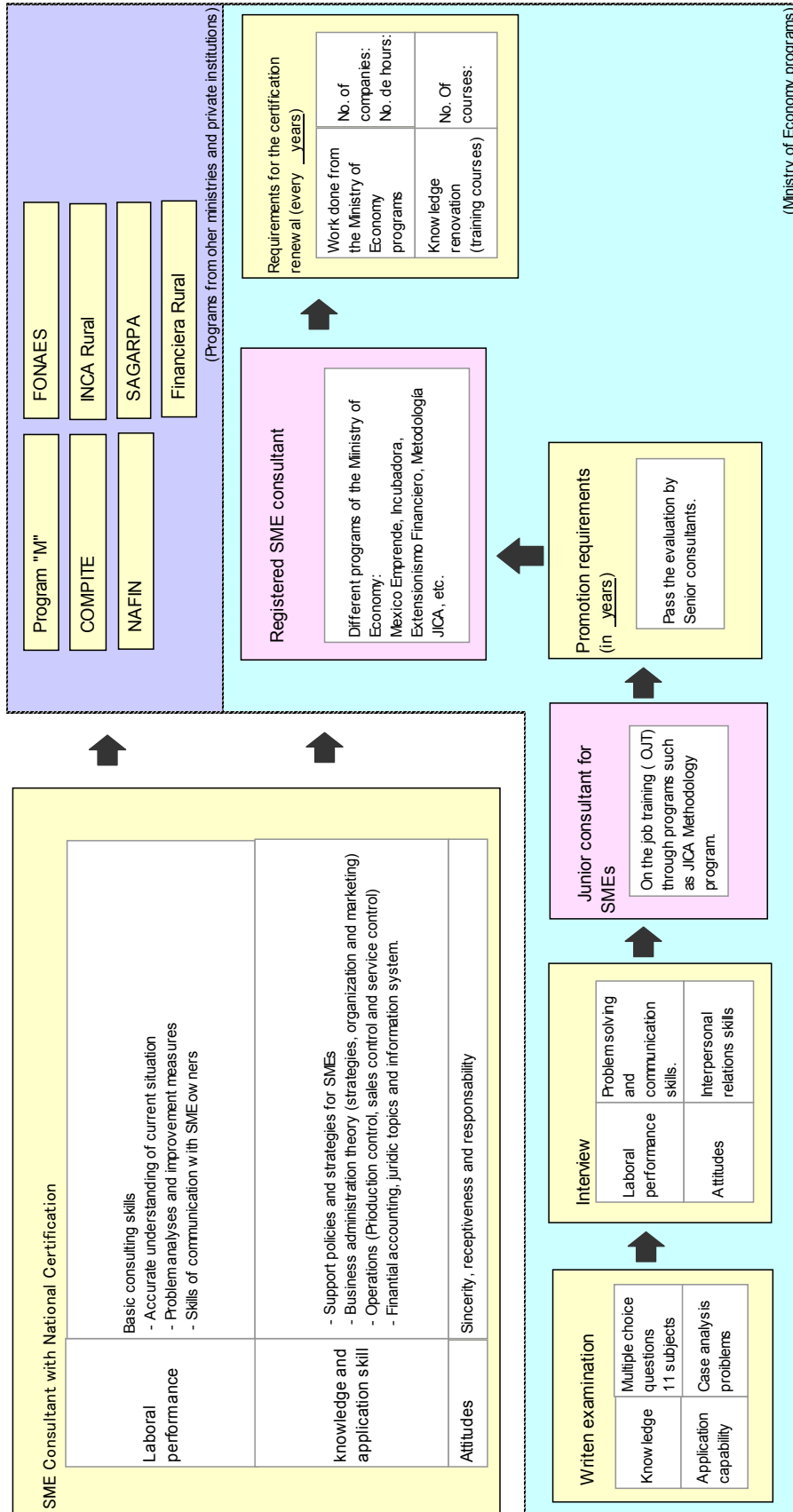
Consequently, the Ministry will maintain its own database of consultants and employ a procedure of renewing the registration to the database, given the condition that the national certification system does not have validity periods or a renewal procedure. In a strict sense, the requirement for recruitment of consultants to the support projects will be the record in the database.

(2) Junior consultants

The task is urgent for Mexico to ensure the required number of SME consultants. Therefore, for people who can not be certified in the national system due to lack of experience, the Ministry of Economy will continue the review of documents, written examinations and interviews, and record those that have passed the examinations as junior consultants, even after it begins to implement the national certification, so that the Ministry takes over the training of consultants.

This aims to give opportunities to gain experience as consultants throughout the projects to support SMEs in the Ministry of Economy then obtain the national certification.

Figure 6-5 Future prospect of the national certification system and the Ministry of Economy's registration and training system for SME consultant



Source: Prepared by the Study Mission

Chapter 7
Pilot Project

Chapter 7 Pilot Project

The Study Mission developed the pilot project in the fifth study visit in the form of support to the Ministry of Economy. This chapter reports the generalities of the pilot project development and results of the same.

7.1 Generalities of the Pilot Project development

The pilot project can be considered as a test for the analysis process of the system for registration and training of SMEs consultants of the Ministry of Economy, and its implementation.

7.1.1 Objective

The objective of the pilot project is: "aiming at the establishment of the system for registration and training of SMEs consultants of the Ministry of Economy, define the implementation process and make their need widely recognized within the same Ministry".

7.1.2 Expected results

The following are required for establishing and operating the system for registration and training for SMEs consultants of the Ministry of Economy:

- To formalize in writing and systematize the skills for SMEs consultants standard of the Ministry of Economy.
- To perform the selection of SMEs consultants correctly and impartially.
- To structure the database of selected (senior) SME consultants.
- To share the database throughout the Undersecretariat for Small and Medium Enterprises, and that the register in this database is one of the requirements for being hired as a consultant for the program/project to support SMEs by of the same Ministry of Economy.
- To register the junior consultants with the database, with the aim of training consultants.
- To create a system for junior consultants to gain experience through various support programs/projects within and outside the Ministry of Economy.

Out of these requirements, it is expected to achieve the following 3 points through the development of the project pilot:

- 1) Conduct the selection of SME consultants impartially; also they will identify the improvements areas.

- 2) Structure a database for SMEs consultants for the Ministry of Economy.
- 3) Begin the registration in the database with the *junior* SME consultants which has the objective of training consultants.

The written work of formalization and systematization of standard skills for SMEs consultant of the Ministry of Economy will be held by the Ministry, taking into account the proposals of the Mission, and based on the results of the pilot project. Also it will be the tasks after the pilot project to make the registration in the database structure into a requirement for the recruitment of consultants for projects to support SMEs by the Ministry of Economy; as well as structuring a system where the Economics Ministry provides opportunities for registered junior consultants to gain experience.

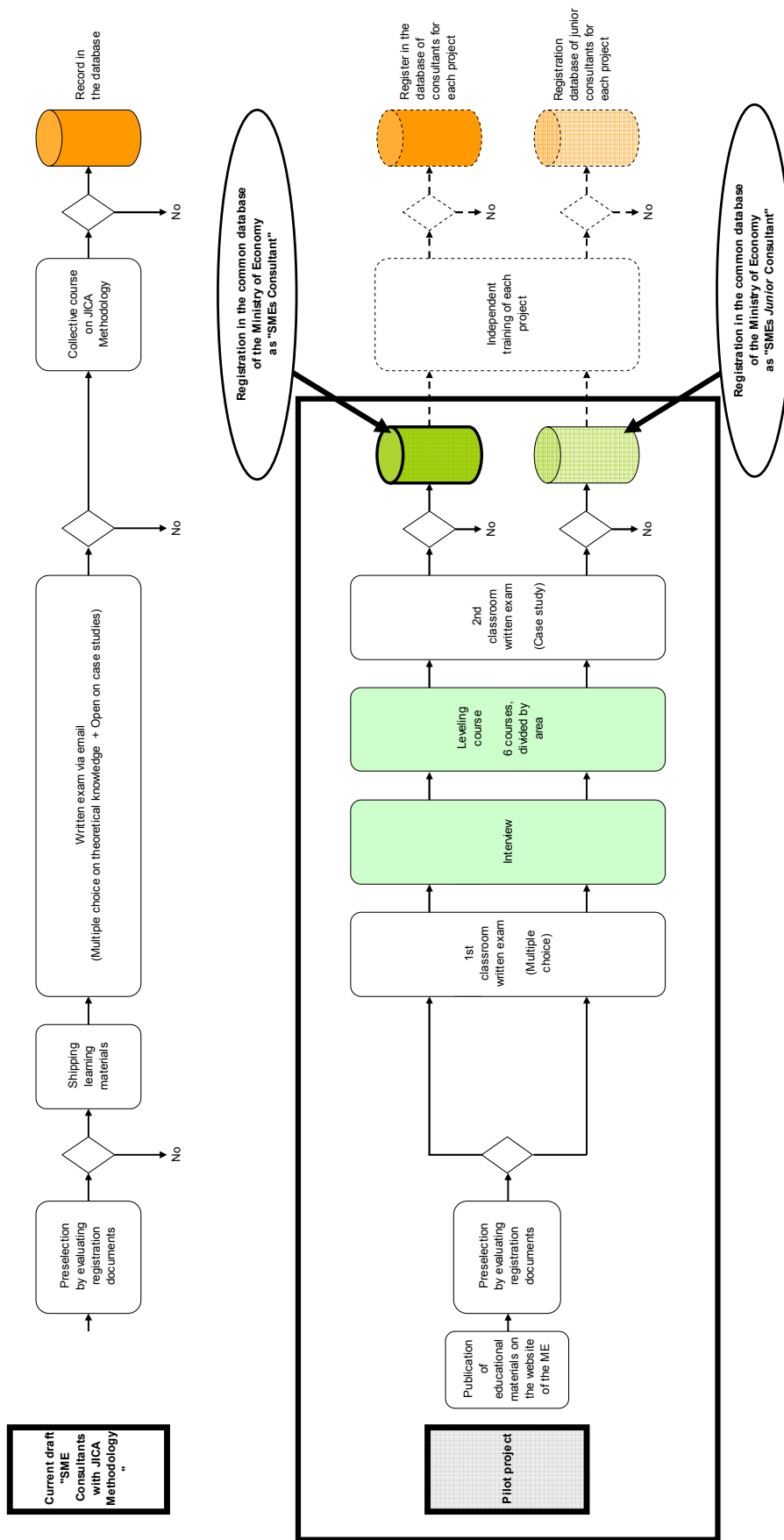
7.1.3 Scope

We had a meeting with the Ministry of Economy and current members of the Consultant Selection Committee of the project "SME Consultants with JICA Methodology" to discuss the pilot project. Figure 7-1 presents the current draft "SME Consultants with JICA Methodology" and the scheme based on the overview of the "system of registration and training of SME consultants of the Ministry of Economy" proposed in 6.3.3 respectively located at the top and bottom. The party inside the box on the overview indicates the agreed scope of the pilot project

In the current "SME Consultants with JICA Methodology," there is no concept of database of consultants to the SMEs of the Ministry of Economy. Selecting "generalists" and training the selected "generalists" in the methodology of the project itself known as JICA methodology, are underway running.

Instead, the scope of the pilot project is limited to the structure of the database and testing of the selection process until registration, by improving the process of the first half of the project "SMEs Consultants with JICA Methodology". This is based on the fact that the structure of the database of SME consultants of the Ministry of Economy for "generalists", prior to their training in specific methodologies, is the core of the system of registration and training of SMEs consultants of the Ministry of Economy.

Figure 7-1 Scope of the pilot project and flow of development

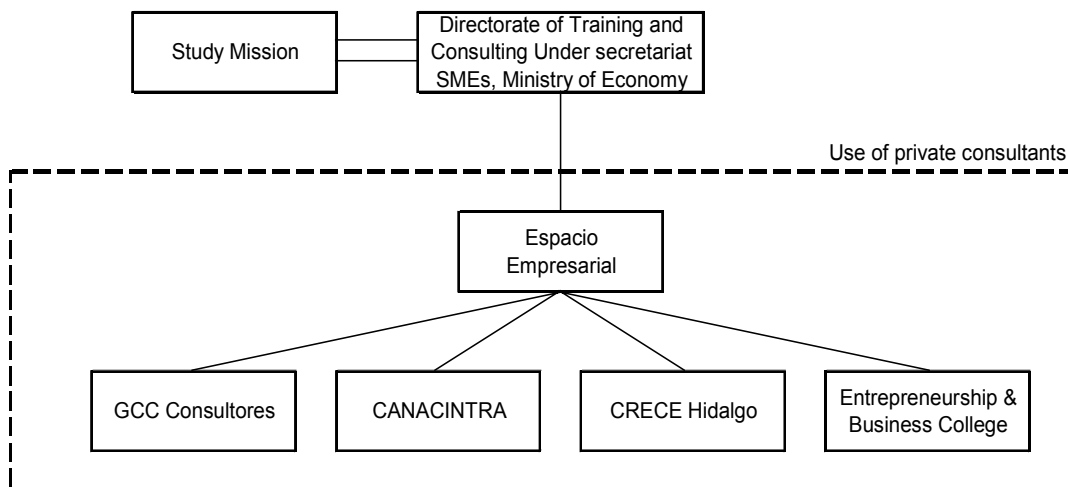


Source: Prepared by the Study Mission.

7.1.4 Development structure

The pilot project will be developed by the Training and Consulting Division of the Undersecretariat for Small and Medium Enterprises of the Ministry of Economy which is the counterparty, with the support of the Study Mission. It continues with the current development structure of the project "SMEs Consultants with JICA Methodology", however, there is also the increasingly strong trend towards the direct operation by the Directorate of Training and Consultancy, with a view of preparing a structure that allows the Ministry of Economy to organize it by themselves for successful development of a system.

Figure 7-2 Development structure of the pilot project



Source: Prepared by the Study Mission.

Table 7-1 Functions of the involved parties in the development of the pilot project

Undersecretary for Small and Medium Enterprises Directorate of Training and Consulting	<ul style="list-style-type: none"> • Overall project Management. • Synthesize the results of the documentary assessment, written examination and interview and make a decision on registration. • Database development.
Private consultants	<ul style="list-style-type: none"> • Documentary assessment according the qualifying criteria that has been determined. • Preparation of questions, answers and grading criteria of the written examination and the work qualification of it. • Guidance develop and criteria for rating the interview, the interviewer job and qualification. • Instructor of theoretical training course (includes the development of training material).
Study Mission	<ul style="list-style-type: none"> • Design and project management in general, in cooperation with the Ministry of Economy. • To advise and develop qualification criteria for the assessment weighting.

Source: Prepared by the Study Mission

Also in Mexico it is often observed the training method to instruct and evaluate applicants to third party agencies in order to ensure compliance with the transparency and fairness in the selection, as in the case of the Ministry of Agriculture, Livestock, Development Rural, Fisheries and Food (SAGARPA¹) and National Institute for Capacity Development Rural Affairs (INCA Rural²)³, and the system of certification of the National Council for Standardization and Certification of Labor Competencies (CONOCER⁴)⁵. For the system of registration and training of SME consultants of the Ministry of Economy, it is also expected that in future adopt a third party assessment scheme, which we propose again in Chapter 9.

For these reasons, the development of the pilot project will also test a system corresponding to the third party assessment scheme. Through private consultants instructing the qualification of the

¹ *Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación*

² *Instituto Nacional para el Desarrollo de Capacidades del Sector Rural*

³ See Chapter 3.

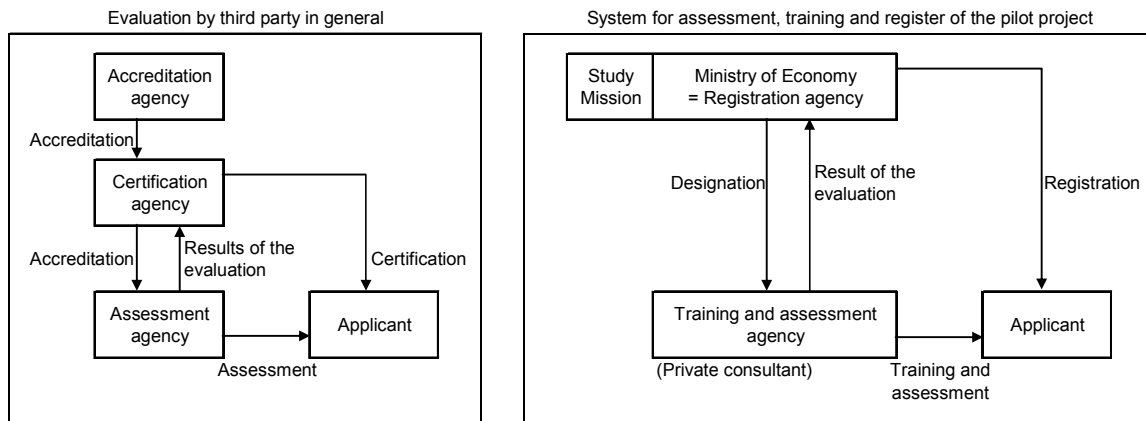
⁴ *Consejo Nacional de Normalización y Certificación de Competencias Laborales*

⁵ See Chapter 5.

documentary assessment, written examination and interview as well as teaching the theoretical course instead of the Ministry of Economy, it will increase the transparency of the evaluation. Also, a company that serves as an accredited assessment agency for the Technical Standards of Labor Competencies of SMEs Consultant from CONOCER is appointed as coordinator of private consultants, to use their knowledge about third party assessment.

Figure 7-3 is a comparison between the general system of third party assessment and evaluation system, training and registration of consultants for the pilot project.

Figure 7-3 General third party assessment and registration of SME consultants of the Ministry of Economy



Source: Prepared by the Study Mission.

7.1.5 Flow development

The flow development of the pilot project represent Figure 7-1 correspond for the project "SMEs Consultants with JICA Methodology", with added improvements made by the Study Mission and members of the Consultant Selection Committee.

- (1) Revision and publication of teaching materials of knowledge

Before the pilot project, members of the Committee and the Study Mission jointly reviewed teaching materials and increased the materials of the 7 original modules to 11 modules as shown in Table 7-2, and provided a general review.

Table 7-2 Educational materials for new and existing knowledge

New educational materials		Previous educational materials	
Module 1	Consulting skills	Module 1	Consulting skills
Module 2	Management	Module 3	Management
Module 3	Human resource management	Module 4	Human resource management
Module 4-1	Operations (Manufacturing sector)	Module 5	Operations
Module 4-2	Operations (Commercial sector)		
Module 4-3	Operations (Service sector)		
Module 5	Innovation	Module 6	Innovation
Module 6	Marketing	Module 7	Marketing
Module 7	Finance and accounting	Module 2	Finance and accounting
Module 8	Judicial and legal issues		
Module 9	Information systems		

Source: Prepared by the Study Mission.

Teaching materials that are conventionally distributed individually to the participants of the projects were published in the website of the Ministry of Economy in the spring of 2009, so that anyone could download them freely at any time.

This should offer more freedom of self study to the candidates to be registered.

Table 7-3 Programs supporting the SMEs of the Ministry of Economy and responsible directions

Under secretary	General Direction	Direction	Program		
Under secretary for Small and Medium Enterprises			Recruitment in marginalized areas		
			Mi Tortilla		
			Mi Tienda		
			Mi Taller		
			Mi Farmacia		
			Mi Panadería		
			Center México Empeñe		
			National Franchising Program		
			Mexican Business Information System - SIEM		
	Directorate General of Training and Technological Innovation	<i>Direction of Training and Consulting</i>		SMEs Consultant and consultancy program SME-JICA	
				PROMODE (Program of Training and Modernization)	
				Young Entrepreneurs	
		Direction of Incubators, PROMODE (Program of Training and Modernization)		National Business Incubation System (SNIE)	
				Por un México Emprendedor (National Program for Entrepreneurs)	
				Technological Innovation Fund	
		Direction of Technology		Technology-based Program (Techba)	
				Technological Forums	
				Accelerator (Agency to encourage the growth of companies)	
				Program for Support of Production Projects	
		General Direction of Business Promotion	Direction for Promotion and Inter-institutional Coordination		Program for Contingencies (natural disasters)
					National Guarantee System
	Direction for Promotion of Guarantee Program			Nacional Program for Financial Extensionism	
				Strengthening of Specialized Financial Intermediaries (IFES)	
	Direction for Investment Promotion and Conversions			Seed Capital Program for SME	
				Program for Sector Development	
	General Direction for Enterprise Development and Business Opportunities		Direction of Sector Development		Program of Integrating Enterprises
					Program of Industrial Parks
			Direction of Enterprise Clusters		Supplier development
	General Direction of Exportable Offering		Direction of Exporters Development		National System of Guidance to Exporters (SNOE)
				Joint Commission for the Promotion of Exports (COMPEX)	
Direction of International Relations			Comprehensive Program to Support SMEs Mexico EU (PIAPYME)		
			Program of Pymexporta Centers		
			E-Bay		

Note: The text in bold italics correspond to the direction of the counterpart of this study and the project "SMEs Consultant and Consultancy with JICA Methodology"

Source: Study Mission

(2) Call for participants

The Directorate of Training and Consulting invites participants.

The consultants who are already involved in other programs/projects to support SMEs in the Ministry of Economy are actively accepted. It is the first step to sharing the structured database within the Ministry of Economy, and set the registration as one of the requirements for the recruitment of consultants for any program to support SMEs in this Ministry. Table 7-3 shows the projects to support SMEs in the Ministry of Economy and the directions dealing with these programs. Although some programs do not employ consultants, pilot project invites all directions to participate.

(3) Assessment tools

The evaluation to the participating consultants to determine whether can be registered or not in the Ministry of Economy, is conducted by following the four stages that consist of documentary assessment, the first written test, interview and the second written test. Table 7-4 shows the assessment tools used in each stage of evaluation

Table 7-4 Objective and overview of assessment tools

	Objectives	Generalities
Documentary assessment	Assess the consultant's curriculum information and rank applicants in senior and junior consultant candidates, according to his experience in consulting.	Rate according to predetermined criteria, work experience and education that the applicant stated in the assigned format.
First written exam	To assess the learning level of theoretical knowledge that must have a SMEs consultant.	Presents ten test questions for each one of the 11 modules of the knowledge teaching material (110 total questions), and make the assessment based on the percentage of correct answers.
Interview	To assess the ability with the approach to attitude and approach, interpersonal and communication ability.	Several interviewers carry out oral examination of approximately 20 minutes per candidate, and make the assessment according to the concepts and evaluation criteria previously established.
Second written exam	Assess implementation capacity required to perform the consultancy in SMEs.	Present open-ended questions, which makes them simulate a diagnosis and advice in cases of SMEs, and qualify under the percentage of correct answers.

Source: Prepared by the Study Mission.

The Table 7-5 shows the relationship of concepts to evaluate in the pilot project with the requirements for labor competencies for SMEs consultants presented in Figure 6-2 in Chapter 6. Attention was given to combine the 18 items in total, to allow the full assessment of labor competencies requirements.

Table 7-5 Relation of aspects to evaluate in the pilot project with the requirements for labor competencies of SMEs consultants

▼ Requirements proposed by the Study Mission on the labor competencies of SMEs consultant (Chapter 6 Figure 6-2)

	Practical skills						Theoretical knowledge				Attitude and posture	
	D1	D2	D3	D4	D5	D6	C1	C2	C3	C4	A1	A2
Ability to manage projects, whereby generate results in a planned way, with limited resources and time. In project's to improve management of SMEs.	+++	+++	+++	++	++	++	++	++	+++	+	+++	++
1 Consulting experience	X	X	X									
2 Experience working in a company.	X	X	X									
3 Experience as a training instructor	X											
4 Successful experience in consulting to SMEs	X	X	X									
5 Bachelor's degree (Note) Not to question the discipline											X	
6 Master's degree (Note) Not to question the discipline											X	
7 PhD (Note) Not to question the discipline											X	
8 Attended postgraduate							X					
9 Participation in training courses in related areas							X					
10 Languages											X	
11 License and certification		X	X									X
12 Knowledge (multiple choice)		X	X				XX			XX		
13 Case studies (Description)								XX				
14 Updating and personal development				X								
15 Knowledge of reality, challenges and alternatives of SMEs								X				
16 Context and system approach	X							X				
17 Corporate culture and attitude towards entrepreneurs and entrepreneurial											X	
18 Implementation capacity, articulation and transference				X								X

▼ Concepts for the pilot project evaluation

+++ Required learning level 3 (high)
 ++ Required learning level 2 (medium)
 + Required learning level 1 (low)
 X Can be assessed directly.
 X Can be assessed indirectly.

Experience

Schooling

Written

Interview

Documentary assessment

Exam

Source: Prepared by the Study Mission.

In the project "SME Consultants with JICA Methodology", in each evaluation step only those who have passed may continue to the next step. However, in the pilot project, consultant applicants continue to participate and finish in all processes, regardless of how evaluated during the way. Once you complete all the processes, it is determined if they are accepted or not according to the integral score, which has the established weighting applied to each step of evaluation. Table 7-6, shows the weight of assessment tools.

Table 7-6 Weighting of assessment tools

Documentary assessment	First written exam	Interview	Second written exam	Total
20%	30%	20%	30%	100%

Source: Prepared by the Study Mission.

The weighting of assessment tools was made taking into account: 1) level of required learning for each labor competencies of SMEs consultants (from + to +++), 2) Requirements of labor competencies which concepts can be measured directly or indirectly (giving more importance to concepts that are assessed directly), 3) Level of reliability of assessment tools (as opposed to the written test, the objectivity of the documentary assessment and interview is low).

(4) Documentary assessment

The criterion for documentary assessment was based on which was used for the project "SMEs Consultants with JICA Methodology". By implementing the interview, a review was made on the distribution of points, eliminating the documentary assessment on the motive and manner. Table 7-7 shows the qualification criteria.

Table 7-7 Qualification criteria for the documentary assessment

Concepts to evaluate		Qualification criteria		Points distribution
Experience				68 points
1	Consulting experience	Up to 5 years	25 points	40 points
		From 6 to 10 years	30 points	
		Over 11 years	40 points	
2	Successful results (Declare reference contacts with companies.)	One case	6 points	18 points
		Two cases	12 points	
		Three cases	18 points	
3	Work experience in a company	If you have experience, regardless of years of experience, provides:		5 points
4	Experience as a training instructor	If you have experience, regardless of years of experience, provides:		5 points
Education				32 points
5	Bachelor's degree	If you have (evidence required), provides:		15 points
6	Master's degree	If you have (evidence required), provides:		2 points
7	Doctoral's degree	If you have (evidence required), provides:		2 points
8	Diploma ⁶	If anyone has completed, regardless of the hours studied, provides:		3 points
9	Training courses taken in related areas.	If anyone has completed, regardless of the hours studied, provides:		3 points
10	Language	If the domain of language in question exceeds 50% with respect to the mother tongue.		2 points
11	Titles and / or certification	If obtained in areas related to consulting:		5 points

Source: Prepared by the Study Mission based on data provided by the Ministry of Economy.

It is noteworthy that those who have obtained 36 points or more by adding the score of "consulting experience" and the "achievements" out of the total 58 points are considered candidates to be registered as senior consultants, while those that fail to obtain a sum of 36 points are eligible to register as a junior consultant.

Moreover, with regards to applicants registered as junior consultants, in order to avoid possible disadvantages in the final decision of approval, all are given 35 points as the sum of "consulting experience" and "achievements" to be taken into account as qualifying documentary assessment.

⁶ Diplomado

(5) First written test

The first written examination to verify the theoretical knowledge consists only of multiple choices, with 10 questions for each of the 11 modules as in the knowledge materials and 110 questions in total⁷. From the standpoint of reliability and fairness, this is accomplished by bringing together all the participants in one place, although for the project "SMEs Consultants with JICA Methodology" the test is given via email.

In parallel with the revision of teaching materials, the written test questions are also reviewed and added by members of the Committee for selection of consultants and the Study Mission. From the standpoint of selecting a "generalist", if having an area without response or with 0 points, the candidate is disqualified without taking into account the marks obtained in other evaluations

(6) Interview

The interview is conducted to all candidates on the same day as the first written examination. The purpose is to screen out those who largely lack seriousness, motivation, and aptitude as a consultant. The evaluation is carried out by several reviewers on each of the points to evaluate listed in Table 7-8, using a criterion of five scales. The rating of the interview is the average of the above

Table 7-8 Aspects to assess in the interview

a	Updating and personal development of the candidate
b	Knowledge of real situation, challenges and alternatives of SMEs
c	Contextualization and systems approach
d	Awareness towards business management and attitude towards managers and entrepreneurs
e	Ability of implementation, articulation and transformation

Source: Prepared jointly by the Ministry of Economy and the Study Mission.

⁷ See Annex 1 "Samples of the first written exam questions"

The interview guide and the grading criteria were developed utilizing the expertise of private consultants⁸. The Study Mission joins private consultants to organize two groups of four interviewers each, and the interview is conducted for 15 to 20 minutes per participant.

(7) Classroom training

The aim of this project is to select SME consultants as "generalist". However, because the SME consultant as "generalist" is a new concept in Mexico, there is likely to be a considerable gap between the knowledge they have in their own field and other fields.

Because of this, there is a classroom training course through case studies workshops, to achieve the following objectives: 1) Strengthen the knowledge level of the fields that are not their specialty, 2) standardize the scope and level of practical knowledge of all fields. It is compulsory for all to attend the 6 subjects shown in Table 7-9 with duration of 5 hours each. The person who is absent from one or more courses, lose their right to register, no matter of their qualifications in other assessments. According to the content of the materials of knowledge, new materials are developed for classroom training courses

Table 7-9 Classroom training subjects

I	Management and legal aspects
II	Human resource management
III	Operations (Manufacturing, commercial and service sectors)
IV	Finance and accounting
V	Marketing
VI	Consulting skills

Source: Prepared jointly by the Ministry of Economy and the Study Mission.

(8) Second written exam

After the classroom training, they continue with the second written exam, which consists of a case study and questions that are answered in a descriptive way⁹. Based on a case of an SME, there are questions relating to matters of classroom training course (5 subjects), with the exception of "VI.

⁸ See Annex 2 "Interview Guide and Evaluation Form"

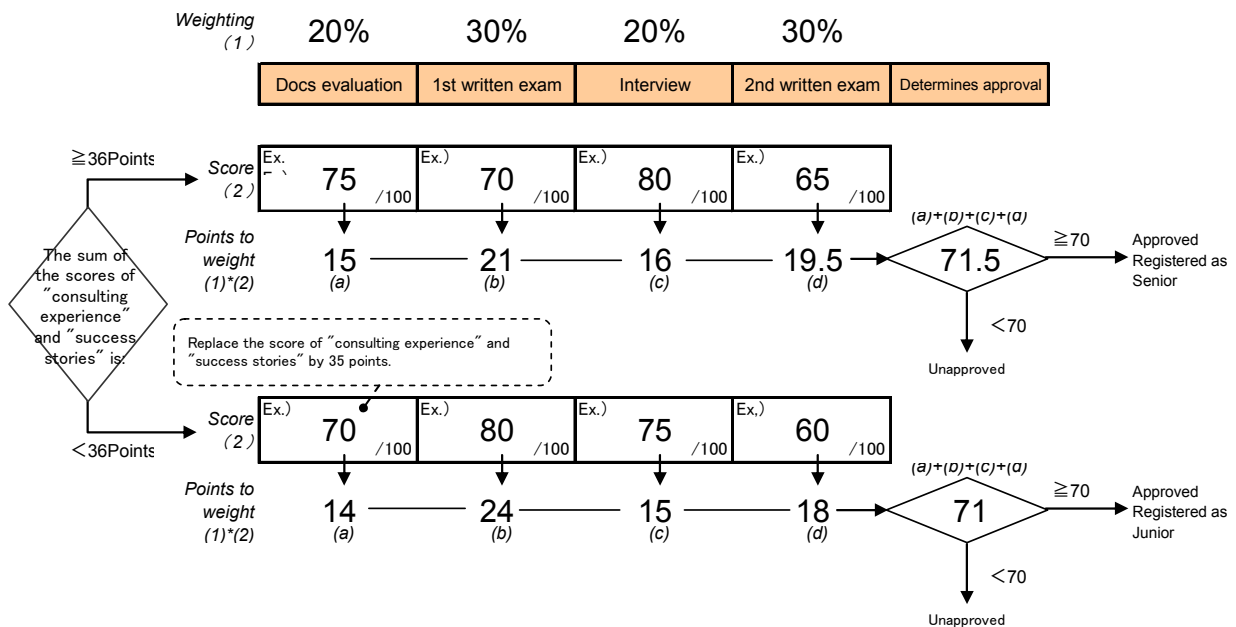
⁹ See Annex 3: "Second written test"

Consultant skills”. From the point of view of selecting a "generalist", those who have not answered a subject or have obtained 0 points are disqualified regardless of the grade earned in other assessments.

(9) Register in the database of SME consultants

The grades of the documentary assessment, the first written test, interview and writing the second review are integrated, to make the decision on registration of the candidate in the database of SME consultants of the Ministry of Economy. The approach adopted is to reach around 70 points or more as the total score, which is obtained by adding the points of the different stages (a maximum of 100 points) according to predetermined weights. The participating consultants are classified as candidates for being registered as senior consultants or as junior consultants, according to whether the sum of the scores of the concepts "consulting experience" and "achievements" is greater than or equal to 36 points or less. Therefore, those who passed will be recorded in the database under the previous classification of senior / junior. Figure 7-4 is a graphic representation of the mechanism of decision making on approval.

Figure 7-4 Decision on approval by the weighting in the evaluation



Source: Prepared by the Study Mission.

The consultants already registered as consultants with JICA methodology through the project "SMEs Consultants with JICA Methodology" in the first year, will also be automatically registered in the new database of SME consultants of the Ministry of Economy.

Among consultants who are dedicated to other programs to support SMEs in the Ministry of Economy, those have participated in the pilot project and were approved in the same, will also be recorded in the same database. This is the starting point of the shared data base of the Ministry of Economy.

7.1.6 Location and agenda of the implementation

<u>Date</u>	Start of preparation:	February 2009
	Implementation:	August – September, 2009
<u>Location</u>	Mexico City	

The Figure 7-10 shows the itinerary of the pilot project development. The long interval between the start of the call until the exam and the course is because the originally scheduled agenda was postponed from May to September, due to the spread of influenza H1N1.

Table 7-10 Itinerary of the pilot project development

Date and time		Process	Location	Comments
From March approximately		Call for participants	—	Beginning in July, reconfirmation of the will to participate.
August 17-31		Documentary assessment	—	
Sept. 1-3.	8:00-15:30	First written exam Interview	Ministry of Economy, meeting room on the ground floor of the Insurgentes building	Carried out to approximately 30 people per day.
Sept. 7-12.	8:00-13:00 (Partially, 12:00-17:00)	Theoretical training course	National Autonomous University of Mexico (UNAM) Engineering tower	The groups of about 20 people each course 1 material per day, alternately, so that all groups completed the 5 areas. The last day everyone will attend the course together.
Sept. 12.	14:00-16:00	Second written exam		This is carried out all together.
Sept. 12.	16:00-	Closing ceremony		Awarding the diploma.
The last 10 days in Sept.		Notice of approval / disapproval	—	

Source: Prepared jointly by the Ministry of Economy and the Study Mission.

The Table 7-11 presents the agenda of the first written test and the simultaneously held interview. The participating consultants will be divided into six groups randomly and the first written test and interview will be carried out in three days.

Table 7-11 Agenda of the first written test and interview

		Group of participating consultants (18 persons per group)					
		1A	1B	2A	2B	3A	3B
Day 1 (Tuesday)	9:00-12:00	First written exam	Interview				
	12:30-15:30	Interview	First written exam				
Day 2 (Wednesday)	9:00-12:00			First written exam	Interview		
	12:30-15:30			Interview	First written exam		
Day 3 (Thursday)	9:00-12:00					First written exam	Interview
	12:30-15:30					Interview	First written exam

The examination room: Insurgentes building of the Ministry of Economy.
Source: Prepared jointly by the Ministry of Economy and the Study Mission.

The Table 7-12 shows the classroom training course timetable. Except for “Consultant skills”, the participating consultants will be divided into 5 groups so that they can take the 5 subjects, one for each day in order to make the size of each group is appropriate for the workshop.

Table 7-12 Timetable of the classroom training course

		Group of participants consultants (20 persons / group)				
		1	2	3	4	5
Day 7 (Monday)	<AM> 8:00-13:00		Human resource management	Operations	Marketing	Finance and accounting
	<PM> 12:00-17:00	Management and legal aspects				
Day 8 (Tuesday)	<AM> 8:00-13:00	Finance and accounting	Management and legal aspects	Human resource management	Operations	Marketing
	<PM> 12:00-17:00					
Day 9 (Wednesday)	<AM> 8:00-13:00	Marketing	Finance and accounting		Human resource management	Operations
	<PM> 12:00-17:00			Management and legal aspects		
Day 10 (Thursday)	<AM> 8:00-13:00	Operations	Marketing	Finance and accounting	Management and legal aspects	Human resource management
	<PM> 12:00-17:00					
Day 11 (Friday)	<AM> 8:00-13:00	Human resource management	Operations	Marketing	Finance and accounting	
	<PM> 12:00-17:00					Management and legal aspects
Day 12 (Saturday)	<AM> 8:00-13:00	Consulting skills				
	<PM> 14:00-16:00	Second written exam				

Location: Engineering tower, National Autonomous University of Mexico (UNAM)
Source: Prepared jointly by the Ministry of Economy and the Study Mission.

7.1.7 General summary of the pilot project

The Table 7-13 shows the order of the pilot project scheme referred to in 7.1.1 to 7.1.6.

Table 7-13 General summary of the pilot project

General summary of the pilot project	
Main objective	Establishment of the "system of registration and training of SME consultants of the Ministry of Economy".
Project objective	The process of implementing the "system for registering and training consultants to the SMEs of the Ministry of Economy" is defined, and is recognized as a cross system within the Secretariat for Small and Medium Enterprises of the Ministry of Economy.
Project expected results	<ol style="list-style-type: none"> 1. The selection of consultants SMEs are conducted in an impartial manner, and areas for improvement are identified. 2. It is structured a database of SME consultants of the Ministry of Economy. 3. The register starts in the database of SMEs junior consultants, whose objective is the training of consultants. 4. The project and the "system of registration and training of SME consultants of the Ministry of Economy" become well known to the Directorates and / or departments and programs within the Under secretariat for Small and Medium Enterprises of the Ministry Economy.
Scope	It covers the selection process for registration in the database of SME consultants of the Ministry of Economy, which does not include training in specific methodologies to support SMEs as the JICA Methodology.
List of activities	<ol style="list-style-type: none"> 1-1 Call to the participants consultants 1-2 Documents review 1-3 First written exam (multiple choice questions) 1-4 Interview 1-5 Theoretical training courses 1-6 Second written exam (questions from cases studies) 1-7 Decision on approval 2-1 Registration on the database of SMEs junior consultants of the Ministry of Economy 3-1 Analysis and definition of criteria for assessing SME junior consultants of the Ministry of Economy 3-2 Selection and registration of SMEs junior consultants of the Ministry of Economy 4-1 Presentation of the project and the system to the directions and programs of the Under secretariat for Small and Medium Enterprises
Implementation system	The Ministry of Economy (Directorate of Training and Consulting, Under secretariat for SMEs) implements the project. The Study Mission is working with the Ministry of Economy. Will take advantage of private consultants, following the system of implementation of the project "SMEs Consultants with JICA Methodology". One of the consulting firms serves as a training and evaluation agency.
Date of development.	Beginning of work in preparation: February 2009 Implementation: August to September 2009

Source: Prepared by the Study Mission.

7.2 Results of the pilot Project development

7.2.1 Participants

Applications were confirmed for 91 people from programs/projects of the Ministry of Economy and abroad.

Table 7-14 Details of applicants consultants

Programs/projects to support SMEs in the Ministry of Economy	37
<i>National System of Business Incubation</i>	14
<i>COMPITE</i>	9
<i>Project “SMEs Consultants with JICA Methodology”</i>	6
<i>National Financial Extensionism Program</i>	2
<i>National Quality Award¹⁰</i>	1
<i>(Staff of the Ministry of Economy)</i>	5
Programs supporting SMEs from other Ministries	5
<i>PROFEPA¹⁰ (Ministry of Environment and Natural Resources)</i>	3
<i>Program “M” (Ministry of Tourism)</i>	2
Chamber and sector agencies, etc.	14
<i>COPARMEX</i>	6
<i>CONCANACO y CANACO</i>	6
<i>CANACINTRA¹¹</i>	2
Private Consulting firms and independent consultants	35
Total	91

Source: Prepared by the Study Mission based on data provided by the Ministry of Economy.

Of these, 65 participated in the selection process. However, 53 took the examination of all assessment tools, so the final approval decision focused solely on them.

¹⁰ *Premio Nacional de Calidad*

¹⁰ *Procuraduría Federal de Protección al Ambiente*

¹¹ *Cámara Nacional de la Industria de Transformación*

7.2.2 Result of selection

After all of the selection processes, the decision was made according to the total score, which was obtained by adding the points in each of the assessment tools, with appropriate weighting. Table 7-15 shows the statistics of the grade for each assessment tool

Table 7-15 Rating according to each assessment tool

	Number of examinees	Minimum score	Maximum score	Average
Documentary assessment	79	50	86	69.27
First written exam	65	35	85	58.20
Interview	65	32	100	67.62
Second written exam	59	17	97	49.20
Total score	53	42.92	79.36	59.82

Source: Prepared by the Study Mission.

Taking into account the fact that the pilot project also has the function of collecting the sample data to verify the relevance and level of difficulty of the first and second written exams, the Study Mission proposed lowering the minimum rating of approval to 60 points, considering that the overall results of the total qualification have tended to be lower than expected. Given this approach, the Ministry of Economy concurred.

The table 7-16 is a statistic of the outcome in the decision on approval. Once again the criteria for approval is mentioned below.

- People who have obtained 60 points or more as the total score are approved.
- Those who obtained greater than or equal to 36 points out of 58 by adding the score of the concepts "consulting experience" and "achievements" are classified as senior consultants, and those with score less than 36, as a junior consultant.
- Regardless of the total score, the following will be disqualified:
 - Those who had 0 points in one or more modules in the first written exam.
 - Those who had 0 points in one or more fields of the 5 administrative functions (business administration, human resource management, operations, finance and

accounting and marketing) in the second written exam.

- Those who missed one or more modules of classroom training course.

Table 7-16 Results on the approval

		Number of people	%	Number of people	%
Approved	Senior consultant	17	32.1%	20	37.7%
	Junior consultant	3	5.7%		
Fail	Senior consultant	6	11.3%	15	28.3%
	Junior consultant	9	17.0%		
Disqualified				18	34.0%
Subtotal				53	100.0%
Those who did not take all the assessment tools				38	—
Total				91	—

Note: Are approve people who obtained 60 points or more on their total qualification.

Source: Prepared by the Study Mission.

The Training and Consulting Directorate gave the notice of approval / disapproval to each participant, as well as scores on each of the assessment tools.

Those who were approved are recorded in the database and it is planned to provided them with preferential measures in the draft "SME Consultants with JICA Methodology" as well as recommendations to the Business Service Centers Mexico Emprende.

Table 7-17 shows the results on the approval / disapproval of each participant.

7.2.3 Results of the classroom training

The table 7-18 is the result of evaluating classroom training course according to the surveys for participants. Despite improvement opportunities in terms of time allocation as well as teaching materials were observed, in general the classroom training course was evaluated as something useful to meet the expectations of participants. Since the training was structured to mainly have case analysis through workshops, those with greater ease in their respective fields shared their knowledge in a natural way, showing that the course was effective as a method to standardize knowledge from all fields to form "*generalists*" in a short period.

Table 7-18 Course evaluation of classroom training course by participants

	Per module						Average
	I	II	III	IV	V	VI	
The course was useful in improving their daily activities.	4.57	4.48	4.79	4.87	4.45	4.81	4.64
The topics reviewed during the course covered the expectations they had about the same.	4.51	4.26	4.72	4.83	4.76	4.76	4.62
The materials and teaching aids that used by the facilitator during the course allowed the participants' learning.	4.45	4.21	4.49	4.63	4.07	4.78	4.44
The time taken for the explanation of the issues was adequate.	4.09	4.39	4.53	4.47	4.07	4.76	4.34
The topics reviewed in the course enabled him to acquire new knowledge and skills.	4.49	4.38	4.68	4.78	4.25	4.76	4.55
The topics reviewed during the course helps to achieve the objective set at the beginning of the session.	4.40	4.44	4.67	4.73	4.17	4.83	4.52
The schedule in which the course was conducted was appropriate for the understanding of the issues.	4.29	4.61	4.74	4.72	4.47	4.78	4.55

Source: Prepared by the Study Mission based on the report from the company Espacio Empresarial.

7.2.4 Project evaluation

As a feed-back from the pilot project implementation, the following two points of evaluation must be reflected in the establishment of the "system of registration and training of SME consultants of the Ministry of Economy" and its full implementation, and the final study proposal:

- Effectiveness, impartiality and points of improvement for the selection method of consultants.
- Recognition and acceptance of the system by other directorates of the Ministry of Economy.

- (1) Effectiveness, impartiality and points of improvement for the selection method of consultants.

In the selection of SME consultants as "generalists", what is important are the written tests that are divided into two stages. In order to select people who possess some level of control over the management of SMEs in general, it was determined to disqualify those who have 0 points in one or more modules out of the 11 in the first written examination or any of the 5 functional areas of business administration in the second written test. Under this condition there was no disqualified in the first written examination, however, in the second written test 15 persons were disqualified.

By analyzing in detail the Table 7-17, we note that some participants show large imbalances between their strengths and weaknesses, so it is meaningful to impose a minimum level that is required to comply for every module and area. However, it is also true that in the pilot project there was a difference between the averages in each module and area (see Table 7-19), so the future task is to equalize the level of difficulty of the questions between modules. Also in the second written test, sometimes they seemed to confuse the meaning of the questions, so what is needed is to refine the techniques in developing the questions.

Table 7-19 Qualifying results of the first and second written examination, as module

		Minimum score	Maximum score	Average
First written exam	Module 1	4	10	7.63
	Module 2	2	10	7.29
	Module 3	3	10	6.37
	Module 4.1	1	9	4.89
	Module 4.2	2	8	4.71
	Module 4.3	1	7	4.03
	Module 5	2	10	7.09
	Module 6	2	8	4.91
	Module 7	2	8	4.60
	Module 8	4	10	7.31
Module 9	1	9	5.17	
Second written exam	General skills	3.67	10	7.10
	Area I (Management and legal aspects)	0	10	4.04
	Area II (Human resource management)	0	10	5.08
	Area III (Operations)	0	10	4.15
	Area IV (Finance and accounting)	0	8.64	3.34
Area V (Marketing)	0	10	3.84	

Note: The maximum score is 10 points in all processes. In the case of the second written exam, a conversion was made so the maximum score was 10 because the distribution of points varies according to the areas.

Source: Prepared by the Study Mission.

Specifically, it should be regarded that the first written examination (multiple choice questions on knowledge) defines the rank of difficulty to the questions according to the percentage of correct answers in the pilot project, so that the difficulty level is balanced between modules when developing additional questions as well as to give test questions. On the second written test (questions of case studies, open-response), it is suggested to review questions and monitor with registered consultants before presenting a real test.

Regarding the documentary assessment and the interview, the average of rating scores given by several reviewers was considered. Unlike the written examination it is impossible to avoid the personal opinions of reviewers getting involved, but this is to eliminate its influence as much as possible. According to the results of the evaluation we believe this methodology is relevant, however, we recommend the possibility of using experts in evaluating people who are dedicated to recruiting as well as education and human resource development.

(2) Recognition and acceptance of the system by other directorates of the Ministry of Economy.

The pilot project included the participation of such as the National System for Business Incubation, COMPITE and the National Financial Extensionism Program. It is necessary to exchange views in a concrete manner about these programs / projects and the performance of the consultants sent to the pilot project, in order to gradually make realistic adjustments for establishing the system of registration and training of SME consultants of the Ministry of Economy.

Also, in order to raise awareness about the pilot project and the design of the system of registration and training of consultants, for each Directorate and area of the Under secretariat for Small and Medium Business with which the Directorate of Training and Consulting and the Study Mission have had contact during the period of study, we intend to continuously seek understanding and support along with reporting the results of the pilot project.

The pilot project showed, in a visible and tangible way, the minimum ability required for consultants of SMEs to be registered in the common database of the Ministry of Economy through educational materials and the approval criteria. Looking towards the realization of the system, the capabilities required for consultants in each program / project with the capacity requirements outlined in the pilot project will be compared and the stage of practical discussions to address deficiencies and excesses will begin.

Based on the above, in Chapter 8 we present the action plan to implement the system.

Chapter 8

Proposed Action Plans to build the system of
registration and training of SME consultants of the
Ministry of Economy

Chapter 8 Proposed Action Plans to build the system of registration and training of SME consultants of the Ministry of Economy

In Chapter 6, we ordered the profile of a SME consultant as proposed by the Study Mission and the need to establish a registration system especially to those consultants engaged to support government projects to the SMEs, and then present a future image of the system of registration and training of SME consultants of the Ministry of Economy. In Chapter 7, we presented the report of the pilot project which tested a selection process with some improvements, in order to develop the existing project "SME Consultants with JICA Methodology" as a system of registration and training of SME consultants of the Ministry of Economy.

In Chapter 8, facing the current state of the selection of consultants engaged in projects to support SMEs in the Ministry of Economy, first we will order the reasons for proposing the construction of a new registration system of SME consultants, and then based on the future image presented in Chapter 6 and reflecting the lessons learned in the pilot project mentioned in Chapter 7, we will present a concrete way of how the system should be performed. We then propose some action plans for its construction.

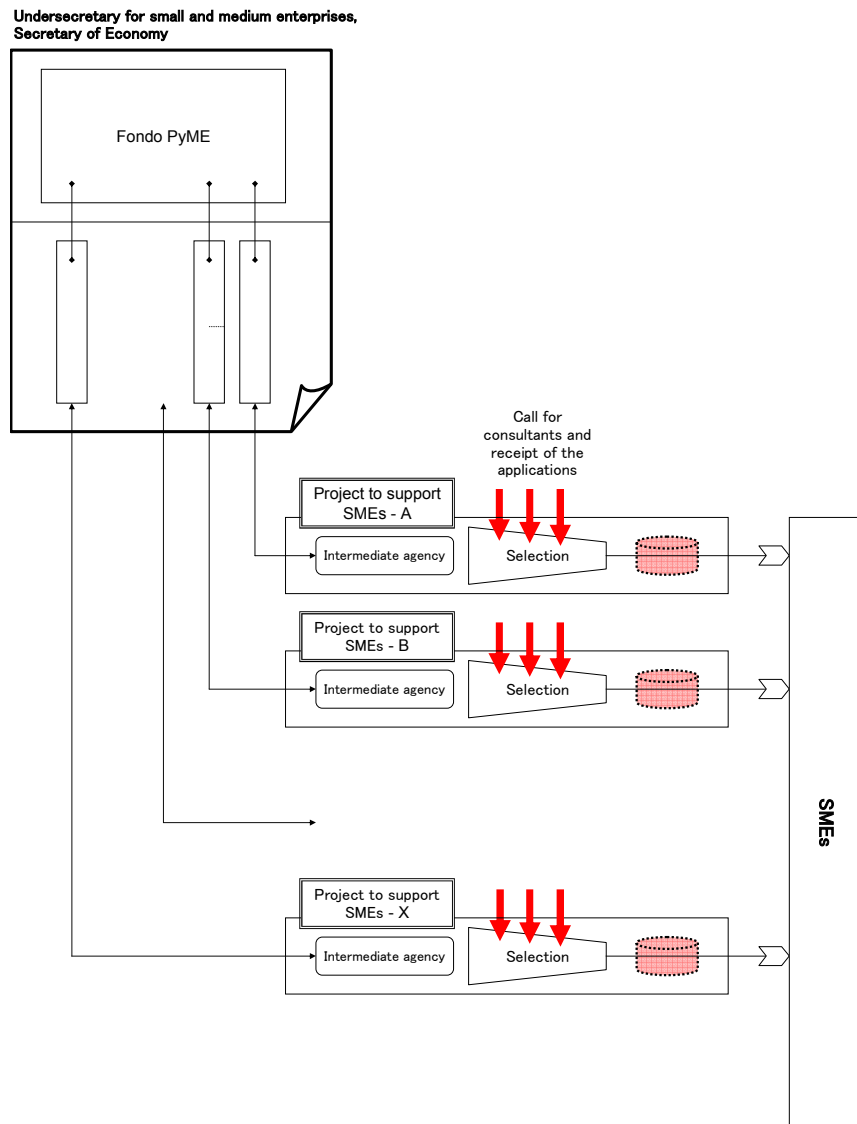
8.1 Current status of registration of SME consultants of the Ministry of Economy

Figure 8-1 shows the current image based on the results of the current situation regarding the recruitment of consultants engaged in various projects to support SMEs which involve different directions of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy. These projects are mainly managed by the Fund for Support to Micro, Small and Medium Enterprise¹¹ (FONDO PYME) allocated as budget for a single fiscal year, and his performance after the application and approval is left to the intermediary organizations. In other words, these intermediary organizations call and employ consultants required by the content of the corresponding

¹ *Fondo de Apoyo para la Micro, Pequeña y Mediana Empresa*

projects. It is noteworthy that henceforth we called those providing various types of support to SMEs by the generic term "consultant", although they have been called by different names such as "Consultant", "Advisor", "Extensionist " and so on.

Figure 8-1 Current status of the recruitment of consultants in the Undersecretary for Small and Medium Enterprises of the Ministry of Economy



Source: Prepared by the Study Mission

The profile definition of the required consultants and their recruitment is left to the intermediary bodies of each project and there is no unified standard in the Ministry of Economy regarding the capability of consultant, and also as far as the Study Mission knows through several interviews, there is no coordination and exchange of information between the different projects. Additionally, the FONDO PYME is administered with the budget of a single fiscal year and in consequence, the intermediary organizations do not perform their recruitment activities under a plan for the medium and long term. As a result, almost no cases where they have prepared a database of selected consultants are observed. As a logical consequence, there is no mechanism to reflect the assessment of consulting services to the next stage.

Under this situation, we confirmed the following problems from the viewpoint of each of the parties involved in SME consulting during the interviews we conducted during the current study:

- a. From the point of view of enterprises and private sectors that are supported:
 - The consultant selection process is limited to the training of knowledge and skills required for specific purposes, so no one can say that quality (ability and experience) and basic skills as a consultant to SMEs are guaranteed.
 - There are specialized consultants in each area to meet the project with specific purposes, however, there is neither a scheme to detect the problems of the company, identify the tasks to be addressed and channeled to appropriate support project, nor there are consultants who can attend you.
 - There is a lack of consultants to the existing demand.

- b. From the standpoint of the Ministry of Economy that employs consultants with their own budget:
 - Although each project has different goals, the corresponding part of the capability assessment of the consultants to be done before the training of specific techniques that are required for the projects, is the same for everyone. This part is evaluated individually for each project and is a waste of time and cost.

- The projects are managed with the budget of a single fiscal year, so it is a waste to repeat the assessment on a yearly basis.
- c. From the point of view of the consultants:
- They present their applications to various projects and it is necessary to repeat similar assessments.
 - In order to be registered in the projects managed with the budget of a single fiscal year, it is necessary to repeat the assessment every year.
 - The selection process of consultants for the support projects are left to the intermediary organizations, so it does not have the transparency in its procedures and criteria.
 - From the standpoint of people who aspire to be consultants in the future, 1) can not set their goal because there are no rules about consulting capability to the SMEs and it is unclear about the level of knowledge and experience necessary to be registered as a consultant, and 2) have no job opportunities in order to gain experience.

The current status of the SME consultants differs depending on the projects and to solve these problems, the need to build a unified system for the registration and training of consultants the Ministry of Economy is obvious.

8.2 Proposal to construct the system for the registration and training of SME consultants of the Ministry of Economy

8.2.1 Essence of the proposed system

In Chapter 6 we proposed some points that must be taken into consideration while proposing a system of registration and training of consultants from the Ministry of Economy and its general image. Our proposal is based on the assumption that "a SME consultant, regardless of the support project in which he serves, before being specialist in a specific area, he must be a generalist with minimum expertise on a certain determined level in all the aspects of the management of SMEs."

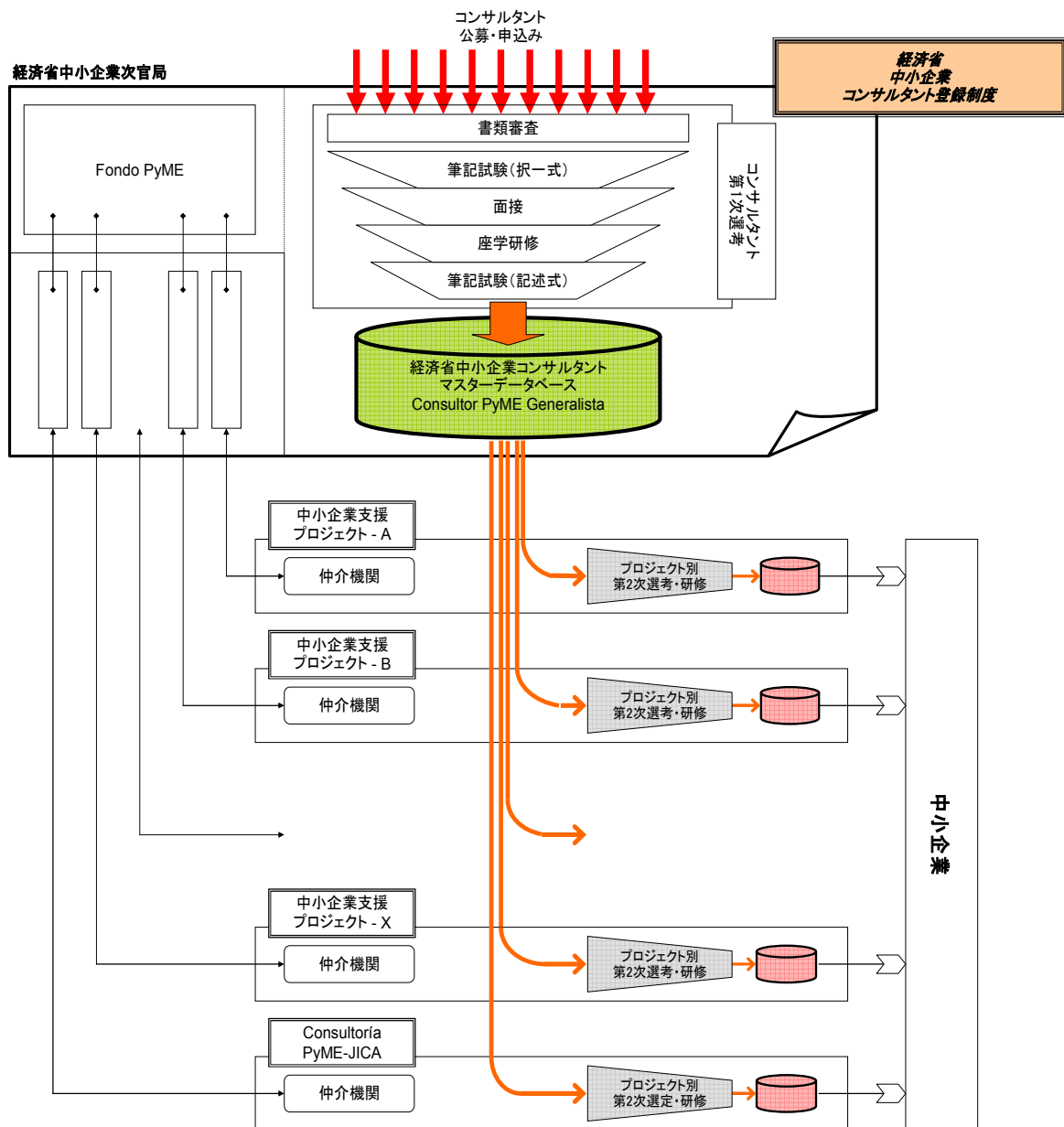
Based on this assumption, in the system that we propose the selection and registration of consultants will be made in the following 2 steps. It is considered that this in itself will prevent the unnecessary part generated by repetitive procedures and also ensure selection according to different requirements based on the demands of each project.

Selection of the first stage: the selection and registration of consultants is carried out based on the knowledge, experience and minimum skills necessary to be a SME consultant.

Selection of the second stage: To register in the second stage, those consultants registered in the first stage will be assessed or trained on the specialty needed to support individual projects.

The figure 8-2 represents an image of the scheme of the proposed system, developed with the purpose of comparing it with the current situation shown in Figure 8-1. In this system, the selection of the first stage mentioned above, will be undertaken by the Ministry of Economy with its own budget and staff to build and manage a common database within the Ministry. The consultants of any support project of the Ministry of Economy should be registered in this master database of consultants of the Ministry, and in the second stage the registered consultants in the master database will receive trainings in technique and/or knowledge as a requirement for selection in each of the support projects. As of present state, the method of selection of the second stage will be left to the intermediary organizations of the concerned projects.

Figure 8-2 Image of the proposed system of registration and training of consultants from the Ministry of Economy



Source: Prepared by the Study Mission.

The essence of the proposed system is the following 4 points.

(1) Quality assurance of the consultants

Regardless of which project to support SMEs they are engaged in, the obligation to get approved in the selection process based on the minimum requirements to be a SME consultant ensures the quality of the consultants. This will also serve to cultivate the confidence in the support projects of the Ministry of Economy and further stimulate the demand for consultants.

(2) Ensuring transparency and simplifying the process for selecting consultants

The requirements and selection process to be registered in the master database of SME consultants of the Ministry of Economy are established and also published to the outside. If set to intersectoral projects, it ensures the transparency of the selection process of consultants, and also by sharing the system among all projects it will greatly simplify the current status of the selection of consultants.

(3) Operation and administration by the Ministry of Economy

The selection of the first stage and the operation and administration of the master database of SME consultants are made independent from the support projects and should be established as a program of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy, ensuring the budget provision for medium and long term. With continuous operation and the accumulation of data, the system will be widely known and used gradually.

(4) Mechanism for training consultants

The Ministry of Economy is not an institution for training and education, and direct execution of training programs for consultants is outside its jurisdiction, however the training of SME consultants is also one of the remaining tasks for the Ministry of Economy which controls the development of SMEs. Tying the registration in the database and employment opportunities in projects, it provides an incentive to aspiring consultants. Furthermore, the selection process for registration will integrate a mechanism for training consultants.

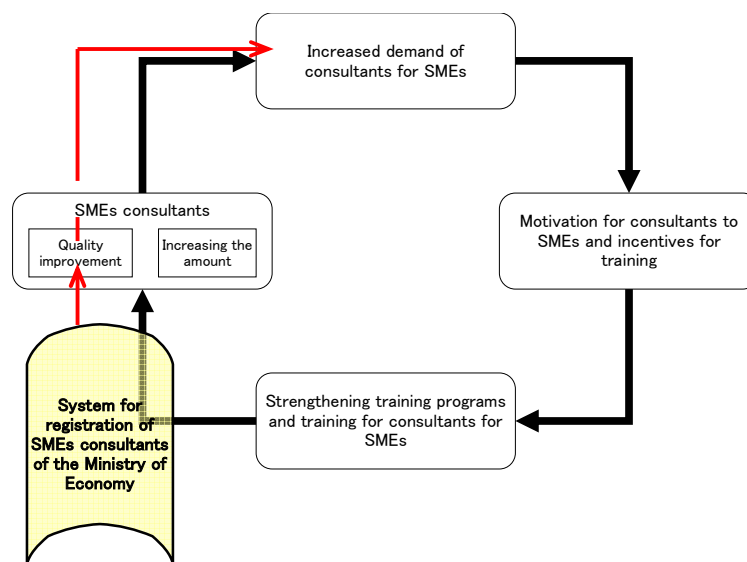
8.2.2 Objectives of the system construction

At national level, the preferential goal in building the proposed system for registration and training of consultants for the SMEs by initiative of the Ministry of Economy is to achieve the next positive cycle:

“With the strengthening of both the quality and quantity of SME consultants, SMEs will be revitalized and the demand for SMEs consultants will increase. It will stimulate the motivation for the profession as a SME consultant while incentives for training consultants programs will increase and strengthen education and training. As a result, this will further strengthen the quality and quantity of SME consultants”.

The Figure 8-3 shows the positive cycle that is the main objective goal, and also the red arrows show the expected effects of the proposed system for registration of SME consultants of the Ministry of the Economy so that this positive cycle will begin.

Figure 8-3 Positive cycle focused on the enhancement of the quality and quantity of SME consultants



Source: Prepared by the Study Mission.

Once you build the master database of consultants to the SMEs that will be shared between the different directorates of the Ministry of Economy and the registration is made mandatory for all SME consultants engaged in any project to support the SME of the Ministry, first and foremost this ensures the quality of the consultants. Support projects run by the Ministry of Economy with the use of public funds play an important role in supporting MSMEs. With the improvement of the quality of the consultants of the Ministry of Economy, the recognition of consulting in the MSMEs will gradually change and the demand for them will increase. This will stimulate the motivation of would-be consultants and the chance for various private institutions and universities to implement training programs for consultants. Thus, we are expected to march to the positive cycle that is the main objective.

8.3 System for registration and training of SME consultants of the Ministry of Economy

Here we propose in a concrete way the system for registration and training of SME consultants of the Ministry of Economy that is the goal of action plans, reflecting the pattern of the pilot project and lessons learned from its implementation.

8.3.1 Selection process

The selection process of consultants who register consists of 4 stages shown in Figure 8-4, starting with the documentary assessment to the second written test (descriptive). To determine whether the applicant passed or not, they take the qualifications of each stage and multiplied by the weighting shown in Table 8-1 to finally calculate the total points of each candidate. This method was experimented in the pilot project.

The line to determine if the applicant is approved or not will be defined at a level between 60 and 70 total points, based on the experience gained in the pilot project. It is noteworthy that in Chapter 7 explains the reason for the calculation of the weighted score for each stage.

Figure 8-4 Consultant selection process to be registered with the Ministry of Economy



Source: Prepared by the Study Mission.

Table 8-1 Weighting at each stage of the selection

Documentary assessment	1st written exam	Interview exam	2nd written exam	Total
20%	30%	20%	30%	100%

Source: Prepared by the Study Mission

According to the lessons learned from the pilot project, grading the interview examination, training through lectures and the second written exam will have more operational burden compared to the documentary assessment and the first written examination. Therefore, in order to reduce the budget for its implementation, we propose the following method for the full-scale implementation.

"Instead of accepting all applicants to the last stage which is the second written exam, once the documentary assessment and the first written exam are completed, those applicants who do not reach the level of approval on total points even if they obtained the maximum score in the next review of the interview and the second written exam will be extracted and failed."

(1) Documentary assessment

Applicants are required to deliver certain documents by email. Their evaluation will be graded based on criteria (Table 8-2) used in the pilot project. The final grade for the documentary assessment is determined by the sum of points obtained in each of the concepts and concepts are not mandatory.

Table 8-2 Qualification criteria in documentary assessment

Qualifying definition		Qualifying criteria		Assigned points
Experience				68 points
1	Experience as consultant	Up to 5 years Between 6 and 10 years Over 11 years	25 points 30 points 40 points	40 points
2	Successful results (Declare some referral contacts with companies where he obtained certain results.)	One case Two cases Three cases	6 points 12 points 18 points	18 points
3	Work experience in a company	No matter the age if you have some experience.		5 points
4	Experience as a training instructor	No matter the age if you have some experience.		5 points
Academic history				32 points
5	Bachelor's degree	If you have obtained the title. (Must show)		15 points
6	Master's degree	If you have obtained the title. (Must show)		2 points
7	Doctoral's Degree	If you have obtained the title. (Must show)		2 points
8	Background to attend a diploma course	Never mind the hours if completed a course.		3 points
9	Training courses taken in related areas.	Never mind the hours if completed a course.		3 points
10	Language	If you have a mastery of 50%		2 points
11	Title and / or certification	Should have gotten something in Consulting.		5 points

Source: Prepared by the Study Mission

(2) First written exam (multiple choice)

It is a collective (group) examination performed in a classroom, with the objective of assessing the level of mastery on fundamental knowledge which is a must have as a SMEs consultant.

The subjects and the content and level of questions will be subject to publicly available materials as mentioned below. As it was done in the pilot project, the exam consists of 11 subjects with 10 questions each, that is, a total of 110 questions and the length of the test shall be 150 minutes.

This test aims to select SME consultants to be generalists with knowledge and experience of at least some level in all aspects of the management of SMEs. So the multiple-choice written

² *Diplomado*

examination is set as a requirement to obtain at least a certain number of points in all subjects. It is noteworthy that in the pilot project, we previously did not know the level of difficulty of each question and yet randomly selected 10 questions from each subject for a total of 110 questions. That is, the difficulty level of each subject was variable and could not establish a line of common approval for all subjects. So only when a candidate got zero points in any of the 11 subjects, we immediately qualified him as “failed”.

In the pilot project, applicants were divided into 3 groups and 3 sets of 110 questions were used. The obtained percentage of correct answers for each question will be an indicator of the level of difficulty of the respective questions. Based on this indicator, full-scale implementation will require the selection depending on the degree of difficulty of the questions in each subject by choosing 10 questions that consist of 3 difficult questions, 4 normal and 3 easy ones. Once the level of difficulty is balanced, the line of approval for each subject will be established, for example, 40% or more in a unified manner.

(3) The interview examination

It is aimed at assessing the skills of the consultant, focusing primarily on their communication skills and self-expression that are required for a consultant,

The Table 8-3 shows the interview guide based on experience gained in the pilot project where it was first implemented. Among the applicants for the interview there were some who have experience as a consultant and others who do not. However, it is necessary to take into account that the experience itself is concept to be rated in the documents assessment and not in the examination of the interview. If any errors or deficiencies in the submitted documents are confirmed during the process of the interview, it will be reflected in the outcome of the evaluation of documents.

Table 8-3 Interview guide

1. Pre-interview preparation	Based on the documents submitted, the profile of each candidate will be distributed beforehand to the interviewers
2. Interviewers	The interview will be conducted by a group of 3 or more interviewers. The interview panel is formed by combining people who have experience as consultants, others who have knowledge of SMEs, and in addition to experts on interviews rating. From the standpoint of third-party certification, it does not include the staff of the Ministry of Economy.
3. Duration of interview	Be approximately 15 to 20 minutes per candidate.
4. Grading Concepts	a. Updating and personal development of the candidate
	b. Knowledge of real situation, challenges and alternatives of SMEs
	c. Contextualization and systems approach
	d. Awareness towards business management and attitude towards managers and entrepreneurs
	e. Ability of implementation, articulation and transformation.
5. Questions	Agree in advance on standard questions for each of the concepts to qualify.
6. Grading method	The 5-point rating scale provided by each of the interviewers will be added in the respective concepts and calculate average grade.

(4) Descriptive written examination

On the last day of training by lectures, there will be a descriptive written examination. Focusing on a specific SME case study, the candidates shall answer on paper from the diagnosis to the definition of the tasks. In this way the breadth and depth of knowledge and its applicability to real cases can be qualified. In order to evaluate in an impartial way, it is necessary to establish the qualification criteria as detailed as possible. The time limit for answering the questions will be 2 to 3 hours.

Regarding the questions, we can consider the following two options. It is noteworthy that in the pilot project descriptive questions were of the type of option b.

- a. Based on a business case, there are 5 questions in total, each corresponding to one of the 5 areas of training by lectures, except the sixth area "Consulting Skills" of the training lectures conducted before the descriptive writing test.
- b. A company is taken as an example and they ask questions to diagnose and analyze holistically.

Through the pilot project we have acquired the lesson that using a single company case study is difficult to ensure the completeness of the areas, the description of questions greatly influences the answers, and so on. To develop the questions in the full-scale implementation, it must prepare prudently, considering the possibility of focusing on several cases of companies and also collecting and analyzing before the exam a few examples of responses from consultants who are not candidates to seek ways to exact editing of the questions to avoid misunderstandings.

Of course, considering the time available for qualifying, instructions request answers as specific as possible and simultaneously from the point of view of efficiency of the qualification will also establish a limit on the number of words per answer. In the pilot project the responses were written on paper, however, in order to ensure impartiality, it is recommended to allow the use of computers to meet the test. At least two qualifiers grade the test and use the average score of both to determine if the applicant is ultimately approved or not.

(5) Completeness of the selection process

In the Figure 6-2 in Chapter 6, the Study Mission proposed a map of requirements of the consultant's capability for SMEs as an expert in the administration of SMEs. Here we divide the capability of consultant on practical skills, knowledge and behaviors / postures, and describe each according to the 11 concepts.

The selection process has 4 stages from documentary assessment to descriptive written exam just as the same method performed in the pilot project. This process involves in a comprehensive manner the 11 requirements of the above capabilities needed for a consultant to SMEs, just as those mentioned in Chapter 7.

8.3.2 Public relations and annual implementation plan for the selection

(1) Public relations activities

The system will be advertised continuously through the website of the Ministry of Economy and its regional branches. In addition, the websites and newsletters of associations related to consulting firms, manufacturing, trade and services will be used for advertising the system.

They will communicate, to the consultants and aspiring consultants that the consultants of all projects to support SMEs in the Ministry of Economy must register into the master database of consultants to the SMEs of the Ministry, as well as the process of application for registration and evaluation.

(2) Annual plan for the selection implementation

In the first year of the project "SME Consultants with JICA Methodology", it was planned to conduct training in all states, however this depended on the status of the number of requests and the availability of places in some states. In some States, the training was conducted several times, while in other cases, the participants were sent to attend in other sites.

Based on this result, we recommend the definition of an annual plan, indicating the date and place of execution of the selection process and the publication along with the advertising of the system. According to the annual implementation plan, the Ministry of Economy coordinates all the requests and applications.

8.3.3 Master database of consultants to the SMEs of the Ministry of Economy and registration

(1) Master database of consultants to the SMEs of the Ministry of Economy

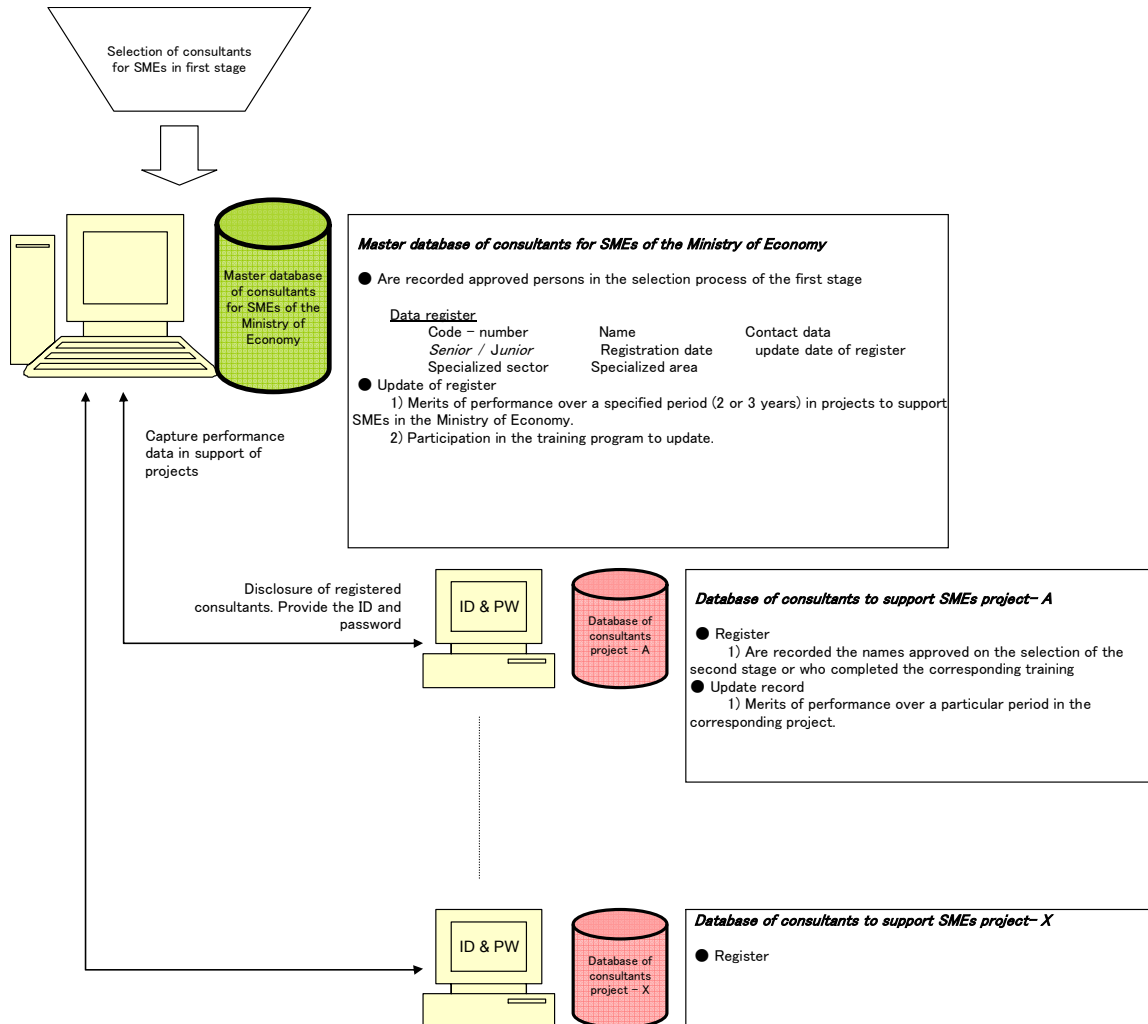
The approved applicants in the selection of the first stage will be registered as SMEs consultants in the master database of the Ministry of Economy.

The master database of SME consultants manages all data such as registration of each consultant, job performance, job record on projects to support SMEs managed by the Ministry of Economy and the results of evaluation, etc.

The consultants engaged in projects to support SMEs in the Ministry of Economy are obliged first to register in the master database. Once registered, each support project shall apply the selection of the second stage or training to registered consultants in the master database, focusing on the specific skills and knowledge to the respective projects. The selected consultants to engage in corresponding project is registered and administered in the project database.

Figure 8-5 shows a conceptual outline of the master database of consultants to the SMEs of the Ministry of Economy and the database of consultants for each project. Access to the master database will be limited, apart from the system administrator and persons responsible for each project to support SMEs in the position to hire registered consultants, and they are given their own ID and password.

Figure 8-5 Conceptual schema of the database of SME consultants of the Ministry of Economy



Source: Prepared by the Study Mission

(2) System for registration update

The registrations in the master database of consultants will be updated from time to time (2 or 3 years after registration) on the merits of job performance including the results of their assessment. The merits of job performance and evaluation results will be considered in the programs / projects to support SMEs in the Ministry of Economy. The system for updating registration of consultants is

also common in Mexico as seen in the Ministry of Tourism. As shown in Figure 8-5, the administrator of the respective support projects will report the merits of job performance to be captured in the master database.

It is necessary to determine the upgrade requirements based on the number of labor cases, the duration and outcome of job evaluation in accordance with the content of different support projects. In the job evaluation results, greater importance will be given to the assessment made by the beneficiary enterprise of the consultancy. The merits obtained as training courses instructor or seminars should also be taken into consideration. Table 8-4 shows a proposal to the registration update requirements. We propose a method where the merits attained during the corresponding period are accumulated as scores and are granted permission to update according to the total points earned during that period.

Table 8-4 Proposed requirements for updating the registration in the master database of SME consultants of the Ministry of Economy

Concept update requirements	Weighting	Points to consider as requirements for updating
Diagnosis and business consultancy	1	Total days that were dedicated to the diagnosis and consultancy firms. Should be adjusted according to job evaluation results based on criteria established in the corresponding project.
Counter services	0.4	Total days that was dedicated to counter services.
Merits as a training instructor	0.8	Total days of training course where he has served as an instructor.

Source: Prepared by the Study Mission.

The consultants take on the newest techniques and knowledge with their own self-study efforts and simultaneously by obtaining and registering any certification in order to have job opportunities and accumulate work experience. It can be expected to maintain and improve the quality as a consultant in the consulting work place. The updating of the register is intended to exclude those

nominal consultants not dedicated to work and ensure the maintenance and improvement of the quality of the registered consultants.

It is noteworthy that the update requires participation in an update training program with duration of one or two days. As subjects of the training will include new skills, the situation in recent days about the sector, the information of new policies and programs to support SMEs and so on; simultaneously, it will also be effective to organize a seminar with the aim of sharing experiences among consultants.

With respect to the consultant's database of each support project, according to the screening and registration requirements that are determined by the content and purpose of the project, will define the needs of the updating system and if necessary updated requirements.

8.3.4 Training of SME consultants

The consultants to support projects for SMEs of the Ministry of Economy are obliged to register with the master database, which means registered consultants have also some chance of employment. This will provide incentive for aspiring consultants and as a result lead to the formation of consultant training.

Added to this, the proposed system adopts the following mechanism for the formation of SME consultants.

(1) Public availability of teaching materials

Preparation of standard materials covering the skills necessary for a SME consultant are made public on the website for those interested who can download them whenever they want to study. We have already made open to the public all materials of theoretical knowledge (Table 8-5) that we have reviewed with the Ministry of Economy during this Study. In the pilot project, access to download study materials was only to the candidates, however, its public availability will help to

present the requirements expected by the Ministry of Economy to become a SME consultant and serve as a study guide for those interested in applying for future registration. The availability to the general public without limiting access will contribute to training consultants.

The questions of multiple choice of the written examination which takes place in the selection of the first stage of the registration in the master database will be developed based on the content of these teaching materials.

Table 8-5 Theoretical knowledge teaching materials

Modules	Title	Number of pages
Module 1	Consulting skills	78
Module 2	Management	81
Module 3	Human resource management	70
Module 4.1	Operations (Manufacturing sector)	142
Module 4.2	Operations (Commercial sector)	64
Module 4.3	Operations (Service sector)	20
Module 5	Innovation	47
Module 6	Marketing	119
Module 7	Finance and accounting	77
Module 8	Judicial and legal issues	58
Module 9	Information systems	47

Source: Prepared by the Consultants Selection Committee and the Study Mission.

(2) Training by lectures

This is training where lectures are given to applicants, which is implemented following the review of the interview in the selection process of the first stage.

It is assumed that most of the candidates for selection have work experience as consultants

specializing in a specific area. For these candidates who are registered as generalist SME consultants, this training by lectures aims that each candidate strengthens the knowledge of those areas that are not their specialty and also for the standardization of knowledge of registered consultants and their level.

Table 8-6 shows the list of theoretical training conducted in the pilot project that can serve as an example. It consists of 6 classes and each class lasts 5 hours, and as in the pilot project all subjects shall be mandatory for all participants. Taking into account the burden which exists both in its operation and the participants, we can say that it is appropriate that training has duration of one week as was done in the pilot project. Instructors will develop instructional materials for training by lectures based on the materials of knowledge that are available to the public, but its contents will consist of case studies that focus on specific consultancy cases.

Table 8-6 List of theoretical training

Theoretical training -1	Management and legal aspects
Theoretical training -2	Human resource management
Theoretical training -3	Operations (Manufacturing, commercial and service sectors)
Theoretical training -4	Finance and accounting
Theoretical training -5	Marketing
Theoretical training -6	Consulting skills

Source: Prepared by the Study Mission

(3) Junior SME consultant

In this system, those aspiring to the selection at the first stage with no experience as consultants, but recognized as possessing the knowledge and skills to a certain base level will be included in the master database as junior consultants. The criterion for selecting a junior consultant will be the same as that used in the pilot project and is based on the following process.

The evaluation of documents for the selection of the first stage, each candidate is scored using the

rating criteria shown in Table 8-2, but that qualification alone will not condemn anyone. According to the sum of points obtained in "Experience as a consultant" and "successful outcome as a consultant", applicants that take 36 points or more out of 58 will be qualified as a candidate for senior consultant registration, and those that take less than 36 as a candidate for junior consultant registration.

After evaluation of documents, both senior and junior consultant candidates proceed to the first written exam (multiple choice), examination of the interview, classroom trainings and the second written exam (descriptive). Finally, the rating of each step is multiplied by the weighting shown in Table 8-1 to calculate the total points and based on the approval line determines whether the applicant is approved or not. Candidates for the registration will be recorded in the master database as senior and junior consultants, respectively.

It should be mentioned that to prevent candidates for registration as junior consultant to have disadvantages in the final determination of approval mention above, to determine their qualification for the evaluation of documents they will receive, for convenience, 35 points in a unified way as the sum of the points assigned as "Experience as a consultant" and "achievements".

The registration system of junior consultant has the objective to provide the registered junior consultants opportunities to accumulate work experience as consultant as they need, using the opportunities for various projects to support SMEs that are done with the budget of the Ministry of Economy, and thus train more consultants.

Generally, a junior consultant always will be dedicated to work as an assistant to a senior consultant and under his supervision. Standards will be set for the junior consultant to be promoted to senior consultant, taking into consideration the number of cases performed, the evaluation by the senior consultant who is their supervisor and the beneficiary company, and so on.

(4) Promotion of training programs managed by external agencies.

Along with promoting the system of registration, the Ministry of Economy will promote the provision of various training programs administered by external consultants, combined with the registration system. For a training program, you can assume the following 2 ways:

- a. In the pilot project was carried out a program by allocating to private consultants with the position of instructor of each course of theoretical training for one week. This training by lectures will be entrusted in full to an external body.
- b. In order to prepare for the first written examination (multiple choice), candidates usually learn by themselves using publicly available materials and then take the test. Once the system is established, there will be a training program that allows matches the demand for training by lectures instead of self study.

There are many universities that already have some training programs for professionals who do not belong to their respective universities, so it may be combined with these existing programs.

As one of the possibilities that can be considered, external agencies may take in full operations of the selection process of the first stage from assessment of documents, the first written examination (multiple choice), classroom training and to second written examination (descriptive), by means of integrating the written test in the programs administered by outside agencies, and the Ministry of Economy only assesses those who have finished the program by the interview exam to register them in the master database; but this will require the review and accreditation of the technical committee that operates the system which is mentioned later. The Ministry of Economy will actively support these training programs by outside organizations represented by certain provisions such as subsidies for part of the administrative costs.

8.3.5 System operation

This system, like a program directly managed by the Under secretariat for Small and Medium Enterprises of the Ministry of Economy, will be implemented with no budget for a single fiscal year for operating costs but with the standard budget of the Ministry of Economy as the budget for

administrative costs. Even today there are few examples of the programs administered directly by the Under secretariat such as Business Service Center *México Emprende*³, *Mi Tortilla*⁴, Mexican Business Information System (SIEM)⁵ and so on.

The operation of the program will run continuously, under a plan for the medium and long term, by an operational committee composed mainly of permanent internal staff and the Ministry of Economy, but sometimes a part of the operations can be commissioned to outside agencies.

The work of the committee is divided into 2 types: the practical work of public relations of the system, call and register of consultants, and the work of development and review of different tools for evaluation, selection and review etc. The first will be conducted by internal staff at the Ministry of Economy, but the second will be necessary to establish a technical committee. Moreover, the technical committee should have the necessary expertise for the promotion of SMEs and consultation, and also should have the authority of the Ministry of Economy which equally takes into account different support projects. This will be formed with members from private consultants, universities, business associations, etc. As we have considered in the pilot project, the evaluation of the technical committee is a provision to prepare for future certification by third parties.

Table 8-7 classifies the permanent jobs that involve the operating committee.

³ *Centro de Atención Empresarial México Emprende*

⁴ Program for the Modernization of Mass and Tortilla National Industry. *Programa Nacional de Modernización de la Industria de la Masa y la Tortilla*

⁵ *Sistema de Información Empresarial Mexicano*

Table 8-7 Work of the Operating Committee of the system for registration and training of SME consultants of the Ministry of Economy

Work	Description
Definition of the annual plan for call and selection	Based on the expected number of registered consultants and estimating the number of applicants, we define an annual plan of call and selection of consultants, including the date and place of execution. As regards the place of execution, one can consider the use of regional offices of the Ministry of Economy, and also the facilities of any business association or university under a long-term contract.
Budget Insurance	Ensures operating fund as standard budget of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy.
Public Relations of the system	Permanently publish the system public information on the website and in bulletins of the Ministry of Economy and Business Associations (CANACINTRA CANACO, CNEC, etc.)
Call for consultants	Publish widely the annual plan of call for recruiting and selecting applicants. All operations relating to the application is made by email, including sending the necessary documents for the selection.
Technical committee	The technical committee is responsible for selecting consultants for the first stage, the evaluation for the registration in the database including updating and evaluation for promotion of <i>junior</i> consultants, and also handles the following tasks: <ul style="list-style-type: none"> • Improvement of the selection process taking into account comments from the candidates, suggestions from new projects to support, etc. • Review the criteria for the selection by documents (<i>senior</i> and <i>junior</i>). • Review of teaching materials, where necessary, including addition of new information. • Development and selection of questions for written exams, multiple choice and descriptive. • Definition of the qualification standards of the descriptive exam and its grading. • Review of the interview guide • Appointment of interviewers. • Improved method for theoretical training and assignment of instructors or commissioners implementing agencies. • Definition of requirements for updating the registration and its evaluation. • Assessment and accreditation of consultant’s training programs manage by external agencies.
Register of consultants	Register in the master database the approved candidates of the selection of the first stage (<i>senior</i> and <i>junior</i>).
Database administration	Manages the master database of consultants and yet maintains the link structure available in the database of consultants for individual projects that construct each of the support projects.
Update of registration	Update the register in accordance with the requirements for updating the register.

Source: Prepared by the Study Mission.

8.4 Action plans to build the system of registration and training of SME consultants of the Ministry of Economy

Assuming that after completing this Study, the Ministry of Economy builds and implement the system of registration and training of SME consultants that we propose in subsection 8.3, here we propose to the Under secretariat for Small and Medium Business of the Ministry of Economy the next 2 years action plans for that purpose.

8.4.1 Action plans

(1) First year after completing this Study

During the first year, aiming to prioritize on the accumulation of results to achieve the targets, a nationwide scheme for the selection of SMEs consultants as the first stage that was experienced in the pilot project will be held under the initiative of the Directorate of Training and Consulting⁶ which is the counterpart (CP) of this Study. There are many people who could not participate in the project "SMEs Consultants with JICA Methodology" in the first year even though they wished, and many others who participated in the pilot project and wished to participate in classroom training courses on business improvement with "JICA Methodology". It is very important to continue its execution without intervals and is more likely to achieve this through the initiative of the Directorate of Training and Consultancy. Meanwhile, try to form a consensus within the Ministry of Economy and prepare for the Ministry of Economy to run a full-scale implementation during the second year.

Action plan 1-1

Performs nationwide the scheme of the selection of SME consultants of the first stage under the initiative of the Directorate of Training and Consulting and build the master database of consultants.

Action plan 1-2

Forming a consensus between different directions of the Ministry

⁶ Dirección de Capacitación y Consultoría

of Economy for the construction of the system and ensure the standard budget for the operation thereof.

Action plan 1-3

Create the operating committee formed by the internal staff of the Undersecretariat for Small and Medium Enterprises and the technical committee.

(2) Second year after completing this Study

In the second year, with the standard budget of the Ministry of Economy, the operating committee consisting of internal staff of the Undersecretariat for Small and Medium Enterprises will operate the system for registration and training of SME consultants. With this the Ministry of Economy will implement the full-scale system.

Action plan 2-1

Implement full-scale system of registration and training of SME consultants with the standard budget of the Ministry of Economy and with the initiative of the operating committee.

Action plan 2-2

Promote training programs for SME consultants managed by external bodies.

8.4.2 Activities of each action plan and the expected results

(1) Action plan 1-1 Performing nationwide the scheme the selection of SME consultants of the first stage under the initiative of the Directorate of Training and Consulting and build the master database of consultants.

Table 8-8 Action Plan 1-1

Direction / executing agency	Directorate of Consulting and Training, General Directorate of Training and Technological Innovation, Under secretariat for Small and Medium Enterprises, Ministry of Economy.
Activities	<ol style="list-style-type: none"> 1. The Directorate of Training and Consulting continually make the project "SMEs Consultants with JICA Methodology" initiated since 2008 with the budget from FONDO PYME, but the first part of the project that corresponds to the process prior to classroom training courses on business improvement with "JICA Methodology"⁷⁷, becomes independent as selection of consultants for the first stage to build the master database of SME consultants that is shared within the Ministry of Economy. The classroom training courses with "JICA Methodology" is categorized as selection of the second stage that is mentioned in subsection 8.2.1. 2. The selection of the first stage will be subject to the process mentioned in paragraph 8.3.1, based on the pilot project. 3. As in the project "SMEs Consultants with JICA", the operation will assign continuously to the intermediate agency COPARMEX and to the Consultant Selection Committee who operated the pilot project with the Study Mission. 4. The COPARMEX and Consultant Selection Committee conducted a review and enhancement of educational materials, including evaluation tools and criteria for the exam. 5. Will build the master database of consultants to SMEs and register the approved of selection of the first stage ranking as junior and senior consultants. 6. The goal will be to register a total of 500 new consultants (<i>senior</i> and <i>junior</i>).
Points to consider	<ol style="list-style-type: none"> 1. Based on the results of the project "SMEs Consultants with JICA Methodology" in the first year, produces an annual plan for implementation of the selection. 2. Generally, applicants to the selection will be charged a participation fee and its quantity is determined by reference to half of actual costs including payments to outside experts. 3. The consultants registered in the project "SMEs Consultants with JICA Methodology" the first year will be automatically registered in the master database. 4. Those approved in the pilot project also will be registered in the master database. 5. The Directorate of Training and Consulting will continue to make the program "Enterprise Management SME consulting with JICA Methodology", offering job opportunities for registered consultants. In the "Enterprise Management SME consulting with JICA Methodology" will be actively promoted the use of registered <i>junior</i> consultants.
Expected results	<ol style="list-style-type: none"> 1. Firmly establishes the process for selecting SME consultants in the first stage and are enhanced and accumulated operational know-how and assessment tools. 2. Construction of the master database of consultants to the SMEs of the Ministry of Economy and starts its operation. 3. It begins to firmly establish the system of registration of SME consultants of the Ministry of Economy.

⁷⁷ See Chapter 4, paragraph 4.2.4.

Budget	<p>1. Prerequisites</p> <p>Goal: Register annually to 500 SME consultants</p> <p>Index of approval: 40%</p> <p>Number of applicants to be registered: 1,250 personas</p> <p>Acceptable number for a course of selection: 90 people</p> <p>Frequency for the implementation of selected courses in a year: 14 times</p> <p>Works commissioned by the Ministry of Economy:</p> <ol style="list-style-type: none"> 1) Public relations activities 2) Evaluation of documents 3) Qualification of the first written exam 4) Final rating of applicants 5) Logistics for courses selection 6) Registration of consultants and database management <p>2. Annual budget for the implementation: <u>617,600 USD</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Breakdown</td> <td style="padding-left: 20px;">Textbooks revision</td> <td style="text-align: right;">400 USD x 18 persons/day = 7,200 USD</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">Implementation cost of selection courses</td> <td style="text-align: right;">39,600 USD x 14 times = 554,400 USD</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">Reserve (10%)</td> <td style="text-align: right;">56,000 USD</td> </tr> </table> <p>3. Details of the cost of execution of courses selection</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Room cost</td> <td style="text-align: right;">4,000 USD</td> </tr> <tr> <td style="padding-left: 20px;">Development and selection of the first written exam questions</td> <td style="text-align: right;">400 USD x 12 persons/day = 4,800 USD</td> </tr> <tr> <td style="padding-left: 20px;">Development of the interview guide and second written exam questions</td> <td style="text-align: right;">400 USD x 6 persons/day = 2,400 USD</td> </tr> <tr> <td style="padding-left: 20px;">Implementation of the interview exam</td> <td style="text-align: right;">400 USD x 18 persons/day = 7,200 USD</td> </tr> <tr> <td style="padding-left: 20px;">Qualification of the interview</td> <td style="text-align: right;">400 USD x 2 persons/day = 800 USD</td> </tr> <tr> <td style="padding-left: 20px;">Training course instructor</td> <td style="text-align: right;">400 USD x 26 persons/day = 10,400 USD</td> </tr> <tr> <td style="padding-left: 20px;">Qualification of the second written exam</td> <td style="text-align: right;">400 USD x 4 persons/day = 1,600 USD</td> </tr> <tr> <td style="padding-left: 20px;">Per diem, wages and housing costs</td> <td style="text-align: right;">8,400 USD</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">39,600 USD</td> </tr> </table>	Breakdown	Textbooks revision	400 USD x 18 persons/day = 7,200 USD		Implementation cost of selection courses	39,600 USD x 14 times = 554,400 USD		Reserve (10%)	56,000 USD	Room cost	4,000 USD	Development and selection of the first written exam questions	400 USD x 12 persons/day = 4,800 USD	Development of the interview guide and second written exam questions	400 USD x 6 persons/day = 2,400 USD	Implementation of the interview exam	400 USD x 18 persons/day = 7,200 USD	Qualification of the interview	400 USD x 2 persons/day = 800 USD	Training course instructor	400 USD x 26 persons/day = 10,400 USD	Qualification of the second written exam	400 USD x 4 persons/day = 1,600 USD	Per diem, wages and housing costs	8,400 USD	Total	39,600 USD
Breakdown	Textbooks revision	400 USD x 18 persons/day = 7,200 USD																										
	Implementation cost of selection courses	39,600 USD x 14 times = 554,400 USD																										
	Reserve (10%)	56,000 USD																										
Room cost	4,000 USD																											
Development and selection of the first written exam questions	400 USD x 12 persons/day = 4,800 USD																											
Development of the interview guide and second written exam questions	400 USD x 6 persons/day = 2,400 USD																											
Implementation of the interview exam	400 USD x 18 persons/day = 7,200 USD																											
Qualification of the interview	400 USD x 2 persons/day = 800 USD																											
Training course instructor	400 USD x 26 persons/day = 10,400 USD																											
Qualification of the second written exam	400 USD x 4 persons/day = 1,600 USD																											
Per diem, wages and housing costs	8,400 USD																											
Total	39,600 USD																											

Source: Prepared by the Study Mission

- (2) Action plan 1-2 Forming a consensus between different directions of the Ministry of Economy for the construction of the system and ensure the standard budget for operation.

Table 8-9 Action plan 1-2

Direction /executing agency	Under secretary for Small and Medium Enterprises, Ministry of Economy Consulting and Training Division, General Directorate of Training and Technological Innovation, Under secretariat for Small and Medium Enterprises, Ministry of Economy.
Activities	<ol style="list-style-type: none"> 1. It will bring together those responsible for other directions of the Under secretariat for Small and Medium Enterprises to explain the purpose of the new system, its effect and operation, and form a consensus to establish the new system. The selection and registration of consultants is currently being conducted in different projects will be categorized as the selection of the second stage in the new system. 2. Invite the consultants who are currently engaged in various projects to participate in the selection of the first stage. 3. In order to prepare for full-scale implementation of the next fiscal year budget will ensure the standard budget of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy.
Points to consider	<ol style="list-style-type: none"> 1. To mark the establishment of the new system of some preferential arrangements (registration of fast track) so that consultants in active service be registered in the master database 2. It will allow open access to the master database of registered consultants to other projects to help promote its use. 3. Equally those registered consultants in the database of various business associations will be invited to participate in the discussion of preferential arrangements.
Expected results	<ol style="list-style-type: none"> 1. Ready to deploy at full scale from the second year the system administered by the Ministry of Economy.

Source: Prepared by the Study Mission.

- (3) Action plan 1-3 Create the operating committee formed by the internal staff of the Undersecretariat for Small and Medium Enterprises and technical committee.

Table 8-10 Action plan 1-3

Direction /executing agency	Under secretary for Small and Medium Enterprises, Ministry of Economy.
Activities	<ol style="list-style-type: none"> 1. The Under secretariat for Small and Medium Enterprises will organize an operating committee for the system of registration and training of SME consultants. This committee will be composed of staff (2 or 3 persons) and a charge of operating the database, and the person responsible will be someone internal staff of the Under secretariat. 2. The operating committee will take over as the Directorate of Training and Consulting with respect to the operational work of system and database. 3. The operating committee will hold a meeting regularly with the managers of the various support projects to discuss and take decisions on the transition of the registration of consultants in service of their respective projects to support the new system. 4. The operational committee formally established a technical committee composed of external experts. 5. The technical committee will begin studying and discussing the details of the selection process, updating registration system based on the merits of the job performance requirements for <i>junior</i> consultants engaged to work and promotes to <i>senior</i> consultant, etc.
Points to consider	<ol style="list-style-type: none"> 1. Both the operating committee and technical committee will be constituted under the direct control of the Under secretariat. 2. Apart from consolidating the specialty is important to establish and operate a structure that reflects fairly the views of different directions.
Expected results	<ol style="list-style-type: none"> 1. We describe the details of the system and the selection process that was obtained by consensus with the different directions of the Ministry of Economy and the system administered by the Economics Ministry is ready to be implemented at full scale from the second year.

Source: Prepared by the Study Mission.

- (4) Action plan 2-1 Implement the full-scale system of registration and training of SME consultants with the standard budget of the Ministry of Economy and with the initiative of the operating committee.

Table 8-11 Action plan 2-1

Direction/executing agency	Under secretary for Small and Medium Enterprises, Ministry of Economy.
Activities	<ol style="list-style-type: none"> 1. Initiate and implement to full-scale the system for registration and training of SME consultants of the Ministry of Economy. 2. Perform exhaustively public relations activities in the government system, private sector and related agencies including universities. 3. Require consultants who are dedicated to supporting projects for SMEs managed by the Ministry of Economy to register with the master database of SME consultants.
Points to consider	<ol style="list-style-type: none"> 1. The inefficiency of the system can gradually improve their operations. It should give more importance to the continuation of the system, taking into account the feedback from the recipients of the system and the private sector including consultants.
Expected results	<ol style="list-style-type: none"> 1. It ensures the quality of the consultants engaged in projects to support SMEs in the Ministry of Economy and increases the demand for support projects and consultants by the MSMEs. 2. It releases to the public the selection process and it is widely known the requirements of the skills to be a SME consultant, and consolidates a basis for establishing the national certification system for the SME consultant. 3. The motivation for aspiring consultants to SMEs increases as well as the demand for training programs. 4. It improves the quality and quantity of SME consultants.

Source: Prepared by the Study Mission

- (5) Action plan 2-2 Promote training programs for SME consultants managed by external agencies.

Table 8-12 Action plan 2-2

Direction/executing agency	Under secretary for Small and Medium Enterprises, Ministry of Economy
Activities	<ol style="list-style-type: none"> 1. It will be released to business associations and universities in the details of the selection process to promote establishing their training programs. 2. First you select an agency that shows great interest and with the technical committee set up its curriculum and assessment method. 3. The Ministry of Economy will credit the training program and granted a preferential arrangement for persons completing the study program so they will be registered in the master database. 4. The technical committee shall establish and make the public aware of the accreditation standards of the training program.
Points to consider	<ol style="list-style-type: none"> 1. It is necessary to hurry the first accreditation program. Among the sub-members of the Selection of Consultants for the project "SMEs Consultants with JICA Methodology", there is an educational institution which is already expressing its interest in opening a training program and this may be the first candidate for accredited training institution.
Expected results	<ol style="list-style-type: none"> 1. An operation of the system will be structured involving outside training institutions and programs, which will be a step toward the establishment of the national certification system of SME consultants beyond the limit of the Ministry of Economy.

Source: Prepared by the Study Mission

8.4.3 Chronological program for the action plans

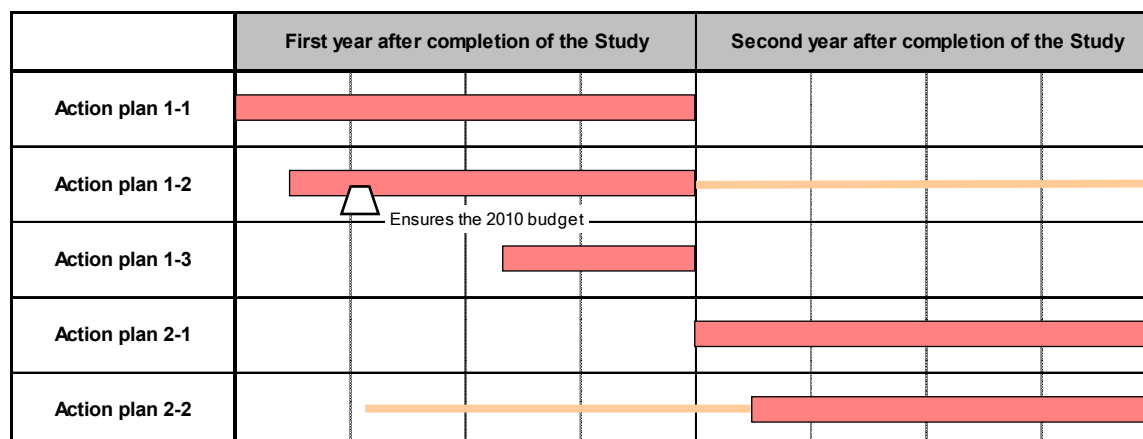
All action plans that we propose are essential steps to achieve the objective and there is no priority among the plans. The Figure 8-6 shows the chronological program from action plans for 2 years upon completion of the Study.

After completing the first year of the project "SMEs Consultants with JICA Methodology", the Directorate of Training and Consulting has conducted the pilot project with the Study Mission which we reported in Chapter 7. Using this experience, is now preparing to continue the execution of the second year of the project "SMEs Consultants with JICA Methodology" and have already secured the budget from FONDO PYME.

In the second year, the first part of the selection process is the selection of the first stage of registration of SME consultants of the Ministry of Economy, and classroom courses of the second half are categorized as the selection of the second stage for the consultants who are dedicated to the program "Consulting Enterprise Management for SMEs with JICA Methodology" which is one of the projects to support SMEs administered by the FONDO PYME of the Ministry of Economy.

At the time of the conclusion of the present Study, a consensus within the Undersecretariat for Small and Medium Enterprises is not yet formed to ensure that this system is established and operated horizontally in support projects. It is imperative that the Directorate of Training and Consulting, in particular, to undertake efforts to obtain a consensus of the Undersecretary for Small and Medium Enterprises and to ensure the standard budget. With a view to implement at full scale from the second year, is necessary in the second half of the first year that the operating committee is organized under the direct control of the Undersecretary for Small and Medium Business.

Figure 8-6 Chronological program for the action plans



Source: Prepared by the Study Mission

8.5 Mexico Emprende

In Chapter 2 we speak of the Business Service Center *México Emprende*. At the time of the

conclusion of this Study, the Ministry of Economy is considering a plan under the initiative of General Directorate of Training and Technological Innovation⁸, which is superior structure to the Directorate Training and Consulting, for the creation of a trust fund of *México Emprende*. Under this fund the programs supported by the Ministry of Economy will be integrated.

In that plan, the Business Service Center is categorized as Center *México Emprende* and Franchises and is expected to link the MSMEs to financing programs and act as a mediator to various support programs including consultancy services.

After completing the pilot project, the Study Mission got a chance to talk with the officer of the program *México Emprende* who explained their proposals and both received the explanation of the current activities in *México Emprende*.

The Study Mission placed greater emphasis on: 1) the need for a consultant profile for SMEs as a generalist, and 2) the need for the Ministry of Economy to establish a unified process for selecting SME consultants and build a database. Regarding the selection of consultants, we explained the process experienced in the pilot project which consists of evaluating documents, the written test and interview, and provided teaching materials and written test questions that are the products of this Study.

In this discussion, both parties have confirmed the need to build a unified selection process and a database in order to improve the quality of the SME consultants employed by the Ministry of Economy and ensure its quantity. We have also agreed on the profile of the consultant. With regards to materials and the selection process proposed by the Study Mission, there were some comments in the hope of adding some new modules, etc. in teaching materials from the viewpoint of *México Emprende* whose priority work is to diagnose the level of maturity of business and linked to funding; however, it was agreed that the part of *México Emprende* first would review the materials submitted by the Study Mission. Even the Directorate of Training and Consulting agrees to add

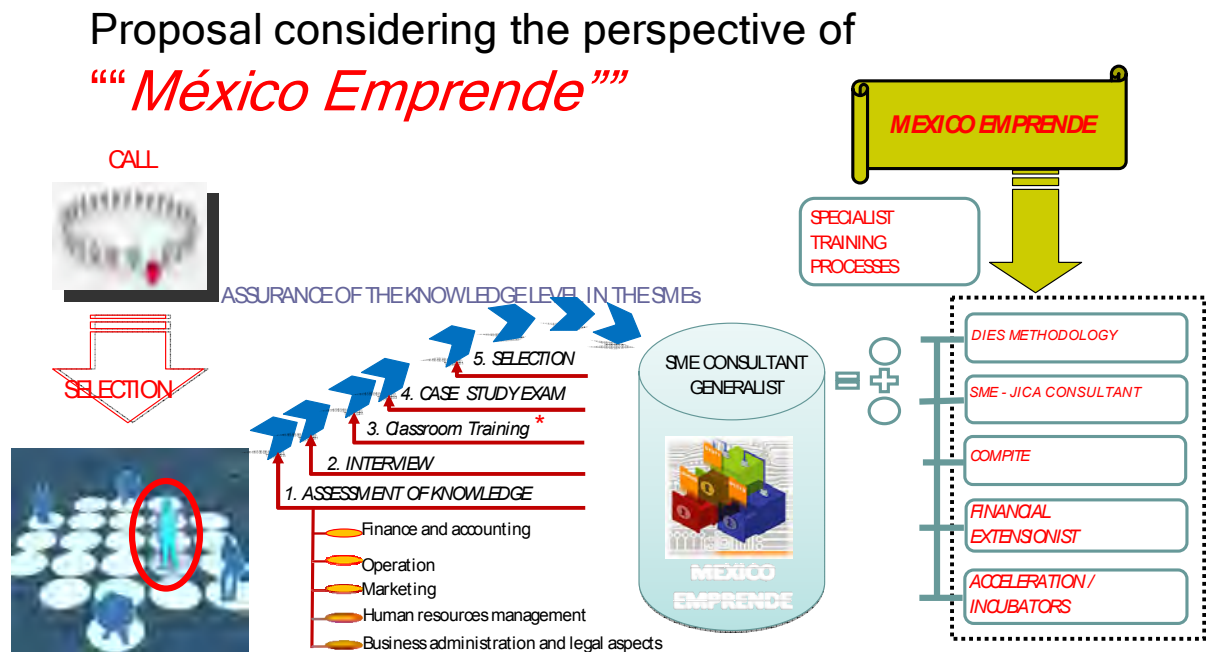
⁸ Dirección General de Capacitación e Innovación Tecnológica

some modifications to the selection scheme and the instruments and materials, etc. defined together with the Study Mission, based on the outcome of the review and comments by *México Emprende*.

In paragraphs 8.4.1 and 8.4.2, we have proposed action plans so that after completing this study first the Directorate of Training and Consulting continue to run the pilot scheme, and in the course of implementation try to get a consensus within the Ministry of Economy, then the Undersecretary for Small and Medium Enterprises will be in charge of the operation of the scheme. However, assuming that the *México Emprende* program progress from here onwards as planned, the implementation of the scheme for selecting SME consultants and operation of the database that we propose will be in the future as part of *México Emprende*.

The Figure 8-2 showed the registration system and training of consultants from the Ministry of Economy proposed by the Study Mission. Now in Figure 8-7 shows a diagram of the proposed system for future propose by the Study Mission in the case of assuming that the program *México Emprende* integrates business support programs of the Ministry of Economy as planned. The master database becomes the database of consultants to the SMEs of *México Emprende*, and in several support projects that the Business Service Center *México Emprende* channel for SMEs the consultants registered in the database will be devoted to their services once they receive training and technical knowledge required for the respective projects.

Figure 8-7 Conceptual scheme of the database of SME consultants of the Ministry of Economy under México Emprende



* Classroom Training in 5 areas of knowledge required course of consulting skills

Source: Modified by the Study Mission based on the figure prepared by the Directorate of Training and Consulting, Ministry of Economy

It is worth noting that certification by external agencies of consultants registered in the database is also a pending task for the future shared by the Study Mission and *México Emprende*. The proposals of the Study Mission on this task will be mentioned in Chapter 9, but also the part of *México Emprende* is looking for some appropriate possibilities.

Chapter 9

Implementation plan to establish a national system of
qualification in SME consulting

Chapter 9 Implementation plan to establish a national system of qualification in SME consulting

This chapter recommends the measures to establish a certification system acceptable to the public at large, as an evolution of the registration system of the Ministry of Economy explained in chapter 8. In other words, the introduction of the qualification of SMEs in Mexico presented at the beginning of the chapter 5: "general examination shows certain abilities are needed to be eligible" and "in order to be appointed to specific projects, required conditions and capabilities to meet that qualification are engaged", so this classification aims to extend the recognition and use of the registration system of the Ministry of Economy as the evidence for the qualification system of the ability of the SME consultant.

Registration system of the Ministry of Economy has eliminated the duplicated efforts of the Ministry of Economy's programs for the development and training of consultants, so this would also procure a positive effect in the SME whole sector by the mentioned Ministry of Economy and SME Fund (FONDO PYME¹). That is, before the current inefficiency, as noted in Chapter 3, where each of the various support programs for SMEs form and register their own consultants, if the most fundamental standardized through the dissemination of certification that ensures universal capacity, it may promote the efficient use of human and financial resources

The institutions and public and private organizations that currently are implementing their programs to support SMEs can reduce acquisition costs of consultants engaged in such programs and also prevent possible danger of assigning consultants with insufficient capacity. For those entities and organizations providing training courses for consultants, it will be possible to clearly identify the level of capacity to aspire and to organize a more effective program, meanwhile, will bring new business opportunities such as creating preparatory courses to obtain certification, etc. In addition, you can reasonably expect that the resources spent repetitively until now will be intended to develop and implement new consultancy techniques and management.

This revitalization of all consultancy markets for SME conforms to the essential mission of the Ministry of Economy.

¹ *Fondo de Apoyo para la Micro, Pequeña y Mediana Empresa*

9.1 Activation of the entire SME Consulting market.

The registration system for SME Consultants of the Ministry of Economy has the objective to ensure human resources (consultants), as a kind of recruiting activities. The mainstay of the SME sector is a program/project of the Ministry of Economy and the FONDO PYME, so mandatory registration at the Ministry of Economy to be qualified as a consultant, should have a considerable influence. Seizing this opportunity, we must develop a highly ranked public qualification system in order to appeal to the quality of all SME consultants, even those who are not engaged in the Ministry of Economy programs / projects. . For this purpose we need to pursue 2 properties:

- Qualification requirements and evaluation methods must not rely on a particular organization (in this case the Ministry of Economy) and deviating from its main direction, but to ensure the impact on the SME sector as a whole.
- Transparency in the qualification process in order to assure the fairness and neutrality of the evaluation of candidates.

In first place, the whole sector's stakeholders' requirements could help for the definition of the mechanisms to determine the qualification requirements and evaluation methods. Particularly, we can consider the hearings with the sector representatives and their commissions.

In second place, the fairness and transparency of the assessment should probably introduce a third party evaluation, recognized as a worldwide practice and mechanism. The third party in this evaluation system has no interests with the consultant or the user. Specifically, two of the possible forms are:

One form of this assessment practice is the outsourcing to a third party by the Ministry of Economy. For example, the Ministry of Agriculture, Livestock, Fisheries, Food and Rural Development (SAGARPA²) outsource the training and evaluation of the Professional Service Providers (PSP³) to the National Institute for the Capacity Development in the Rural Sector (INCA RURAL⁴)⁵. Chapter 7 uses a pilot project conducting the evaluations by external consultants and the study team.

² *Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación*

³ *Prestador de Servicios Profesionales*

⁴ *Instituto Nacional para el Desarrollo de Capacidades del Sector Rural*

⁵ Refer to Chapter 3.

The challenge of this kind of scheme is creating a system for the audit and evaluation activities by third parties that can secure a nationwide assessment practice.

Another form is to transfer all or part of the registration system of the Ministry of Economy to an existing evaluation system of consultants. For example, the National Support Fund for Social Enterprises (FONAES⁶) does not have their own rating and evaluation systems, nor training systems or job skill certifications. In order to work with FONAES programs the person must be registered with designated government agencies where the projects engage with⁷. If other agencies or institutions have registered a consultant with capabilities and requirements that are compatible with the requirements by the Ministry of Economy, those candidates will be considered as approved by the same Ministry.

The challenge of this kind of scheme for the Ministry of Economy is not only the administration but also the objectivity, homologation and transfer to other public institutions. It is obvious that when transferred, it must establish a nationwide management structure and a performance audit system. Also, the 2 originally established goals could not be achieved simultaneously if such transfer damages the mechanism that reflects the needs of industry stakeholders through the committee or public hearing.

Based on the research of Mexico's current situation of the SME consultants' development and registration, the Study Mission proposes the articulation of the registration system of the Ministry of Economy with the National Council of Standardization and Certification of Labor Competency (CONOCER⁸) and transfer the certification of job skills to this institution. The ability to revise the norms as well as the definition of validity period, not considered in CONOCER, can be part of the operational duties of the Ministry of Economy (see 6.5).

CONOCER is the only institution in Mexico that certifies job skills (labor competencies), establishes methods for rating and evaluating the defined skills and defines the mechanisms to verifying the evaluation procedures by a third party. In addition, the Labor Competency Technical

⁶ *Fondo Nacional de Apoyo a las Empresas Sociales*

⁷ Refer to Chapter 3

⁸ *Consejo Nacional de Normalización y Certificación de Competencias Laborales*

Standard (NTCL⁹) is improved through a system where an official committee from the sector's stakeholders, which would also fulfill our goals¹⁰.

There are several voices that worry about the instability of the CONOCER due to the recent events between 2003 and 2006 when the institution suspended activities and after the repetitive reorganizing of its operations. However, the Study Mission highly appreciates the fact of standardizing labor competencies, as well as the technical assessments of individual skills using these norms for the development and accumulation of human resources. The Labor Competencies Evaluation areas are considered as a valuable asset for Mexico and should positively be promoted.

Except the CONOCER, we do not find other public system with the response capabilities as the Ministry of Economy where to transfer the consultant evaluation and registration system (whole or in parts). Also, in order to outsource the evaluation practice, the mechanisms to accept and ensure the proper operations and structure of the consignee shall be constructed. So, it is unwise to create and duplicate an organization when the CONOCER already exists.

For agencies and organizations involved in programs to support SMEs and training consultants, the use of the existing National Labor Competency Certification is the more economical measure to carry out certification of a broad overall capacity by a third impartial and neutral institution not inclined to a specific organization or agency. The participation in the sectoral committee will be a way to reflect their accumulated experience from the national system and also to those agencies and organizations that meet certain requirements this will open the opportunity to play the role of certification bodies or assessment centers under the National System of Certification of Labor Competency.

From the above, then in this chapter we present some methods to transfer part of the registration system of the Ministry of Economy to the system of certification of competencies for SMEs consultant run by CONOCER.

First we propose a roadmap that shows the path which starts from the registration system and training of SMEs consultant of the Ministry of Economy to reach the national certification system. Then, we present a revised proposal for the NTCL SME consulting in order to reflect the occupational competency requirements for the SME Consultant as an expert in the management of SMEs, mentioned in Chapter 6.

⁹ *Norma Técnica de Competencia Laboral*

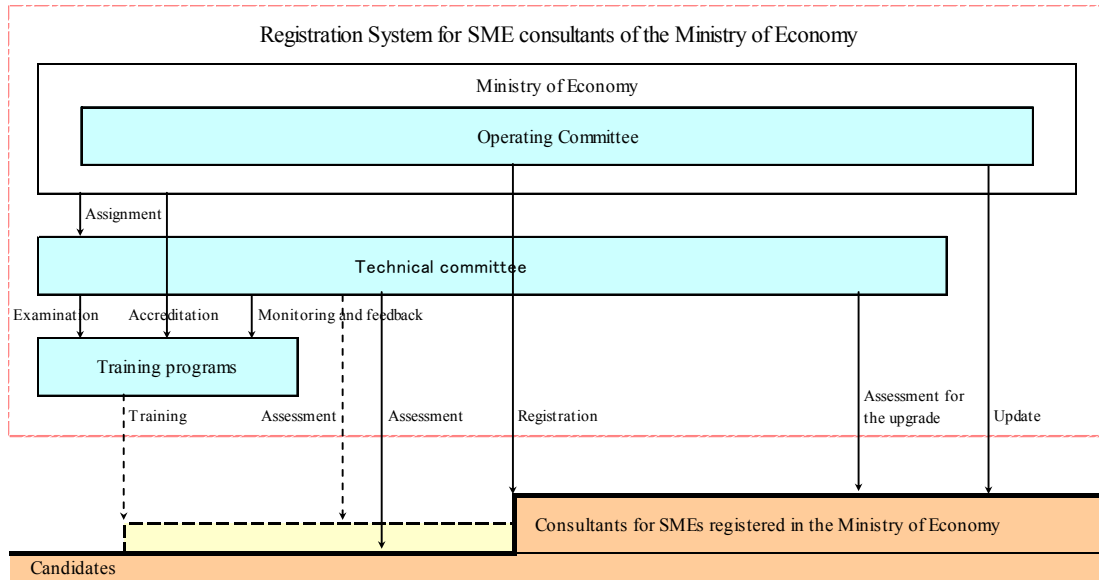
¹⁰ For details regarding the CONOCER System see Chapter 5.

9.2 Plan towards the establishment of national qualification system of SME consulting

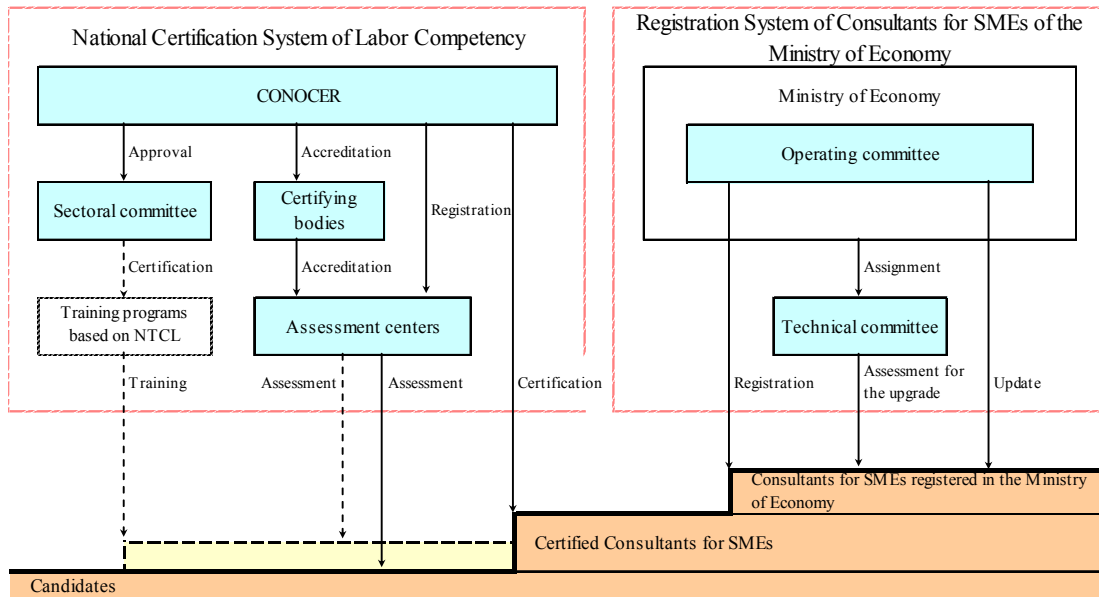
As discussed in Chapter 6, the Study Mission is designing a scenario in which consolidation of a national qualification system SME consulting gradually takes place building first a common system for all support programs for SMEs of the Ministry of Economy, taking the project "SMEs consultants with JICA Methodology" as basis, and then integrate this with the National Certificate System of Labor Competency. In other words, the occupational competence requirements of the "generalist" SME consultant verified in the registration system for SMEs Consultants of the Ministry of Economy will be standardized as NTCL in the National Certificate of Labor Competency, and assessment of labor competency of candidates that has been done by the Ministry of Economy will be entered into the national system.

Figure 9-1 illustrates the key part of integrating the two systems.

Figure 9-1 Integration of the registration system of the Ministry of Economy to the National Certification System for Labor Competency (Key part)



Establishment of national certification system



Source: Prepared by the Study Mission

The SMEs consultants that have been certified under the existing framework in the National Certification of Labor Competency may use that certification as their strength to do a good job in

the private sector or even apply for registration in the Ministry of Economy if they wish to work on programs / projects of the Ministry. The certification of labor competency does not have validity, while registration at the Ministry of Economy needs to be updated every so often (2 or 3 years after registration). The registration system will continue to update with the procedure proposed in 8.3.3 (2) for the registration system for the SMEs Consultant of the Ministry of Economy.

After modifying the "General Rules and Regulations for the Start and Operation of the Standardization System of Labor Competency and the Certification System of Labor Competency", it is expected that training programs subject to NTCL will be accredited by the sectoral committee and the fact of taking such programs may be reflected in the occupational competency assessment (see 5.2.7). Building on the above, a part of the training of consultants will be incorporated within the National System for Certification of Labor Competency for supporting new human resources who aspire to be consultants to the SMEs by obtaining certification. Potential candidates to provide programs conform to the NTCL will be the educational training institutions and industrial organizations in the private sector that are running the training of consultants, particularly those outside agencies that offer training programs in the system of registration of SME consultants of the Ministry of Economy

Moreover, the Ministry of Economy will continue with the registration system of junior consultants, which will give the opportunity to accumulate experience to those whose practical skills do not meet the criteria of the Certification of Labor Competency so that they can respond to the quantitative demand of consultants and be responsible for part of the training of consultants.

Figure 9-2 will sort out which are responsible for training, selection and use of consultants mentioned above.

Figure 9-2 Responsible for training, selection and use of SME consultants

Training		Selection		Use	
Elementary and Intermediate Level	Upper Level	Assessment	Register	Implementation	Reassessment (Update)
Accredited training programs Education and training institutions such as universities, Private sector industrial organizations, etc.		Consultants Registration System for SMEs of the Ministry of Economy Ministry of Economy (Operating Committee and Technical Committee)			
		Registration system for SMEs <i>junior</i> consultants of the Ministry of Economy Ministry of Economy (Operating Committee and Technical Committee)			

Establishment of national certification system

Training		Selection		Use	
Elementary and Intermediate Level	Upper Level	Assessment	Register	Implementation	Reassessment (Update)
Accredited training programs Education and training institutions such as universities, Private sector industrial organizations, etc.		National Certification System of Labor Competency CONOCER Certification bodies and assessment centers	Registration System of Consultants for SMEs of the Ministry of Economy Ministry of Economy (Operating Committee and Technical Committee)		
		Registration system for SMEs <i>junior</i> consultants of the Ministry of Economy Ministry of Economy (Operating Committee and Technical Committee)			

Note: While as a general rule obtaining the job competency certification will be a prerequisite for a junior consultant to be upgraded to a senior, it may be considered based on the situation of demand and supply to continue the internal promotion system proposed in the Chapter 8.

Source: Prepared by the Study Mission

In this section, assuming that a system has been built in the Ministry of Economy from the implementation plan mentioned in Chapter 8, we propose a plan from this to the establishment of a national qualification system.

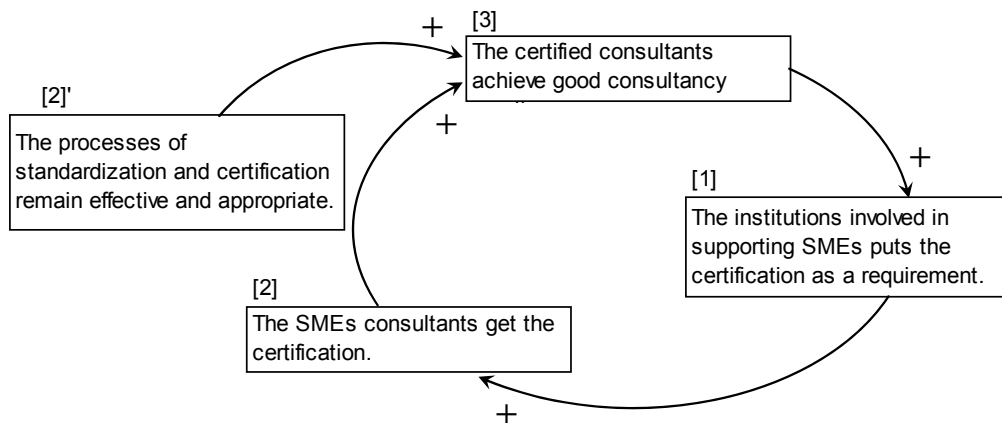
9.2.1 Route plan towards the integration of the system from Ministry of Economy and the National System of Certification of Labor Competency

If you define concretely the goal to consolidate a national system for the qualification in SME consulting, we can say that it is building a positive feedback loop as shown in Figure 9-3.

If one institution involved in supporting SMEs puts a requirement to have the Certification of competencies in SME consulting ([1]), the consultant wishes to engage in the support program for SMEs that makes this institution, is certified by the same ([2]). If the consultant who was certified performs well in his consulting ([3]), institutions that establish a requirement for certification will increase. However, for the certificate consultant to achieve good results ([3]), not only is required that the consultant achieves certification, but also being conducted the appropriate evaluation under the criteria and that the criteria for certification is adapted to the needs ([2] ').

If you generate a positive cycle like this, you can expect the national qualification system of SME consulting to grow, become widespread and widely established.

Figure 9-3 Self-growth cycle of the national qualification system of SME consulting



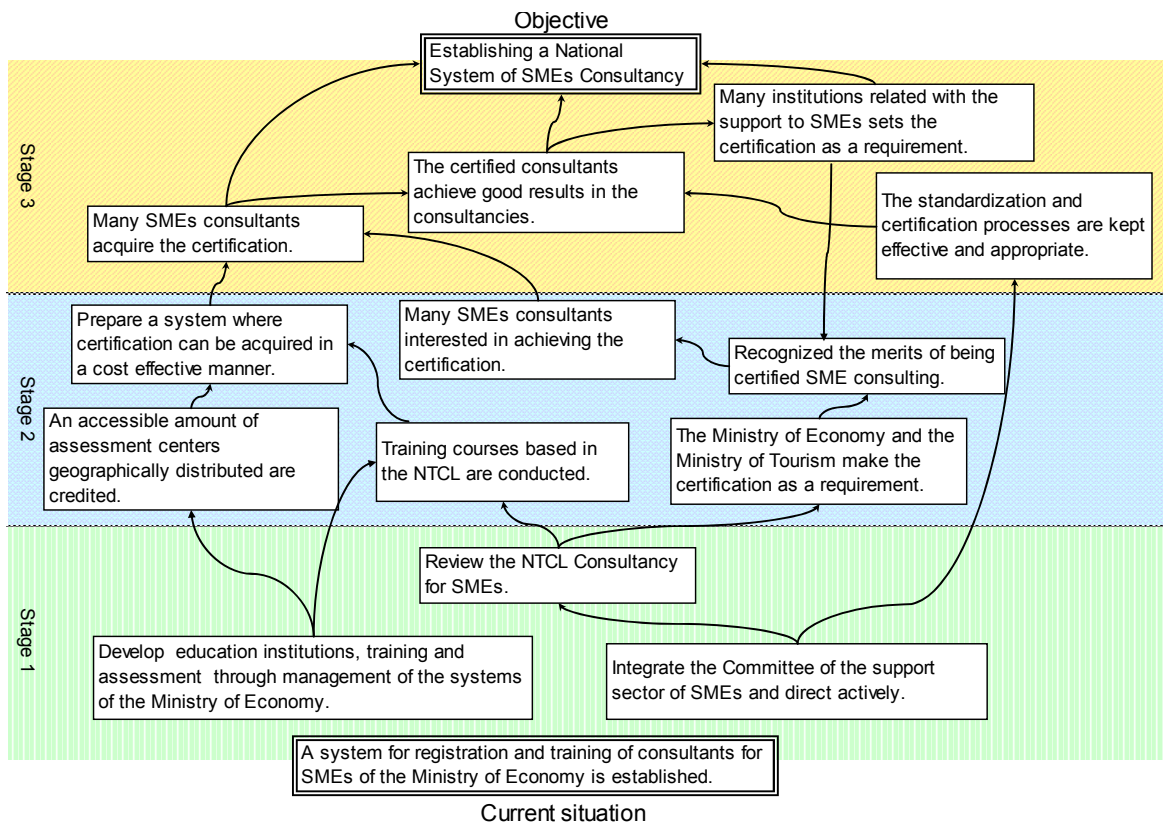
Source: Prepared by the Study Mission

Since the system of the Ministry of Economy will integrate with the National System of Labor Competency, the Ministry of Economy can generate the initial step towards a positive cycle, from establishing the certification as a requirement in SME consulting. If we join the Ministry of Tourism (consultant "M"), which has declared its readiness to put the certification in SME consulting as a requirement when it becomes operational and FONAES which currently has as a requirement the certification in General Consulting, would bring many consultants to be certified.

When you have all of the above, it must have an assessment and certification system that is efficient and reliable. You can convert the networks of institutions and enterprises of education and training across the country, which were formed in the process of implementing the system of registration and the proper training of the Ministry of Economy, into assessment centers and Evaluation and Certification Entities (ECE¹¹).

These are the advantages of the Ministry of Economy, which is expected to play the lead role in consolidating the national qualification system. It is proposed in Figure 9-4 a way to exploits the benefits and how the system is consolidated.

Figure 9-4 Road to the establishment of a national qualification system of SME consulting

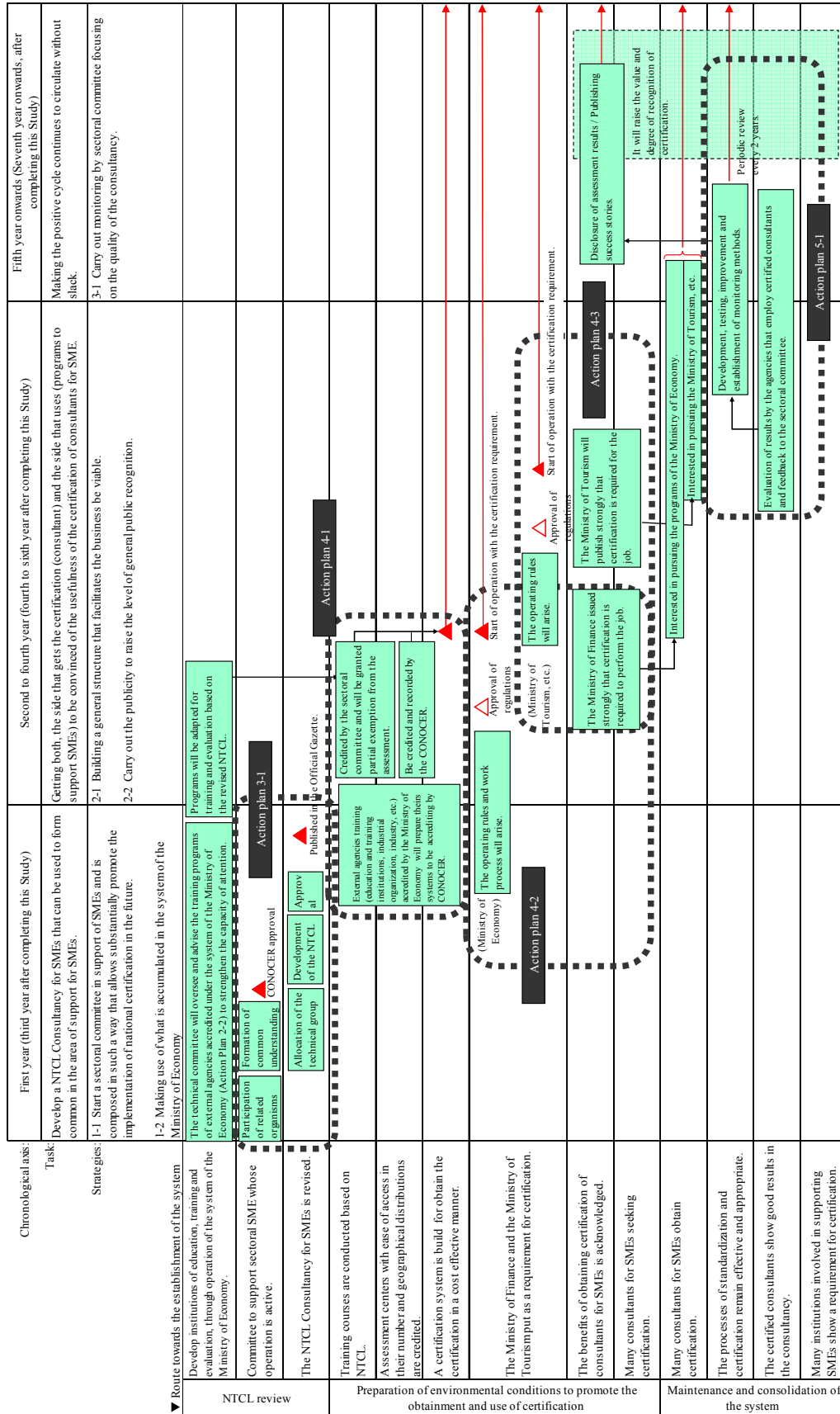


Source: Prepared by the Study Mission

¹¹ *Entidad de Certificación y Evaluación*. Institutions that are predicted to be created from the revision of the General Rules of CONOCER, and be responsible for training, assessment and certification (see Chapter 5, 5.2.7)

As shown in Figure 9-4, the Study Mission expected roughly 3 crucial phases to overcome the consolidation of a national qualification system. The time required to complete each phase varies with the degree of completion of the training and register system of SME consultants of the Ministry of Economy, but the Study Mission tentatively set as a benchmark completion in 5 years. Figure 9-5 represents a roadmap where the tasks and strategies for each of the 3 steps and actions to develop as a route to establishing a national certification system are put in order,

Figure 9-5 Roadmap towards the establishment of national certification system for SMEs Consultants



Source: Prepared by the Study Mission

(1) Stage 1 (first year): Revision of NTCL

The task of stage 1 is to "develop a NTCL of SME consulting that can be commonly used in the area of SME support". The NTCL is not merely to be a test to certify a consultant with skills, but also provide a basis for the curriculum in the training of consultants. The fact that the new NTCL is widely accepted, besides being a premise for the establishment of a national qualification system, is expected to lead to an improvement in the particularities and duplication of registration and training of consultants such as those outlined in Chapter 3, and greater efficiency of the assistance to SMEs in general. It is therefore essential to develop a NTCL of an appropriate scope and level from a general standpoint.

Strategy 1-1 Integrate the committee to support SME sector and which is constituted in a way that allows substantially promoting the implementation of national qualifications in the future.

As mentioned later, in order to make the national qualification system operate in the future, there must be constant monitoring and coordination. The framework of CONOCER states that the industry itself that requires the certification of competencies, manages the implementation of standardization and certification.

In developing a new system for the revision of the NTCL, it is desirable that those who share the notion that it is for the benefit of all to converge the assessment and training of key labor skills of SME consulting in the new NTCL will gather. These would be institutions that develop programs to support SMEs in the area of business consulting, consultants involved in SME support programs, institutions that carry out training consultancy aimed at SMEs, SME managers that receive support, etc. That is, to establish a new committee as "sector to support SMEs" is the most reasonable approach for those who have the same goal to work together.

The current NTCL of SME consulting is under the management consultancy sector committee; however we suggest that the new committee, sectors to support SMEs, will be formed and be in charge. You could say that is the most important factor for the performance and future of national qualification system, and therefore the formation of the committee should not be compromised.

Strategy 1-2 Apply the accumulated knowledge in the system of the Ministry of Economy.

The proposal of the Study Mission which is also discussed in Chapter 6 is to classify the work skills of the consultant employed in the programs to support SMEs into essential skills that are universal, and specific skills used in specific methods of each program and take as national qualification the essential competencies. It makes the assumption that every program instructs the Certification of Labor Competency the verification of core competencies, and conducting the evaluation and training to add particular skills according to their needs.

Training personnel from combining the core competencies and specific skills is a method that only the Ministry of Economy has experienced. The Ministry of Economy should take the lead in revising the NTCL, and apply the accumulation in its system of registry and training of SME consultants to define the level and scope of an appropriate NTCL to be shared across the sector for the support to the SMEs, and to separate the specific competencies.

(2) Stage 2 (second to fourth year): Preparation of the environment to promote the acquisition and use of certification

The task of the second stage is "to ensure that both, the side that takes the certification (consultant) as the side that takes (SME support programs) are convinced of the usefulness of the Certification of SME consulting". The fact that NTCL of SME consulting is not running today even after 2 ½ years after its issue, the direct cause is that their content and utility are not recognized by the side that acquires, nor by side that takes the advantage. It should be avoided at all costs that the new NTCL falls into the same situation.

Strategy 2-1 Planning an overall structure with demanded feasibility.

The National System of Labor Competency, while has very reliable mechanism of certification by third-party certification, it requires the participation of several related parts for its application. Since it is not required by the government but is subject to judgment in each sector, exploitation of NTCL will depend on the participation of stakeholders.

For the certification agencies, assessment centers, ECES, and institutions of education and training, whether the NTCL will be marketable or not is important material for decision making. The working population targeted by NTCL of SME consulting (potential market for the certification) is large enough. The calculation of the Study Mission in Chapter 6 established as

6,000 people as the minimum amount of people needed, but in practice there will be necessary to conduct training based on double or triple this amount as a goal. What it should be aware of is the early take-off –position within a short period in a profitable position. It is therefore necessary to induce many consultants to get certified.

At retrospective analysis, one can see that many programs to support SMEs establishing a requirement for certification is the first detonator. The best practice is that various institutions, starting with the Ministry of Economy and the Ministry of Tourism are synchronized and decide a period, and then put a requirement for certification of SME consulting, and from this to achieve critical mass quickly. If gradually spreads, there is a high risk of passing the time without taking off.

The institutions supporting SMEs should at the same time put a requirement for certification; stop training and assessment of essential skills conducted by their own and look for the merits of rationalization. For the consultant, the economic merit increases if the certificate is valid at several institutions. Thus, it should make clear the substantial benefits to each party involved, and promote a strategic way.

Strategy 2-2 Conduct publicity to increase the level of recognition by the general public

As noted in Chapter 4, one of the factors whereby the output of the project "SMEs consultants with JICA Methodology" stagnated was the lack of publicity. Dissemination through sector networks have the advantage of increase the reliability of the information, but it is suggested to use enough media publicity to inform more broadly to the general public. It is desirable to advertise aggressively in the period in which the number of certified people achieves critical mass.

The recognition of the general public forms the social position of national certification of SME consulting, and increases the credibility of the institutions supporting SMEs that have a requirement for certification. It seeks to expand the recognition not only among human resources devoted to consulting, but also among business managers who are considering a second career using their experience as well as students with high aspirations, thereby increasing the parameter of applicants to obtain certification. Better still if the national qualification is recognized by SME managers and leads to frank claims to be drawn about the quality of consultancies.

The goal is that, for example, the Ministry of Economy is not limited to gather together consultants saying "Please participate and we will conduct a training course", "Get your accreditation to participate in the program," but a flow is born in which the consultant is interested in voluntarily seeking certification materials and training opportunities.

(3) Stage 3 (fifth year onwards): Maintain and strengthen the system.

The task of the third stage is "to make the positive cycle continues to circulate without deadlocks". While critical mass is achieved in people certified and self-growth cycle of Figure 9-3 appears to gradually move faster, it is necessary to continuously monitor and prevent the fossilization of the system.

Strategy 3-1 Conduct a monitoring by the sector committee focusing on the quality of the consultancy.

The sector committee in support of SMEs will be responsible for managing the implementation of standardization and certification of labor competency in SME consulting. The committee will monitor the system, taking control of the situation and the state of movement in the cycle.

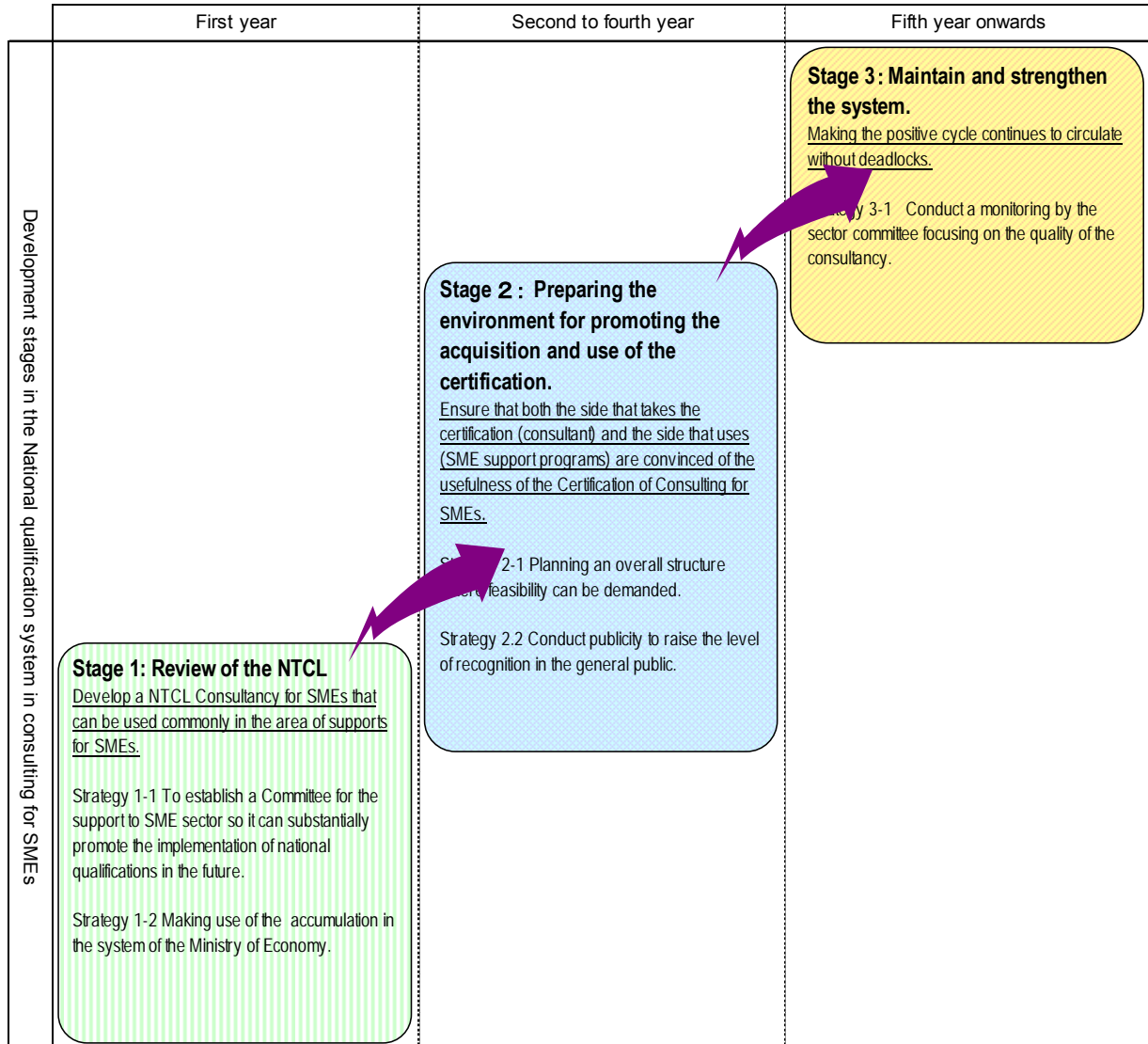
In this stage, attention should be paid to the cycle [3] "The certified consultant achieve good consultancy results" and its premise [2] "The processes of standardization and certification remain effective and appropriate." In Stage 2 was emphasized the effort to place the extension route quantitatively. At this point, the issue of quality is what threatens the system development.

It seems that in general, once the NTCL is produced it is not updated in several years; however the sector committee to support SMEs should promote the establishment of the national qualifications system by putting weight on a constant administration of the NTCL. It should periodically review the performance of certified consultants as well as assessments by client companies (about once every 2 years), and if they were to be found that does not lead to quality, searching for the cause and implement corrective measures. As emphasized in stage 1, the composition of the committee members is fundamental to this type of ongoing management with responsibility.

Figure 9-6 shows schematically the steps of the three stages for the establishment of a national qualification system discussed so far.

Figure 9-6 Steps towards establishing a national system of qualification of SME consulting

Source: Prepared by the Study Mission



9.2.2 Action plans for the integration of the Ministry of Economy's system and the National Certification System of Labor Competency

Based on the strategies mentioned in 9.2.1, we propose specific plans of action. Furthermore, Tables 9-1 to 9-5 is showing the activities and expected results of each action plan.

- (1) First year after establishing the system of registration of the Ministry of Economy (third year after completing this Study)

Action plan 3-1

Revision of the NTCL SME consulting

- (2) Second to fourth year after setting the system of registration of the Ministry of Economy (fourth to sixth year after completing this Survey).

Action plan 4-1

Implementation of the system for evaluation and certification by NTCL SME consulting.

Action plan 4-2

To make mandatory obtaining the certification of SME consultants by NTCL to the consultants engaged in programs / projects administered by the Undersecretariat for Small and Medium Enterprises of the Ministry of Economy.

Action plan 4-3

Promote the dissemination of certification of SME consultants by NTCL as a requirement to engage in the programs / projects to support the SMEs.

- (3) Fifth year and more after setting the registration system of the Ministry of Economy (Seventh year onwards, after completing this Study): Maintenance and consolidation of the system.

Action plan 5-1

Establish the monitoring system for the operation of the NTCL SME consulting.

Table 9-1 Action plan 3-1

Action	Revision of the NTCL SME consulting.
Direction / executing agency	Operating committee of the registration and training system of SME consultants of the Undersecretariat for Small and Medium Enterprises of the Ministry of Economy. Sectoral Committee to support SMEs (New committee to be founded).
Activities	<ol style="list-style-type: none"> 1. The operational committee of the registration and training system for SMEs consultants get the cooperation of related agencies and establish a new sectoral committee to support SMEs. 2. The sectoral committee to support the SMEs assigns a technical group to revise the NTCL. 3. The technical group will design a work function map of the support sector for SMEs, the NTCL SME consulting and assessment instruments of the NTCL SME consulting. 4. With the adoption by the sectoral committee to support of SMEs and the technical committee of CONOCER, the NTCL SME consulting (to be published in the Official Gazette) is established.
Points to consider	<ol style="list-style-type: none"> 1. When planning the sectoral committee to support SMEs, it will form a sufficient and common understanding that it is beneficial to all to converge, in the new NTCL, the work of the assessment and training of essential labor competition for SME consultants. It is essential that the Secretariat for Small and Medium Enterprises of the Ministry of Economy will convince the agencies involved for this purpose. 2. The Under secretariat for Small and Medium Enterprises of the Ministry of Economy, taking into account the sectoral committee to support SMEs in the future be responsible for operational management of the NTCL and monitoring work performance obtained by the consultants certificates, will pay attention to a balanced composition of members and endeavor to obtain from them their participation on their own initiative. 3. Using the experience gained in operating the registration system implemented across the programs / projects of the Ministry of Economy, the NTCL SME consulting will establish precisely the universal core competencies.
Expected results	<ol style="list-style-type: none"> 1. NTCL will define in work competencies of the “generalist” SME consultant as SME specialist. Thus, this will establish in the rules that can be queried to ensure the quality of consultancy service in the programs / projects to support SMEs and develop human resources in the SME consulting. 2. By creating the sector to support SMEs, it succeeds in building, apart from NTCL SME consulting, a base to promote coordination and cooperation with regard to support for SMEs.

Source: Prepared by the Study Mission.

Table 9-2 Action plan 4-1

Action	Implementation of the system for evaluation and certification by NTCL SME consulting.
Direction / executing agency	Operating committee of the registration and training system of SME consultants of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy Sectoral Committee to support SMEs (New committee to be founded) CONOCER.
Activities	<ol style="list-style-type: none"> 1. To prepare a system to external agencies who carry out the training and evaluation of consultants, whose network was established within the registration system of the Ministry of Economy by the operating committee of the registration and training system of SME consultants, can be accredited certification bodies, assessment centers, evaluation and certification bodies or institutions of education and training of the NTCL SME consulting. 2. Certification bodies, assessment centers or certification and assessment bodies of NTCL SME consulting will be accredited and registered by CONOCER. 3. The sectoral committee to support SMEs accredits educational institutions and training of the NTCL SME consulting and training programs for consultants and gives them the partial exemption from the assessment.
Points to consider	<ol style="list-style-type: none"> 1. There is a plan to revise soon the National Certification System of Labor Competency. In accordance with the requirements of the certification and assessment procedures, the new system will also use the network members of the registration system of the Ministry of Economy. 2. To encourage participation in the certification and evaluation system, it is necessary to apply sufficient business viability. It is needed to clarify the implementation plan of the Action Plan 4.1
Expected results	<ol style="list-style-type: none"> 1. The environment will be ready where consultant candidates for SMEs may obtain the certification at a reasonable price.

Source: Prepared by the Study Mission

Table 9-3 Action plan 4-2

Action	To make mandatory obtaining the certification of SME consultants by NTCL to the consultants who wishes to work for programs / projects administered by the Undersecretariat for Small and Medium Enterprises of the Ministry of Economy.
Direction / executing agency	Operating committee of the registration and training system of consultants to the SMEs of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy.
Activities	<ol style="list-style-type: none"> 1. In order to access the registration system for the SME Consultant of the Ministry of Economy and certification of SME consultants, will prepare the rules of operation and determine a specific process of work. 2. It will execute the transition of the system, after thorough assessment and advertising deadline to oblige to obtain the certification of SME consultants, replacing the evaluation

	process implemented in the registration system of the Ministry of Economy.
Points to consider	<ol style="list-style-type: none"> 1. In order to encourage the influence to other institutions to support SMEs, immediately execution it is essential once they are revised the NTCL SME consulting under the Action Plan 3-1. 2. In advertising the system, take measures to transmit not only to consultants but also to the general public and thus raise the level of public recognition of the certification of SME consultants. Thus, the momentum will encourage other agencies to establish a requirement to obtain certification or certification consultants on their own initiative.
Expected results	<ol style="list-style-type: none"> 1. There shall be a tendency for consultants who wish to engage in programs / projects to support SMEs in the Ministry of Economy to obtain the certification of SME consultants. 2. It reduces the operational burden of the evaluation process in the registration system of the Ministry of Economy.

Source: Prepared by the Study Mission

Table 9-4 Action plan 4-3

Action	Promote the dissemination of certification of SME consultants by NTCL as a requirement to engage in the programs / projects to support the SMEs
Direction / executing agency	<p>Operating committee of the registration and training system of SME consultants of the Under secretariat for Small and Medium Enterprises of the Ministry of Economy</p> <p>Sectoral Committee to support SMEs (will build a new committee)</p> <p>Organizations that develop programs / projects to support SMEs.</p>
Activities	<ol style="list-style-type: none"> 1. The operational committee of the registration and training system of consultants to SMEs and sectoral committee in support of SMEs will focus on the positive effects of obliging to obtain the certification of SME consultants in the Ministry of Economy and make a call for those agencies to develop programs / projects to support SMEs to let them set as a requirement for the job obtaining certification of SME consultants 2. The agencies that develop programs / projects to support SMEs apply to obtain the certification of SME consultants as a requirement for the job, with determination and thorough dissemination prior to the deadline for implementation.
Points to consider	<ol style="list-style-type: none"> 1. To make good progress in project evaluation and certification of the NTCL Consulting for SMB implementation, this is essential as soon as the NTCL SME consulting has been revised under the Plan of Action 3-1. 2. In advertising the system, take measures to transmit not only to consultants but also to the general public and thus raise the level of public recognition of the certification of consultants to SMEs. Thus, we will promote the drive to further increase as agencies require certification and thus a greater number of consultants will obtain certification.
Expected results	<ol style="list-style-type: none"> 1. The NTCL SME consulting begins to establish itself as a standard certification for the entire SME sector and is not limited to the Ministry of Economy.

	2. It reduces the burden of evaluation and selection of consultants in each of the institutions supporting SMEs.
--	--

Source: Prepared by the Study Mission

Table 9-5 Action plan 5-1

Action	Establish the monitoring system for the operation of the NTCL SME consulting.
Direction / executing agency	Sectoral committee to support SMEs (will build a new committee).
Activities	<ol style="list-style-type: none"> 1. Based on the evaluation of the work of consultants who carry out the Ministry of Economy and institutions to support SMEs, it will develop methods for assessing the quality of consulting service performed by a certified consultant. 2. Approximately two years after the practical implementation of the certification of SME consultants, it will be applied to test the evaluation methods developed in part 1 and necessary improvements will be established to evaluation methods. 3. Subsequently it will be evaluated every 2 years where the result is reflected in the revision of the NTCL and improvement of evaluation and certification scheme.
Points to consider	<ol style="list-style-type: none"> 1. To avoid fossilization of the sectoral committee to support SMEs and to continue monitoring, it is important to the composition of members and their commitment to organize the committee as the Action Plan 3-1. It requires strong leadership of the Secretariat for Small and Medium Enterprises of the Ministry of Economy.
Expected results	<ol style="list-style-type: none"> 1. The NTCL SME consulting is firmly established as a national certification system. 2. The NTCL SME consulting becomes recognized as a prestigious certification in the area of business consulting.

Source: Prepared by the Study Mission

As mentioned earlier, the National Certification Labor Competency is a system based on the assumption that it is operated by the industry itself that needs such certification. As action plans presented above aim to establish a national system that responds to the broad interest of stakeholders in supporting SMEs, not only an original system of the Ministry of Economy but also a strong leadership is essential to the Ministry of Economy as lead agency in supporting SMEs.

Furthermore, all action plans are essential steps for achieving objectives and is not marked in order of priority among the plans. Figure 9-7 shows the chronological program.

Figure 9-7 Chronological program of action plans for integrating the system of the Ministry of Economy and the National Certification System of Labor Competency

	Third year after completing the Study	Fourth to sixth year after completing the Study	Seventh year onwards after completing the Study
Action plan 3-1			
Action plan 4-1			
Action plan 4-2			
Action plan 4-3			
Action plan 5-1			

Source: Prepared by the Study Mission

9.2.3 Work prospects for the revision of the Technical Standard of Labor Competency

Among the discussion in 9.2.1, in Stage 1: Revision of NTCL, there is a movement under the initiative of the Ministry of Economy. The current situation is as shown below.

The Ministry of Economy, willing to revise NTCL for SME consultant with the cooperation of CONOCER, is preparing to start the actual work of revision. However, it also plans to revise the "General Rules", and as of the end of August 2009, it has not yet set the agenda for the revision of the NTCL.

There is even the idea of developing and publishing before the official publication of the standard¹² under the scheme of CONOCER, an original rule¹³ of the Ministry of Economy according to the methodology of CONOCER. This will save time looking for coordination among sectors involved and quickly prepare the standard of occupational competence of greater trust and transparency with the established methodology, and establish a mechanism for evaluation and certification of such competition. Also, speaking of the plan for the medium term, the idea is to develop the original rule to the official under the administration of CONOCER.

¹² *Norma Nacional*

¹³ *Norma Institucional*

For these reasons, to conduct the revision of the NTCL of SME consultant, the decision to do so directly or through an original standard of the Ministry of Economy, will be the first critical point of the work plan.

Additionally, we mention below the main alternatives studied:

- There is a plan to produce and publish the revised NTCL, setting a new sector to support SMEs, although the current NTCL of SME consultant belongs to the consulting sector. The support sector for SMEs includes, of course, consulting, and also various tasks related to support them including the financial and program planning, etc. As discussed in 9.4.1 (1) the Study Mission recommends the establishment of the sector to support SMEs.
- Before starting the revision of the NTCL itself, it has not yet been clearly identified the need to revise/develop the work function map of the sector. The work function map of the consulting sector has not changed since its development in 2006 and has some aspects that do not match reality. On the other hand, if establishing the support sector for the SMEs, it is necessary to develop a new map from scratch. They say that the revision/development of work function map will need about 40 hours from a working team of 6 to 12 specialists related with the sector.
- They say that to revise/develop the NTCL itself and to develop assessment tools will be needed about 40 hours, respectively, from a working team of 6 to 12 specialists related with the sector. As consultants to be involved in this team, 7 people were selected among the consultants who participated in the project "SMEs Consultant with JICA Methodology", but it is still not determined under what organizational frameworks the team will be created.

9.3 Policy of the Revision of Technical Standards of Labor Competency and the development of assessment tools

In this section, a proposal is made on some technical aspects to reflect occupational competency requirements in the NTCL.

The size of the companies here served by a SME consultant is usually small and medium. Usually it is considered normal that a consultant provides services including SME entrepreneurs and microenterprises, and the situation in Mexico is no different. However, we stress that in discussing the required capabilities based on the certification of competencies, they should set the goal of a consultant to SMEs being able to offer appropriate consultancy services focused exclusively on small and medium enterprises.

Most micro enterprises do not have a form of business organization, so they need consulting approaches of different nature compared to those required for SMEs. In addition, support programs are developed for micro enterprises located in rural areas by FONAES, *Financiera Rural*, SAGARPA, etc., and each of these organizations set, based on rural development and poverty reduction, its own requirements in terms of handling capacity of a consultant.

Therefore, it is better that the certification of SME consulting are distinguished from other certifications by defining labor competition with a focus on consulting for Small and Medium enterprises, and thus try to structure a system so clear for consultants to obtain certification and to companies that employ certified consultants.

9.3.1 NTCL Structure

- In NTCL Consulting for SME labor competition will be defined to provide consulting services on general administration of SMEs.
- As needed, NTCL SME consulting in certain administrative functions will be established.

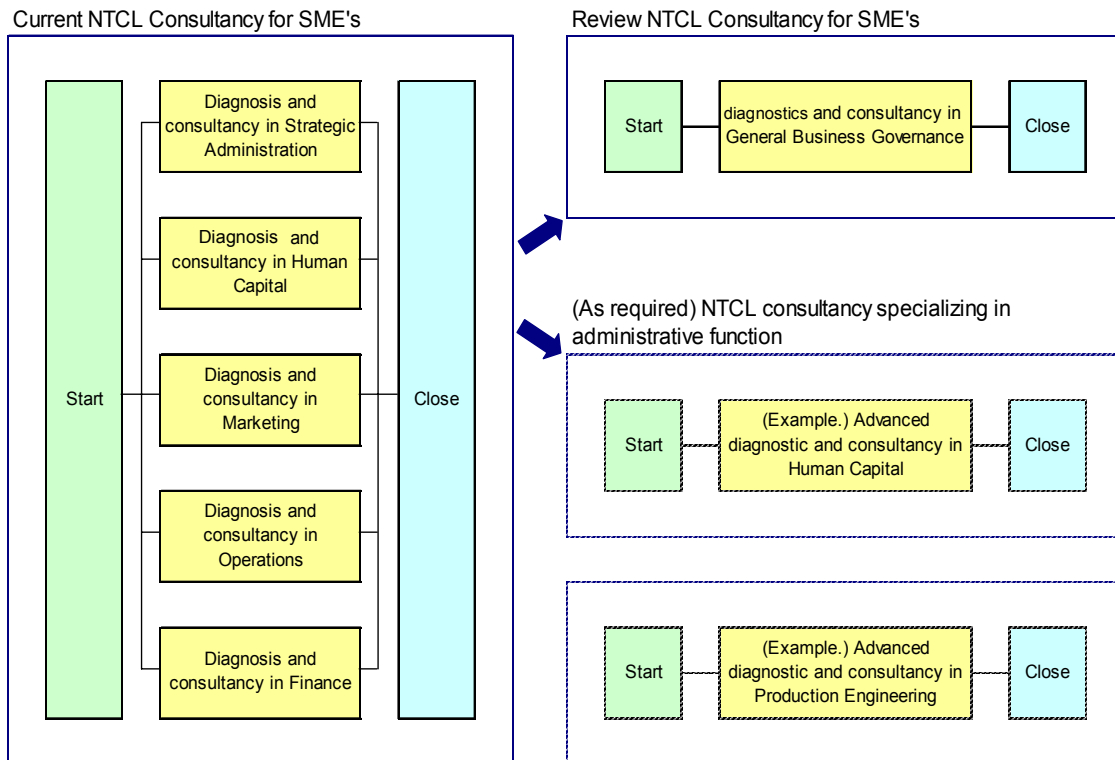
The current NTCL SME consulting consists of 2 mandatory units and 5 optional units (to select one of them) (See 5.2.5 (3)).

The 2 mandatory units deal with the start and close of the consulting service. The requirements on the content and quality of consulting service itself will determine in the optional units. In other words, the current NTCL requires candidates to diagnose the administrative status of an SME, design and implement the system improvement in **one** of the 5 administrative functions of the following: Strategic Management, Human Capital, Marketing and Sales, Operations and Finance.

In the new NTCL SME consulting, it is necessary to require the capacity to meet first-stage consultations on the general administration of SMEs. In particular, it must put more emphasis on a holistic approach based on the correlation between the administrative functions, rather than individually understand the problems on each one of them. Furthermore, due to the updating of the NTCL from second to third generation, the classification of mandatory units or optional will vanish.

So in the revised NTCL units should define the scope of which will be corporate governance in general, without classifying units according to the administrative functions. Coupled with this, as needed, it can be considered to develop a NTCL of specialized consultancy for each administrative function. Figure 9-8 shows the idea of transition from current NTCL to revised NTCL.

Figure 9-8 Idea of transition from NTCL SME consulting



Source: Prepared by the Study Mission.

A more detailed comment about our proposals focused solely on NTCL SME consulting is as follows.

9.3.2 Structure of units and elements

- The following 2 factors in the units or elements of the NTCL SME consulting are added:
 - (1) Make maximum use of measures to support SMEs offered by the government and public organizations and the private sector.
 - (2) Collaborate with specialists in areas related to the administration of SMEs.

The units and elements of the current NTCL lack the role of consultant SMEs to acquire and use external resources. Speaking more concretely, the current NTCL does not determine the capacity to use measures in order to support SMEs and to work with various specialists.

For SMEs that are under unfavorable competitive conditions in comparison with large companies, it is expected that the support measures provided by government organizations, public and private sector can serve as building blocks to escape the vicious circle. In addition, a consultant specializing in SMEs is the holistic approach in the management of SMEs and can not always have the ability to serve highly specialized tasks in a specific area, so you can say that the position of engaging an appropriate specialist to solve customer business problems is positive for the 3 parts.

So, in the revised NTCL it is required to structure units and elements that integrate these job functions.

9.3.3 Assessment criteria

- The assessment criteria of the NTCL SME consulting capacity requirements specifically required to attend SMEs reflecting the particular circumstances of them will be incorporated.
- There will be classes¹⁴ on the elements considerably influential on the consulting for individual circumstances of each sector of manufacturing, trade and services.
- Evaluation will be strengthened by observing the performance.
- It will maintain guidelines giving more importance to the attitude assessment criteria.

In regard to the current NTCL it is difficult to argue that the assessment criteria sufficiently reflect the particular circumstances of SMEs.

¹⁴ To determine more precisely some work required to perform differently depending on circumstances, you can set variables called classifications for the elements. (See Chapter 5, 5.2.3)

Specially, to propose a feasible plan of improvement according to the strengths of an SME previously considering limitations on its resources for management and improvement activities - lack of staff knowledge and capacity, lack of financial resources, lack of capacity to management it is necessary to have a different mindset than that required in consulting for a large company. Also, when designing a plan, if the attended company is an SME, it will be an indispensable factor to use external resources to seek the possibility of mitigating limitations.

By the time these matters are not incorporated to the point of view of evaluation, so the current NTCL SME consulting is still defective.

In addition to the above, the current NTCL is not taking into account the difference of the administrative features by sector.

To ensure the "level that will at least perceive administrative problems related to all administrative functions for SMEs in any sector and type of business operation" proposed by the Mission, you should verify that applicants have a basic understanding on the general behavior of the management of SMEs, on important points of observation in the diagnosis and management of typical administrative tasks, for each of the sectors of manufacturing, trade and services. Speaking from the technical standpoint, it will be possible to assess candidates depending on whether you may or may not respond appropriately to each of the 3 sectors, specifying the items that require different actions by sector and establishing the appropriate classes.

Moreover, of course, there are administrative tasks specific for each type of business and operation; however, we believe that this is the application to particular cases and not one of the variable factors that must be generalized as labor competency standards.

Additionally, diagnostic evaluation and consultancy (content and quality of consulting service itself); it is preferable to give greater importance to the observation of performance.

In the current NTCL, although the evaluation criteria of diagnosis and advice are variable according to the administrative function subject to the qualification, generally the evaluation has been established mainly through the evidence for each product. However, the ability to logically structure a diagnostic report can not be directly linked to the ability to present an oral way, the diagnostic report clearly and persuasively, to the SME entrepreneur. The SME consultant working with SMEs which often lacks of reliable documented information and does not have established business management based on formal documents and therefore to assess the competence of the

consultant work, it rather should observe the capability to behave with words and effective action in real scenes.

However, the performance assessment by observing exceeds the cost required by the evaluation through evidence by product. They say it costs about 10,000 Mexican pesos to obtain the certification of a NTCL whose job competency corresponding to level 5 as the NTCL SME consulting. It will be necessary to consider the balance between costs and benefits of obtaining the certification for not fixing a price that could discourage applicants who want to get certified.

In some evaluation criteria of the current NTCL it is giving more importance to the attitudes of the consultant, which is expected to continue in the same manner in the revised NTCL. SME consultant usually visits the client company without the company of others to provide consulting service. They should have a basic attitude to control him with a strong will, with the aim of providing high quality services with high sense of responsibility as a consultant, even if not supervised by his superior.

9.3.4 Assesment tools

- The knowledge test questions are replaced every certain period.
- If a candidate finishes studying a training program that is considered qualified by the Management Committee¹⁵, this may be revalidated as part of the evaluation as requested by the candidate himself.

Currently, subject to the second generation NTCL form and assessment tools, they are at the discretion of the assessment centers. Once the revision is completed, it will need to establish the third generation NTCL and develop new assessment tools unified nationwide.

According to information at the end of August 2009, under the "General rule"¹⁶ to be revised shortly, the new rule will offer more flexibility than before to the Committee in each sector to determine the assessment tools. Based on this expectation, we propose some aspects that are

¹⁵ It is expected to change the current name of the Committee on Standards of Labor Competency for the Competence Management Committee or *Comité de Gestión por Competencias*.

¹⁶ *Reglas Generales y Criterios para la Integración y operación de los Sistemas Normalizado de Competencia Laboral y de Certificación de Competencia Laboral*

preferred include as assessment tools of SME consulting although they have not succeeded in establishing in the previous Rules.

To verify whether or not they have the necessary knowledge, assessment tools are imposed on candidates in the form of an examination questionnaire¹⁷ with multiple choice or short answer. Once the assessment tool has been developed after NTCL it generally does not change the test questions until the next revision of the NTCL. For several years the same questions still apply for the candidates, so they can have ample opportunity to know the content of questions before the test. The basic concept of occupational competency assessment is that "even if a candidate already knows the content of the test questions, this will not change the fact that at the time of the assessment the candidate himself has the knowledge that question in the test." Then, through integrated assessment tools in the examination with questions about all the knowledge required by the criteria of evaluation, determines if the level of knowledge of the candidate meets the criteria.

However, taking into consideration the requirements of knowledge for the SME consulting, it is unrealistic to question from all topics range as shown in Table 6-1. He is forced to remove some issues. In this case, if one comes to know in advance the content of questions, it is feared greatly to distort the assessment of the level of knowledge of candidates.

Because of this, in terms of assessment tools, we propose to replace the test questions on knowledge for a specific period with a maximum of one year or so, regardless of the revision of the NTCL. One can consider the method of preparing a few questions and put some randomly selected for each candidate can work, but the concern is that it costs too much work at the starting time of its operation. Rather, with periodic review of test questions, it is expected to maintain awareness of stakeholders of the sector towards the operation of the NTCL SME consulting. In fact, this coincides with the direction for the CONOCER to transit from the previous system of Standardization Committee that he had little interest in operating the certification once standardization is completed, to the new system of Management Committee that is continually involved in standardization and certification in a consistent manner.

The system of certification of labor competency has remained his operation entirely separate from the training and education system, strictly applying the principle stated in the General Education Law¹⁸ which states "certify knowledge and skills regardless of how they were acquired".

¹⁷ *Reactivos*

¹⁸ *Lay General de Educación*

To ensure the number of SME consultants, it is necessary to prepare a mechanism to train candidates for evaluation and certification, while establishing the criteria for assessment and certification. Once NTCL is issued to clearly identify the skills required for a consultant to SMEs, it shall establish a training program with the goal of meeting the criteria in the NTCL. Then it can be considered that there may be substantially the same function between completing the studies of a training program with a score above a level established and submitted to the evaluation to obtain certification with respect of occupational competency requirements that are reflected in that program. Therefore, it should eliminate repetition.

In other words, if one finishes the study of a training program that ensures to comply with the NTCL, one will be granted with the privilege of being exempted of part of the evaluation to obtain certification. It is assumed that many candidates will opt for a safer method for certification that has a cost that is not low, so if the privilege is granted a partial exemption to those who have completed their studies in a training program subject to the NTCL, the effect can be expected to promote the creation of the market of business for training consultants.

9.4 New Technical Standards of Labor Competency (Draft)

As a draft prepared by the Study Mission which reflects the proposals outlined in Section 9.3, Figure 9-9 presents the essential scheme of the revised NTCL. Also Table 9-6 shows how to reflect the proposals in the revised NTCL.

Figure 9-9 Essential scheme of revised NTCL SME consulting (draft)

<Units>	<Elements>	<Key points in the evaluation criteria>			<Degree of importance>	
		D: Performance	P: Product	C: Knowledge	A: Attitude	
1. Diagnosing the administration of the SME	1-1 Gather information related to the administrative situation of the SME	D	Ability to gather information (skills for the interview and observation)		+++	
		C	Theoretical knowledge on the general administration of SMEs		++	
		A	Flexibility, honesty		+++	
	1-2 Identify problems in the management of the SME Class1: Manufacturing Class2: Trade Class3: Service	P	Logic and relevance of the analysis of causes, lack of inclination to certain areas		+++	
		C	Knowledge and practical experience of administrative tasks for SMEs		++	
			Tools for the analysis of causes		+	
		A	Sense of responsibility		+++	
	2. Propose a plan to improve management of the SME	2-1 Design a plan to improve management of the SME	P	Feasibility of problem solving, study of the acquisition of external resources.		+++
			C	Understanding the support system for SMEs		+++
				Basic understanding of the specialties related to the administration of SMEs		+
Tools for problem solving				+		
A		Creativity		+		
		2-2 Submit to the SME a plan for management improvement	D	Persuasiveness of the presentation (ease of understanding, logic)		++
A			Kindness, leadership		++	
3. Advise on management improvement activities of the SME		3-1 Support the implementation of improvement plan for SME	D	Facilitation skills		++
	P		Timely and appropriate actions depending on the progress and contingencies		++	
	C		Tools for the change management		+	
	A		Cooperation attitude, leadership		++	
	3-2 Manage the process of providing consultancy service	P	Appropriate results for the used period, relevance of the plan and results		+++	
		A	Planning, sense of responsibility		+++	
4. Evaluate the results of consulting service	4-1 Gather information related to the results of completed service of consultancy	D	Ability to gather information (skills for the interview and observation)		+++	
		P	Completeness of the information gathered on the positive and negative		++	
		A	Honesty, fairness		++	
	4-2 Judging the results of completed service of consultancy	P	Reasonable assessment as an accurate analysis of cause-effect		+++	
			Logic and feasibility of proposed improvement		+++	
		C	Tools for project evaluation		+	
		A	Honesty, fairness		++	

Source: Prepared by Study Mission.

Table 9-6 Way to reflect the proposals of the Study Mission for the essential scheme of the revised NTCL SME consulting (draft)

Study Mission proposals	Way to reflect on the essential scheme of the NTCL (draft)
1. Define the occupational competence to provide consulting services on general administration of SMEs.	Units structured as administrative function will be eliminated in the current NTCL. In the evaluation criteria of the item 1-2, "Identifying problems in the management of the SME", the "no inclination" to certain areas will be established.
2. Add in the units or elements the following 2 factors: (1) Use the most of the measures to support SMEs offered by government and public organizations and the private sector. (2) Collaborate with specialists in areas related to the administration of SMEs.	In the evaluation criteria of the item 2-1, "Designing a management improvement plan of the SME", the "study of the acquisition of external resources" will be established. (1) The criteria of evaluation of element 2-1, the "understanding of the support system for SMEs" will be established (2) The criteria of evaluation of element 2-1, the "basic understanding of the specialties related to the administration of SMEs" will be established.
3. Incorporate in the evaluation criteria the requirements capacity specific necessary to meet the SME reflecting the particular circumstances of them.	The evaluation criteria of the item 2-1, "Designing a plan to improve SME management", the "feasibility of the solution of problems" and the "study of the acquisition of external resources" will be established.
4. Establish classes in the considerably influential elements by consulting the individual circumstances of each sector of manufacturing, trade and services.	In the item 1-2, "Identifying problems in the management of the SME", 3 classes will be established according to sector and will be evaluated for each the quality of evidence for product.
5. Strengthen the assessment through observation of performance.	In all units, establish criteria for performance evaluation.
6. Keep the lines that give more importance to the evaluation criteria of attitudes.	In all the elements, establish criteria for performance evaluation.

Source: Prepared by Study Mission.

The main changes implemented in the current NTCL are:

(1) Structuring units and elements according to job functions.

It seems that the current NTCL structures its units and elements based on the process rather than on job functions. From the standpoint of the process, preparation of business management to agree with the client company on the opening and closing of the consultancy service, it is a separate phase from each other because it means the beginning and the end of the service delivery, while from the viewpoint of the functions, the preparation is included as a function that established the item 3-2, "Managing the process of providing consultancy service".

Furthermore, to assess the finished consulting services a specific capacity is required. It should not be considered as part of the process of closing service but a separate function.

(2) Establish classes depending on the sector.

In a consultancy, the phase that depends largely on the difference in administrative features across sectors will be element 1-2, "Identifying problems in the management of the SME". This is to recognize a problem as it is and identify its causes, because it is essential to understand the structure of earnings and operational characteristics of the client business.

So, in terms of element 1-2, we propose the establishment of 3 classes as manufacturing, trade and services and assess their respective characteristics on whether the root cause analysis on evidence submitted by product (diagnosis report) meets satisfactory level of quality.

(3) Set in all units the performance evaluation criteria.

All job functions that are defined in each unit use interpersonal communication skills that can not be assessed without observing the candidate's performance. Speaking more specifically, it deals with interviewing skills, presentation and facilitation. It is desirable that the evaluator actually visits the SME to observe the candidate in the consulting practice, but may also perform the evaluation by implementing a simulation between the candidate and the evaluator through a role-playing game.

- (4) Reflecting on the evaluation criteria the considerations made in relation to the resource constraints of SMEs.

By adding, in the assessment criteria, a consideration of the feasibility of proposals and depth of study on the acquisition of external resources, assess the capacity to provide services under the particular circumstances of SMEs.

ANNEX

Annex 1 - Questions Examples of the First Written Test

Module 1 Consulting skills

A01013

It is an information flow in both directions between persons with a specific purpose.

- a. Consulting
- b. Interview
- c. Meeting
- d. Conference

A01015

It is the consultant who serves small and medium enterprises with a comprehensive approach, providing diagnostic services and advice taking into accounts the different areas of the company.

- a. Internal consultant
- b. Junior consultant
- c. Senior consultant
- d. SMEs consultant

Module 2 Management

A02001

The stages of the administrative process are:

- a. Planning, management, organization and communication.
- b. Planning, organization, leadership and management.
- c. Organization, direction and control
- d. Planning, organizing, lead and control

A02009

¿What is a SWOT diagnosis?

- a. Analytical tool that allows you to work the information you have about a business, useful to examine their Strengths, Weaknesses, Opportunities and Threats.
- b. It consists of Strengths, Weaknesses, Opportunities and Threats.
- c. It consist to know a company
- d. It consists of a series of actions within a company

Module 3 **Human resources management**

A03011

With regard to the next concept, choose the correct answer: "is the set of habits and beliefs established through norms, values, attitudes and expectations shared by all members of the organization, the system of meanings shared by all members that distinguishes an organization of others".

- a. Vision of the company.
- b. Organizational culture of corporate cultura.
- c. Comparative advantages.
- d. Competitive advantages.

Module 4.1 **Operations (Manufacturing sector)**

A04101

Establish the amounts and dates for manufacturing of specific products.

- a. Master production schedule.
- b. Production planning.
- c. Master development plan.
- d. Strategic production program.

Module 4.2 Operations (Commercial sector)

A04213

Choose a proper explanation about the basis of the display of goods.

- a. The products that melt easily be displayed in places where the consumer can not touch them.
- b. Products are divided according to time of supply, and exhibit together they try to optimize store operations.
- c. It is important the promotion at point of sale (POS) to increase sales promotion, and products display takes care on size, shape, color, etc. So as to highlight the promotion at point of sale.
- d. On display are products of the same use together, so that consumers can compare.

Module 4.3 Operations (Service sector)

A04305

Choose an appropriate mix of effective measures to standardize the demand on the service to users of air transport.

- (1) To enable the boarding process via the Internet before arriving at the airport.
- (2) Change the discount percentage discount on the price of transport at Easter, summer holidays, Christmas, etc.
- (3) Set limits on changing for discount freight booking.
- (4) Make a ballot as you board, and give discount on the transport to the award-winning.

- a. (1) y (2)
- b. (2) y (3)
- c. (3) y (4)
- d. (1) y (4)

Module 5 Innovation

A05013

A technology roadmap relates us:

- a. The level of technology development, resources and time.
- b. The basic and applied research.
- c. The location of research institutes.
- d. The level of the researchers.

A05019

The invention is protected under the guise of:

- a. Utility model.
- b. Patent.
- c. Not protected.
- d. Copyright.

Module 6 Marketing

A06001

The marketing is:

- a. Human activity that seeks to create needs and desires.
- b. Human activity whose goal is to sell a good or service.
- c. Human activity that aims to satisfy needs and desires.
- d. Human activity focused on the success derived from sales in the for-profit organizations.

Module 7 Finance and accounting

A07001

They are mandatory for those working in the field of accounting to produce financial information:

- a. International Financial Reporting Standards.
- b. Accounting principles generally accepted.
- c. Financial Reporting Standards.
- d. Evaluation standards of Financial Statements.

A07025

Under the table below, select the most appropriate combination of the amount of marginal utility of the business unit of product A and the amount of contribution margin of the business unit of product B, among the response options described below.

(Unit: Millions of Mexican pesos)

	Business unit A	Business unit B	Total
Sales amount	80	60	140
Variable cost of goods	50	40	90
Variable cost of sales	8	4	12
Single fixed cost	10	6	16
Common fixed cost	-	-	14

- A Limit division profit: 12 - B Contributed division profit: 10
- A Limit division profit: 12 - B Contributed division profit: 16
- A Limit division profit: 22 - B Contributed division profit: 10
- A Limit division profit: 22 - B Contributed division profit: 20

Module 8 Judicial and legal issues

A08009

¿What percentage of national employees, the company should hire?

- 10%
- 25%
- 50%
- 90%

A08013

The strike application is submitted to:

- Job defense attorney.
- Conciliation and arbitration board.
- Ministry of Labor.
- Confederation of Workers of Mexico.

Module 9 Information systems

A09007

Refers to sell products and services through the network:

- a. E-business
- b. EBay
- c. E-commerce
- d. Internet

A09011

A characteristic of developing a specific application for a company, compared to using software on the market is:

- a. Lower cost.
- b. Installation difficulty.
- c. Quality assured.
- d. Good documentation.

Annex 2 - Interview Guide / Evaluation Form

INTERVIEW GUIDE

Objective of the interviews in its pilot test:

- Validate the questionnaire to be used as a basis in the regular courses for the registration process as SME Consultant in the Ministry of Economy.

Objective of the process of interviewing candidates:

- Verify knowledge, abilities, skills, attitudes and experience of consultants attached to the registration process in the SE.
- Identify consultants with distinctive capabilities (special) as potential producers of knowledge for the SE's consultants system.
- Contributing with factors for the approval of the registration of the candidate consultant.

Data required by the interviewer before the interview:

1. Consultant name
2. Profession
3. City / state
4. Areas of specialty consulting
5. Years of experience as consultant
6. Profile of clients he serves
7. File containing the documentation (similar to the current process of Consultant SME JICA).

Potential questions for the interview:

1. What are your sources of update on new knowledge, best practices, and new developments, among others? How often new knowledge is acquired?

2. How to define an SME? What are its main characteristics? And according to your experience what differentiates them from large enterprises?
3. How many companies are in our country? How many SMEs? How would you describe the situation of SMEs in our country?
4. You consider that an SME can be innovative? Why?
5. What are the main differences to give a business consultancy to a large enterprise vs. an SME?
6. What are the variables in the environment that favor SMEs today unlike 6 or 8 months? What are the variables of the current environment that impede their development to SMEs in Mexico?
7. How is your company or consulting firm and how you manage it?
 - a. Work individually / Associate / part of another company?
 - b. How unveils your services as consultant?
 - c. Do you consider yourself an entrepreneur?
8. Why is engaged in consulting and how become a consultant?
9. How is your today's customer base in terms of No. of MSMEs and large enterprises / by sector / by geographic location?
10. Do you know about the support programs for SMEs? Which ones?
11. Do you work with a support program for SMEs? Which one?
12. Could you talk for 1 to 3 successful cases of business you have attended, indicating the name and the company's industry, the main problems identified, proposed design solutions and results?

Interview format:

- Direct interviews by a panel of at least 3 people.
- At least 2 groups of interviewers or simultaneous panels.

- Each interview scheduled to be held between 15 and 20 minutes (approx 3 interviews per hour).

General logistics:

- 3 days of exams and interviews.
- 2 test batches:
 - Group 1: Start at 9:00 and end at 12:00
 - Group 2: Start at 12:30 and end at 15:30
- 2 interviews batches:
 - For Group 1: Make the test from 9:00 to 12:00.
 - Interviews according to the examination completion.
 - It is estimated it will start between 11:00 to 14:00 (2 groups of interviewers).
 - For Group 2: Make the test from 12:30 to 15:30.
 - Interviews prior the examination:
 - Start from 9:00 at 12:00 (2 groups of interviewers).
- Requirements:
 - Two rooms for interviews (one for each panel).
 - 3 chairs and table for each room for the panelists.
 - 1 chair for the interviewee.
 - Electric outlets for at least 3 laptops in each room.

Evaluation Form for the Interview. Differential Semantic of Bipolar Opposites (Osgood and qualitative scale Likert 5).		Interview date:				
Candidate's name:	Company / Institution:					
	Quite Unable / Unskilled / 1	Slightly Unable / Unskilled / 2	Neutral / 3	Somewhat Able / Skilled / 4	Fairly Able / Skilled / 5	
Capacity / Skills / Profile Description of the capacity to evaluate.						
a. Updating and personal development of the candidate <ul style="list-style-type: none"> ○ Attitude to acquire and understand new knowledge. ○ Ability to acquire and understand new knowledge. ○ Candidate's knowledge updating. 	--	-	0	+	++	
b. Knowledge of real situation, challenges and alternatives of SMEs <ul style="list-style-type: none"> ○ Knowledge and attitude towards the problems of SMEs (causal factors). ○ Sensitivity to the problems of SMEs (factors solution). ○ Knowledge of programs and external resources to support SMEs. 	--	-	0	+	++	
c. Contextualization and systems approach. <ul style="list-style-type: none"> ○ Capability to understand reality (context) and factors (environment). ○ Attitude facing the changes in the environment. ○ Capability to optimize the interrelationships among system parts. 	--	-	0	+	++	
d. Corporate culture and attitude towards managers and entrepreneurs <ul style="list-style-type: none"> ○ Entrepreneurship and business knowledge of the candidate. ○ Structure of their own company or consulting firm. ○ Entrepreneurial vocation. 	--	-	0	+	++	
e. Ability of implementation, articulation and transformation. <ul style="list-style-type: none"> ○ Ability to apply knowledge and transform it into applications. ○ Ability to bend and adapt knowledge to specific situations. ○ Capacity as an articulator of resources of different types (optimizes interactions and non-parties). 	--	-	0	+	++	
f. Distinctive capabilities (open response).						
Interviewer initials and signature						
Assigned number to the candidate						

Annex 3 - Question of the second written test

The company "Proveedora de Sonido" ("Sound Provider") dedicated to audio rentals for events, cases for musical instruments, purchase and sale of sound equipment as DJ, repairs and spare parts sales, is a Mexican company under the regime of individual business activity, to name Juan Carlos Estrada Lopez, consisting of 14 workers, of which 4 are contract employees and 10 are working according to the needs of events, the latter being paid in cash for each event and not enrolled in Social Security. There is no union.

Four of the five activities they perform are made at home and that of the cases in the department of a friend, who is the partner of the firm. The employment relationship is based in trust and more than partners they are friends.

In the analysis of tax information was found that the counter had a backlog of more than two years in accounting, when pressed with the documentation he presented all the tax declarations without review them carefully ("steamed ") for the years 2005, 2006 and 2007. When asked to accountant the return of the documents, he only returned the vouchers and the tax declarations presented without working papers, so the accounting can not continue.

Manuel works in the company, an executive who played special work with management, as well as who is the uncle of the owner. Manuel has a very strong character so often generates problems with the event staff and he also perceived that the equivalent of 20% of total payroll.

In the company participates Luis, son of Manuel, he has 17 years and he recommended to his brother Juan of 13 years, the two cover mixed schedules depending on the needs and the night shift with a pair of overtime per week.

The results in the event area currently reflect a fall in sales revenue of 40% based on previous year's results. Revenues from cases are shared by 50% between the two partners, however all billing and tax burden is for Juan Carlos.

In the area of parts the earn 100% on the cost, considering that over 50% of inventory has entered the country illegally and are used for domestic consumption in the repair area, this area gets 40% profit.

The responsible for the repairs area regularly fails to work in addition does not meet his schedule and do not attend training courses given by the provider who provide the concession.

Making a review of records it was found that there are workers with more than three years without holidays, and those who taken holidays received an additional 10% holiday bonus of his salary for that period. We also found that for more than two years the collective agreement of work is not revised.

At the last meeting with the sales group we identified that they lack goals and strategies for the sale, so generally only expect phone calls to close the sale.

A couple of weeks ago one worker was fired because of the existence of 3 unjustified absences for

his part in a period less than 30 days, the worker is suing the employer for unfair dismissal, it is noteworthy that in the company no book attendance, time clock, or any control of that nature exists. The employer in case of losing the trial does not want to reinstall him, so he will indemnify the worker with one month's salary.

The need to catch up the accounting makes that the Web page person devote 50% of his time to work as an accounting assistant. Currently this decision has been evaluated and concluded that he is not complying with the assigned tasks. Besides he will be incapacitated by chickenpox than he will out of circulation for over 30 days

Ms. Gonzalez presented her maternity leave but want to continue working to earn more money. There is a group of workers who work from Tuesday to Sunday resting on Monday and their salaries are settled the 30th of each month at regular rates.

To date, workers have not received their bonuses or profit sharing that corresponds to the year 2008.

This company has the trademark, it is recognized in the market for over fifteen years, their market is national and has branches in Los Cabos, Cancun and are to open Acapulco, and this project is still pending for influenza problems

When conducting an event the company does not take log or planning or executing, making it difficult to control and appropriate monitor and the determination of actual costs.

There is evidence that in events related to the spin of the company, there are several people who use the trademark to promote their services without proper authorization.

The company's financial information is as follows:

--- Snip ---

With the above information answer the following questions:

- I. Prepare a SWOT analysis of the company in general.
- II. Mention the 5 key areas of this business.
- III. Determine if there are opportunity areas of this business for the administration area.
- IV. Determine if there are opportunity areas of this business for the human resources area.
- V. Determine if there are opportunity areas of this business for the operations area.
- VI. With the company's financial information determine the liquidity, solvency and profitability of the company.
- VII. Determine if there are opportunity areas of this business for the finance area.
- VIII. Determine if there are opportunity areas of this business for the marketing area.
- IX. Design improvement proposals for the opportunity areas in administration, if they exist.
- X. Design improvement proposals for the opportunity areas in human resources, if any.
- XI. Design improvement proposals for the opportunity areas in operations, if they exist.
- XII. Design improvement proposals for the opportunity areas in finance, if they exist.
- XIII. Design improvement proposals for the opportunity areas in marketing, if they exist.
- XIV. Set priorities of this company from the proposals submitted by area.

Annex 4 - List of products and proposals delivered by the Study Mission¹

1. For the improvement of the Project “SMEs Consultants with JICA Methodology”

Textbooks for self-learning			
Module 4-2	Operations (Commercial sector)	64 pages	December 19th, 2008
Module 4-3	Operations (Service sector)	20 pages	December 19th, 2008
Questions of the multiple choice exam			
Module 2	Management	25 questions	March 26th, 2009
Module 4-1	Operations (Manufacturing sector)	50 questions	March 26th, 2009
Module 4-2	Operations (Commercial sector)	20 questions	December 19th, 2008
Module 4-3	Operations (Service sector)	20 questions	December 19th, 2008
Module 6	Marketing	17 questions	March 26th, 2009
Module 7	Finance and Accounting	10 questions	March 26th, 2009
Questions of the descriptive exam			
Module 4-2	Operations (Commercial sector)	1 subject (3 questions)	December 19th, 2008
Module 4-3	Operations (Service sector)	1 subject (3 questions)	December 19th, 2008
Proposals for improvements			
	Comments from Classroom Training Courses and proposals for improvement (1)	6 pages	October 7th, 2009
	Comments from Classroom Training Courses and proposals for improvement (2)	11 pages	February 17th, 2009
	Proposals to improve the radar diagram in business diagnosis	20 pages	March 26th, 2009

2. Materials and products of the pilot Project

Theoretical knowledge textbooks for self-learning (11 modules in total)	803 pages	March 10th, 2009
Questions of the first written exam (11 modules in total), grade statistics and implementation guide.	244 questions	September 18th, 2009
Interview guide and evaluation form.	5 pages	November 2nd, 2009
Educational materials for training by lectures (6 subjects in total)	68 pages	November 2nd, 2009
Questions of the second written exam, grades statistics and implementation guide	1 subject (14 questions)	November 2nd, 2009
Determination of approval of applicants and total scores statistics	3 pages	October 1st, 2009

¹ The products listed in paragraph "1." were prepared by the Study Mission. Those indicated in paragraph "2." were developed in collaboration with local consultants and delivered to the Ministry of Economy, including the products referred in paragraph "1.". In all products, the number of pages corresponds to the Spanish version.

