Tamkeen Strategy
2018-2020
Enhancing the Productivity and Sustainable Growth of Bahraini Individuals and Businesses Operating in the Private Sector.
Letter from the CEO

Our vision is centered around enabling the skills and employability of Bahraini citizens, as well as the productivity and innovation of businesses operating in the private sector.

Dear Stakeholders,

It is with great pleasure that I share with you Tamkeen’s corporate strategy for 2018-2020. This strategy comes at an exciting time in Bahrain’s development; a time of both challenges and opportunities.

The prospects ahead for Bahraini citizens and private sector businesses operating in Bahrain are inextricably linked to global economic and technological developments. For instance, technologies like automation, robotics, and artificial intelligence are shaping how and where we work, and the skills we need to track along.

Policy makers and citizens today are concerned with the “future of work” and the impact automation technology will potentially have on jobs, skills, and wages because while the trend is clear, the implications are not. The key for Bahrain, and Tamkeen in particular, will be to continue being agile and innovative in the services we provide to help Bahraini citizens and the businesses that operate within the Kingdom adapt with the changes that may impact our workforce. To be successful, we must foresee the shortfalls and be prepared to create new business opportunities.

Tamkeen’s strategy developed in consultation with national stakeholders, outlines a cooperative effort towards the formulation of solid projects and initiatives positioning the Organization as a vehicle to achieve multiple Global Goals (SDG’s) and objectives by empowering people and the private sector which would simultaneously help generate value-added job opportunities in the Kingdom.

The next three years will see a greater emphasis on utilizing our resources to extend our support to Bahraini citizens and businesses as they seek to rise to the demands of competitive productivity, scaling innovation, advancing in international markets, and building long-term commercial resilience and sustainability.

Technology-led innovation is becoming a central pillar of the radical economic transformation in the GCC for its potential to create exciting new opportunities. With a wealth of new innovative initiatives announced, Bahrain is emerging as a regional frontrunner in digital transformation and aims at pioneering the way for productive growth throughout the region.

We carry the responsibility - alongside our public and private sector partners to succeed in attaining Bahrain’s Economic Vision for 2030. For this reason, we are heavily vested in developing the private-sector businesses and individuals, and our strategy is predicated on making tangible progress towards desired long-term outcomes for the next three years.

Dr. Ebrahim Mohamed Janahi
While most of our existing portfolio of products and services are deemed valuable by our stakeholders and shall continue to operate, two new focus areas are introduced in this strategy that will be monitored over the next three years.

Firstly, we will venture into investments to enable Tamkeen to become an even more active participant in the national effort to create a competitive and resilient economy.

Secondly, in an effort to expand the training initiatives - we will expand the provision of internationally certified training programs to educate and train more Bahrainis to transform them into innovative entrepreneurs and help them secure their future.

In addition, to satisfy the numerous requests from our customers and partners across the private sector, we will invest in the platforms and tools to create a market-intelligence hub. It will serve to make market research and business intelligence readily available to the private-sector businesses and individuals that inform and guide their decisions towards a more successful outcome.

We are always carefully listening to our customers and partners, and we are committed to continuously upgrade our internal processes to enhance their experience of our services. Hence, the new corporate strategy for 2018 - 2020 has been forged through extensive consultations with individuals of all walks of life including private sector executives, entrepreneurs, employees, civil servants, jobseekers, and students. During 2015-2017 alone, over 2,500 consultation meetings, workshops and events were convened across Bahrain involving over 70,000 people, and the input of over 2,400 respondents was collected to study and understand the existing needs. Moreover, an economic and industry analysis was performed to incorporate external views of the challenges and opportunities ahead into this strategy. Finally, the findings of the National Audit Court have also been fully integrated into the study.

Our leadership team also conducted rigorous analysis of our internal programs and our performance so far by acquiring feedback from Tamkeen’s staff members. I would like to take this opportunity to thank our staff for their constructive input and their dedication to serving the people and businesses of Bahrain.

I am confident that the strategic framework we have established for the following three years will enable Tamkeen to fulfill its objectives for the private-sector businesses and Bahraini individuals, as well as to create a growth platform that facilitates their path to become globally relevant.

After 12 years of operation and having touched the lives of over 170,000 Bahrainis, Tamkeen’s role is now widely realized, and our programs are well instituted as part of an ecosystem comprised of high-quality partnerships with both domestic and international organizations.

On behalf of the Tamkeen Board, I want to take this opportunity to thank all our stakeholders who gave their time, feedback and ideas to contribute to the development of this strategy for the coming three years. Our customers and partners are at the heart of Tamkeen’s business model, and we value this association as much as we are grateful for the fortune to work with you every day.
The 2018-2020 Strategy at a Glance

Our Mission
Enhancing the Productivity and Sustainable Growth of Bahraini Individuals and Businesses

Our Goals and Objectives

A resilient and competitive economy
Productive and Innovative Businesses driving the economy and successfully exporting abroad.
Confident and skilled Bahrainis employed in, and leading the growth of, Bahrain’s economic development.
A respected, collaborative and customer-centric team of professionals delivering high impact programs to Bahraini Individuals and Businesses.

Who we serve
Individuals
- Students / Youth
- Jobseekers
- Employees

Businesses
- Start-ups
- Growth / Scale-ups
- Matured

How we will increase impact
- A new direct investment platforms
- An expanded portfolio of vocational training programs and apprenticeships
- Expanded and more accessible market research and business intelligence
- Ongoing focus on customer centricity

Our portfolio of products & services
- Training programs
- Grants & incentive schemes
- Financing support
- Advisory support services
- Knowledge sharing networks
- Investment Support

Key capabilities and system
- Over 300 dedicated staff and teams
- Increased branches closer to the community
- Financing windows with 11 partnering Banks
- Local and International trainings and certification partners
- Automation of schemes
Review of Past Performance: 2015-17

Tamkeen is mandated to support the development and dynamism of the overall economy, so we necessarily aim high – to increase the productivity and sustain the growth of individuals and businesses. Instead of broadly focusing on overall goals and aspirations, we have singularly concentrated on the quality of services delivered by Tamkeen and its impact on driving improvements.

Among its key objectives, Tamkeen’s 2015-17 strategy sought to consolidate public understanding of its contribution to Bahrain’s economic development, cement its role as an enabler of Bahrain’s long term Economic Vision 2030, and expand awareness of the programs offered to both citizens and businesses operating in the country.

The 2015-17 strategy also sought to resolve feedback from customers and other stakeholders to become a more customer-centric organization that partnered-up, worked with, and delivered to them. Entrepreneurs have consistently acknowledged Tamkeen’s support of their businesses and how crucial our role has been in helping them endure economic changes of the previous years. Businesses operating in the Kingdom optimistically look forward to our assistance in positioning them for growth, whether by adopting new technologies to boost productivity or by accessing investment capital or new export markets.

Tamkeen has also responded to the demands of Bahraini individuals across all sectors, having served over 170,000 Bahrainis with initiatives focused on areas such as skill and career progression, support for training and wages, and entrepreneurship exposure, amongst many others. As Tamkeen’s main mandate revolves around enabling the skills and employability of Bahraini citizens, their feedback is positively hopeful as we intend on expanding our support through an array of training and career development initiatives across all sectors.
This valuable feedback from customers resulted in the adoption of three core themes to anchor the 2015-17 strategy:

1. **Quality:**
   Effective and results-oriented delivery;
   Finally, internal reviews and stakeholder feedback leading up to the formulation of 2015-2017 strategy highlighted both the need and opportunity to further enhance the customer experience, and the core operating systems within the Organization. These systems are mainly related to program performance.

2. **Customers:**
   Satisfied customers; and
   management, including monitoring and evaluation against clearly defined Key Performance Indicators (KPIs) which were all carefully considered, and action plans rolled out for implementation.

3. **Results:**
   Enhance productivity and sustainable growth of individuals and businesses.
Areas of significant improvement

With these objectives in mind in 2015, several important advancements in Tamkeen’s performance and activity have been achieved over the past three years:

- A stronger mindset of customer centricity;
- A better customer experience interfacing with Tamkeen; and
- A realigned organization and stronger internal capabilities.
Greater customer centricity

In broad terms, Tamkeen’s product and service portfolio can be classified into the following types of products and/or services:

1. Grants
2. Financing support
3. Training programs
4. Advisory Services

To be more customer-centric, Tamkeen responded to and resolved the feedback from its stakeholders by clearly defining and reconfiguring our activities against six identified customer segments. The clarity on who we are seeking to serve was reinforced by a series of specific initiatives – programmatic and operational – to better customize how Tamkeen would support each of these six segments:

Individuals
- Students / Youth
- Job seekers
- Employees

Businesses
- Start-up
- Growth and Scale-Ups
- Matured
Areas of significant improvement

In line with our vision for how to customize and support, Tamkeen offered more than 75 programs to benefit Bahraini individuals and businesses operating in the country over the 2015-17 period. Many of those programs served Bahraini citizens and the rest aimed at the needs of private sector businesses within the Kingdom. Each program comprised one or more of the five types of products and services identified above.

Over the past three years, Tamkeen has worked with domestic and international service providers to raise the quality of its products and services. New programs have also been successfully developed and introduced, including:

- More customized grant solutions for various segments which increased three times over the previous three years;
- Relaunch of the Training and Wage Support program with an improved support model for new employees;
- Restructuring and relaunch of the Basic Skills program with increased reach through active partnerships.
- Introduction of the Tamweel+ program which has expanded the suite of financing solutions; and
- Introduction of an input cost offset mechanism; the Taqdeer program, to enable those companies that exceed their Bahrainisation quotas to get further reductions in key operating expenses such as municipality fees, electricity and water bills and other government fees and charges.
Areas of significant improvement

Number of Products By Segment

The chart below highlights Tamkeen's shift towards segment-specific programs and initiatives within its product and service portfolio.
Enhanced customer experience

This focus on greater customer centricity also includes improvements in the customer service experience, such as ease of access and promptitude of service provision internally. This is reflected in:

- Restructured Tamkeen’s internal operations into more customer-centric service units / teams.
- Activated the roles of Tamkeen’s Sector Advisory Committees which was formed to reinforce Tamkeen’s efforts to fully engage and actively work alongside the private sector to enhance Tamkeen’s offerings and build working relationships with sectors across the different facets of the economy.
- Upgrades to core systems and capabilities such as Tamkeen’s web portal, launch of online application process for some schemes, revamped monitoring processes,
- Increased engagement & outreach activities.
- Increased internal researches and studies to consistently update various key reports which analyze the needs of the market across various sector to cater to the sectors’ needs efficiently by designing suitable training and business support programmes. The studies conducted by Tamkeen will be shared with the public through various mediums.
- Continuous customer service training has been provided across the organization, and adjustments and upgrades of sector-specific knowledge for Tamkeen’s front-line customer service staff to keep them up-to-date with the latest trends and opportunities across all economic sectors.

The new customer centric interface on the Tamkeen website
## Organizational Realignment and Capacity Building

Additional internal organizational and process redesign initiatives were completed to ensure full alignment between the configuration of the organization’s activities with the 2015-17 strategy, taking the following elements into consideration:

### Areas of significant improvement

<table>
<thead>
<tr>
<th>Areas of significant improvement</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing the organisation structure against a customer-centric focus to provide a balanced perspective for evaluating the needs and resources. This has guided Tamkeen on where and how to invest funds to demonstrate the maximum impact.</td>
<td>Further simplifying and streamlining the processes and internal operations within Tamkeen’s support programmes.</td>
</tr>
<tr>
<td>Redefining the roles and responsibilities in order to effectively design and deliver business processes that recognise different customer segment needs.</td>
<td>Delivering a positive and seamless customer experience by integrating their feedback and requirements into Tamkeen’s plans for future initiatives. Over time, Tamkeen has fostered a culture that places the customer at the heart of the decision-making process.</td>
</tr>
</tbody>
</table>
Areas of significant improvement

Among the many internal improvements made over the past three years were:

- **Alignment of Tamkeen’s programmes to the strategy (i.e. sector and segment teams)**

- **Reengineering of the processes and systems**

- **Customize Solutions & Strengthen Outreach**

The introduction of sector teams to better target and provide specialist advice to key industry sectors in which customers operate. This was in direct feedback from stakeholders at the end of the previous strategy cycle;

Increasing customer outreach initiatives which supported the Organization to improve the understanding of Tamkeen’s various programmes amongst its stakeholders. This has also helped Tamkeen in sustaining and growing its relationship with the public.

Dedicating an independent Monitoring department to monitor and increase our risk management capabilities; and

The institution of a new government liaison function to improve national level coordination and information sharing with public sector entities on joint plans to support Tamkeen’s objectives.
The Impact we achieved for our stakeholders

Based on stakeholder feedback at the end of the 2010-2014 strategy period, one of the major priorities for Tamkeen’s leadership team over the past few years has been a stronger focus on performance measurement and management. Therefore, over the 2015-17 strategy period, Tamkeen has measured its impact by assessing performance on several dimensions as elaborated below:

Customers supported

Over the cumulative three-year period 2015-2017, Tamkeen served over 55,000 customers, both Bahraini citizens and private sector businesses operating within the Kingdom. While the total volume of customers was lower than the previous three-year period due to the portfolio rationalization of products and services offered, the growth between 2015 and 2017 reflects Tamkeen’s success in offering more customized solutions to its customers.

Cumulative funds disbursed amounted to BD 137 million over the 2015-17 period. Under Tamkeen’s Financing scheme, every BHD 1 Tamkeen spent enabled companies to access BHD 13 for financing solutions.
The Impact we achieved for our stakeholders

The table below highlights the customers served and funds provided over the 2015-2017 period for each of Tamkeen’s flagship programs:

<table>
<thead>
<tr>
<th>Program</th>
<th>Customers Served</th>
<th>Total funds provided 2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Professional Certification Scheme</td>
<td>2,504</td>
<td>3,338</td>
</tr>
<tr>
<td>Enterprise Support</td>
<td>1,021</td>
<td>1,048</td>
</tr>
<tr>
<td>Training &amp; Wage Support</td>
<td>2,053</td>
<td>1,049</td>
</tr>
<tr>
<td>Financing programs (Tamweel)</td>
<td>893</td>
<td>734</td>
</tr>
</tbody>
</table>

Tamkeen also reached-out to more Bahrainis through an extensive program of engaging events; such as:

The Mashroo3i Business Plan Competition, industry trade-shows and exhibitions, and an active support campaign for individuals and businesses by providing them with updated information about market developments and trends.

Between 2015-17, more than 2000 customer and stakeholder events were conducted, attracting more than 36,000 attendees.

In addition, more than 140 market studies and reports were developed to increase awareness and decision-making skills for Tamkeen’s customers.
The Impact we achieved for our stakeholders

Quality of Operations
Considerable focus was spent during the 2015-17 period on improving internal quality controls to upgrade all aspects of Tamkeen’s operations. Included in these measures were:

- Insourcing of a number of activities previously undertaken on Tamkeen’s behalf by third parties;
- Implementing ISO 9001: 2015 standards;
- The use of advanced technologies to enable automated online applications for most of Tamkeen’s products and services; and
- New internal quality management controls and standards to enrich programming and financial allocation decisions internally.

Customer satisfaction
Measuring and evaluating feedback from customers is central to Tamkeen’s success and plays a pivotal role in evaluating the performance and adapting the portfolio of our products and services to the evolving needs of the market. The customer feedback is collected throughout the activity cycle starting from the first contact with a customer as they enquire about our products and services, through the application process and after they receive the benefits of our support, whether at the conclusion of a training course or the receipt of financial support.

In recent years, we have launched several specific initiatives to elevate customer satisfaction, which include:

- Streamlining our portfolio of products and services;
- Revamping Tamkeen’s website as our primary point of interface with our customers;
- Introducing automated, online application systems;
- Training of Tamkeen staff in coaching skills to better deliver more effective advice and service to customers; and
- Organizing increased number of activities that engage the customer.
The Impact we achieved for our stakeholders

Impact on Bahraini citizens, businesses and the economy

Ultimately, Tamkeen exists to create tangible value for Bahrain’s citizens and businesses operating in the country and the economy.

For Bahraini citizens, that means a substantial improvement in their skill-levels and confidence as professionals to increase their income earning capacity.

For businesses operating in the private sector of the Kingdom of Bahrain, including the entrepreneurs - this entails the ability to start and scale profitable new business ventures - whether on a stand-alone basis or through existing companies, and the capacity to drive innovation and productivity; characteristics which would enable them to compete and succeed in local and international markets.

For Bahrain’s economy and society as a whole because we believe that citizens and businesses operating in Bahrain are the pillars that create value to the economy.
Tamkeen’s key achievements since inception to date include the following:

- Over 38,000 Bahrainis (37% of Bahrainis in the country’s private sector workforce) have pursued and engaged with Tamkeen’s training and development initiatives;
- Tamkeen’s employment scheme played a fundamental role in generating over 8,000 job opportunities in the market;
- Over 2,700 businesses have been established with Tamkeen’s support;
- New financing programs and outreach activities, including the Woman entrepreneurs’ fund, have resulted in a significant boost to Tamkeen’s engagement with Bahraini women. Approximately, 47% of all customers served within Tamkeen are women.
The Context for 2018-20

As we entered 2018, the world economy was dominated by discussions about the ‘future of work’; what impact would digitization and automation have, and what were the risks of rising protectionism in international trade and investment flows? This would be a very different macro-policy landscape from just three years ago.

The challenges facing Bahrain and our private sector are the same challenges facing economies, businesses and citizens across the region and around the world: how to maximize national economic resilience and corporate agility in an increasingly complex, dynamic and uncertain global economic environment. Positive economic growth may have returned in most markets around the world, but this is no less complex an environment in which to do business than it was in the years immediately following the Global Financial Challenges of 2008-09.

At Tamkeen, we see several key thematic challenges ahead for the private sector businesses in Bahrain and our labor market. Our ability, as Tamkeen and as a country, to meet these challenges will have a significant bearing on the success of our economy over the next three years. These thematic challenges are:

Growth
Accelerating growth by securing export trade for private sector businesses in Bahrain and expanding their market-reach;

Productivity
Working together across public and private sectors to boost productivity across the economy;

Innovation
Creating an innovation mindset across the private sector companies; and

Diversification
Building national economic resilience by continuing long-term efforts at diversification of our key economic sectors.
The Context for 2018-2020

Resilient national economic development & Agile companies and resistance
Bahrain’s ecosystem is undertaking a remarkable transformation to lay the seeds of a new dynamic technology and innovation-based economy. This transformation is driven by a rich and thriving ecosystem of startups, investors, accelerators, incubators, business networks, advisory and mentorship platforms.

As a small yet open economy, private sector businesses in Bahrain can find significant growth mostly through international exports and partnerships. This requires substantial expertise at identifying and securing international trade and investment opportunities, as well as taking advantage of franchise and licensing models.

This pillar defines the pace with which Tamkeen helps bring about innovation, efficiency and productivity improvements. To enable the positive transformation of the market, Tamkeen must provide easily accessible solutions that can drive profitable growth and talent development. In addition, Tamkeen will ensure that its products can enable customers to react to market and economic changes with agility and through a broad range of solutions. These include:

- **Review Tamkeen’s existing resources and processes to identify redundancies and eliminate bottlenecks to have a more streamlined, faster and simpler customer experience.**

- **Embedding dynamism into Tamkeen’s workflow through adoption of technology driven solutions.**

- **Restructure and enhance internal processes and systems to encourage growth of diverse product and solution portfolio that is relevant to that current strategic direction.**

- **Accelerate market entry for entrepreneurs and the growth potential of existing companies by offering products and support that reduce entry costs, providing access to productivity enhancements and minimize market complexities through provision of information and streamlining processes.**

- **Provide a faster, simpler and more accessible customer experience through physical and online channels.**
Over the course of the next three years, Tamkeen will expand the support services to private sector businesses operating in the kingdom to help them access and gain a strong global footing as well as growth opportunities.

A feasibility study conducted internally on the potential of franchising models found that while some sectors in Bahrain are dominated by foreign franchise players, however, opportunities exist in other key sectors / areas such as education, cleaning services and facilities management...etc. Furthermore, the report also highlighted that the participation of Bahraini SMEs in international franchising is limited to an extent, primarily related to awareness about potential opportunities, know how about the sector, and funding constraints.

Many studies conducted shed light on the fact that only a handful of Bahraini SMEs have been able to franchise out of Bahrain, due to an inadequate local enabling environment to take advantage of franchising opportunities. Finding international partners and potential customers remains a challenge. In response to these findings and feedback from our stakeholders, Tamkeen will increase training programs and advisory support services to help businesses in the private sector enhance their international expansion prospects.
Productivity

Securing incremental gains in productivity is the goal of all advanced economies in the world and yet is remarkably difficult to achieve and sustain. In order for our private sector to compete and win in a global marketplace, it is essential that private businesses in Bahrain provide not just excellent products and services but continue to secure productivity gains in order to develop their competitiveness in local and global markets over time.

By improving the skill levels of Bahraini workers through our certified training programs and helping private sector businesses invest in the latest equipment and technology, a number of Tamkeen’s products and services are already focused on the productivity challenge. Nevertheless, we believe more can and should be done.

Over the next three years, Tamkeen aspires to build a productivity ‘movement’ across the private sector – one driven by an awareness of the need and prospects to reduce costs and increase output per worker. This will include new initiatives to raise awareness and shift mindsets across the private sector about the importance of productivity. It will also include a renewed focus on customizing our solutions for clients and linking them to performance incentives so that Tamkeen plays a lead role in bringing about the adoption of practical initiatives and tools in the workplace to increase productivity.
Innovation

Innovation at the company level is the key to boosting both growth and productivity. When an innovation mindset and culture diffuse into an industry or the entire private sector, it can be a key driver for improving competitiveness and the creation of new high value jobs for citizens.

Over the past decade, key entities in the Kingdom, including Tamkeen, have taken a number of steps to create an innovation culture across our private sector:

- **New platforms like the Fintech initiative** were created to introduce private sector businesses to the latest technology trends and developments and encourage local innovation.

- **Expanded national efforts to attract foreign direct investment** - one of the key drivers for the localization of innovation through technology transfer, including the recent attraction of Amazon Web Services (AWS) to Bahrain.

- **Improved access to capital for SMEs** as well as access to venture capital for businesses in general through a few programs and partnerships, including those led by Tamkeen in cooperation with its partnering financial institutions.
Tamkeen is keen to build on these past achievements over the next three years. As we seek to build a broad-based innovation culture in Bahrain, we will look to:

- Expand our training programs to increase understanding of intellectual property rights;
- Leverage our convening power to help build more effective R&D partnerships between the private sector and universities;
- Utilise our financing programs to support R&D development within companies and
- Celebrate local innovation success stories by building recognition and awareness of local innovation leaders.
Diversification

While the financial services sector has been a success story for Bahrain in terms of direct contribution to GDP and employment, there is a growing need and concentrated push from various government entities to continue to diversify the Kingdom’s economy. With a growing youth population and increased economic competition, diversification is critical for the creation of employment opportunities within the private sector, and for a resilient economy.

Taking this into account, Tamkeen is keen to explore and enable a number of initiatives to accelerate economic diversification in the Kingdom. These include:

| Increase diversification of Tamkeen’s offerings and their customizability by catering to new sub-segments and underserved niche sectors. |
| Diversify the form of solutions that Tamkeen offers by expanding into investment and provision of market information. |
| Increased support for incubators and accelerators to de-risk start-up |
| Further ensure the access to financing and grant solutions for initiatives within priority sectors. |
| Continued emphasis on workforce diversity initiatives to build more inclusive work environments for women and youth across all sectors. |
| Ongoing support for the development of pioneering technological skills in sectors with strong regional and global emergence outlooks. |
Sustainability

We have recognized that we can help drive these improvements across Bahrain’s economy if our own organization is performing at its best, and if our portfolio of products and services successfully maintain their impact over time.

Through this pillar Tamkeen will enable a positive market transformation by increasing market focus on long-term impact driven and resource efficient models and solutions. Consequently, one of the key considerations in developing the strategy for 2018-2020 was how best Tamkeen can continue to improve its internal performance, and how our portfolio of products and services might be further optimized to achieve the outcomes we strive for.

We believe that the resilience and competitiveness of our economy considerably relies on raising the standards and functions of the private sector businesses and individual Bahraini citizens. These include:

- Enable customers to meet their current needs without compromising on their future objectives through enhancing awareness and engagements on topics of sustainable resource management and efficiency.
- Further enhancing Tamkeen’s overall transparency with the customers and expanding Tamkeen’s data management and analysis efforts.

These strategic choices for 2018-2020 are outlined in the following pages.
Our Strategy for 2018-2020

Goals and Aspirations
Over the past 12 years, Tamkeen’s purpose and core mandate did not change – which is to enrich the productivity and sustainable growth of individuals and businesses in Bahrain.

Desired Outcomes
To guide our activities throughout the 2018-2020 period, we believe that our mission can best be pursued by retaining a clear focus about how Tamkeen can contribute to the achievement of the four desired outcomes:

For Bahrain:
A resilient and competitive economy

For Businesses Operating in Bahrain:
Productive and innovative private-sector businesses driving the economy and successfully exporting abroad.

For Bahraini individuals:
Confident and skilled Bahrainis employed in and leading the growth of Bahrain’s economic development.

For Tamkeen:
A collaborative and customer-centric team of professionals delivering high-impact programs to Bahraini businesses and citizens.
Our Strategy for 2018-2020

Core Themes Guiding Our Efforts at Tamkeen

With these outcomes guiding our efforts to 2020 we believe there are three themes that must guide our mindset and actions as an organization:

**Diversify**

the base of customers we positively impact across Bahrain, including new segments of Bahraini society and companies across all stages of the business cycle evolution.

**Accelerate**

the pace at which we help bring about innovation, efficiency and productivity improvements that can drive profitable growth for businesses operating in the private sector of Bahrain.

**Sustain**

our internal efforts to make Tamkeen a more efficient and customer-centric organization.

These three themes are planned to transform the quality and scale of the positive impact we create for Bahrain through our programs and activities.
In order to gain the highest impact over the next three years, Tamkeen will continue to focus on the customer segments – both Bahraini citizens and businesses operating in Bahrain – we have previously identified. These are summarized below.

In response to feedback from our customers, our focus in the next 3 years is not simply redesigning our customer segmentation, but rather on further enhancing the customization of the products and services we offer to each of these segments (outlined in the next section of this strategy statement). As highlighted below, we are now clear about the sub-segments we seek to serve within both the business and citizen customer segment.

<table>
<thead>
<tr>
<th>Segments</th>
<th>Objectives</th>
<th>Sub-segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-ups</td>
<td>Foster entrepreneurship and the creation of innovative businesses to stimulate job creation and improve the standard of living.</td>
<td>- Ideation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Pre-startups</td>
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<tr>
<td></td>
<td></td>
<td>- Early stage</td>
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<tr>
<td></td>
<td></td>
<td>- Established start-ups</td>
</tr>
<tr>
<td>Scale-ups</td>
<td>Promote the sustainable development of existing enterprises to fuel growth.</td>
<td>- Local franchises</td>
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<tr>
<td></td>
<td></td>
<td>- Export ready businesses</td>
</tr>
<tr>
<td>Maturity</td>
<td>Encourage diversification and expansion within businesses to continue its sustainable growth and contribute on the economy.</td>
<td>- Large companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Family businesses</td>
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<tr>
<td></td>
<td></td>
<td>- Exporters</td>
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</tbody>
</table>
### Who we seek to help

#### Segmentation of Bahraini citizen segments

<table>
<thead>
<tr>
<th>Segments</th>
<th>Objectives</th>
<th>Sub-segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>Nurture and guide students to make optimal career choices to be aligned with the requirements of the labour market.</td>
<td>- High school students</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Higher education students</td>
</tr>
<tr>
<td>Job-seekers</td>
<td>Enhance occupational opportunities and maximize their employment potential.</td>
<td>- Below secondary certificate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New graduates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Joseekers with existing experience</td>
</tr>
<tr>
<td>Employees</td>
<td>Improve employees’ capabilities and encourage professional growth.</td>
<td>- Self-employed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Employed</td>
</tr>
</tbody>
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How We Create Value for Our Customers

Like all organizations, having a mission statement and a sense of the outcomes and contributions we are seeking to accomplish is vital but not enough. We also need to be clear about ‘why we do what we do’ and be constantly evaluating whether there are better ways to create the impact we seek.

Over the past 12 years of operation, Tamkeen has experimented with different tools and platforms to fulfill our mission and achieve the corporate objectives. We have learned a great deal from experience and from the feedback of our customers. The illustration below captures the ‘theory of impact’ that underpins Tamkeen’s business model and the strategy for the next three years.

Looking ahead, new tools and technologies will continue to emerge and create new opportunities for Tamkeen to adapt its impact model. We will remain open to evaluating and adopting new approaches, tools and technologies to help us maximize the value we can create for our customers.

Our Mission
Tamkeen enhances the productivity and sustainable growth of Bahraini individuals and businesses

The needs we seek to address

- Economic growth and competitiveness
- Probability of company
- Productivity and innovation
- The employability of, and quality jobs for, Bahrainis

Levels for Change

- Sustainable business model
- Better business practice
- High quality skills
- Improved access to finance

Our Impact model

- Customized Support programs combining:
  - Training
  - Finance
  - Investment
  - Market Intelligence
  - Access to networks
  - International standards of excellence and certifications

The Outcomes We Seek

1. A resilient and competitive economy.
2. Productive and innovative Bahraini companies driving the economy at home and successfully exporting abroad.
3. Confident and skilled Bahrainis employed in, and leading the growth of Bahraini’s economic development.
4. A collaborative and customer-centric team of professionals delivering high-impact programs to Bahraini businesses and citizens.
Feedback from Stakeholders and Challenges for Our Strategy

Tamkeen consulted extensively with internal staff and a wide range of external stakeholders in preparation for this strategy. The valuable perspectives and feedback that we collected reaffirmed what Tamkeen is doing well, and how we can continue to improve and amplify our impact in the coming years by enhancing existing products and services and by introducing new programs.

The key challenges and opportunities identified by our stakeholders can be grouped into seven themes. This feedback has had a key role in informing our strategic choices and priorities for 2018-2020.

Organizational Performance and Accountability
- improving how we operate as an organization and team;

Program Efficacy
- strengthening the design and financial integrity of each program offered by Tamkeen;

Portfolio Programming
- improvements in what Tamkeen currently offers to its customers;

Customer Experience
- upgrading the quality and timeliness of our deliverables to customers;

Active Investing
- a new and expanded approach to Tamkeen’s investment activities;

Advocacy and Outreach
- extending awareness of Tamkeen’s mission and services.

Social Impact
- deepening Tamkeen’s role as an integrator across Bahrain’s private sector and the economy.
1. Improving Our Existing Portfolio of Products and Services

Over the past 12 years of Tamkeen’s development as an organization and as a catalyst for economic development and labor market competitiveness in Bahrain, the nature and breadth of our portfolio of products and services has changed. This is a positive reflection of the organization’s capacity to listen and embrace customer feedback and adapt to changing market conditions.

As outlined earlier, the key focus of the 2015-17 strategy period was to complement customization of Tamkeen’s offered product and services to better target the needs of six core market segments. The feedback we received from customers, as part of the process of formulating the 2018-2020 strategy, is that we have been successful at meeting the suggested changes, but further customization of solutions is more desirable.

Building on the progress of the past three years, Tamkeen will continue to raise the staff’s capacity to partner closely with customers, and to design and provide unique solutions for each customer. We will use our suite of products and services as modules or ‘building blocks’ for customized solutions.

Our customers understand that we are facing a dynamic global and domestic business environment presenting significant challenges due to a regulated market access and technology evolution. Tamkeen’s portfolio of products and services is intended to be able to empower them to meet those challenges, particularly on critical business dimensions such as innovation, productivity and access to international markets for export-trade.

With the intention of meeting this necessity, Tamkeen has continued to innovate, design, and launch new programs for both individuals and businesses, jointly with new international content and delivery partnerships to provide -
1. Improving Our Existing Portfolio of Products and Services

An expanded range of coaching and mentoring programs;

A ‘matching service’ to help micro and small enterprises find business opportunities in the marketplace; and

More support for pre-start-up phase companies and for financially distressed businesses.

Moreover, Tamkeen is raising awareness about employment opportunities in a wider range of sectors, as well as help to build the skills necessary for these sectors by focusing on the delivery of customized training for citizens as per the expressed opinions and suggestions.
2. Expanding Tamkeen’s Investment Activities

Tamkeen’s stakeholders have proposed that the organization explore methods that play a more proactive and ‘catalytic’ role in the development of the private sector. Tamkeen is well-placed to leverage its knowledge and professional networks across the public and private sectors, and to actively stimulate new business formation and better-quality business-to-business connections both inside Bahrain and abroad.

Hence, we will be utilizing and capitalizing our investment mandate in a pivotal manner to invest in foundations of the ecosystem to stir new ventures and support the employment of Bahrainis across various sectors.
3. Enhancing the Customer Experience

As a principle of service provision, Tamkeen continues improving the standards of delivery to clients. It has consistently provided high quality services in a timely manner. And with respect to the reoccurring feedback from our customers, we have been able to progress with the following:

**First**
Created and codified specific customer service parameters to establish clear and measurable standards of excellence.

**Second**
To better position ourselves and formalize a customized suite of products and services to meet their needs, we had to improve our approach - where we partnered with our customers (individuals and businesses) and proactively helped them craft customized solutions for their projects after studying the specific nature of their challenges.

**Third**
After customers had expressed a desire for a more consistent level of engagement with Tamkeen, we developed a stronger relationship management culture within the organization, along with a single point-of-contact customer service model.

**Fourth**
Customers acknowledged the improvements in our customer services over the past three years - particularly the introduction of new online application capabilities which provided them with an improved end-user experience through:
- Faster application and payment processing times.
- Simpler application forms that are easier to complete.
- More transparency on the end-to-end process (from inquiry, to application, to decision) and more frequent communication on the status of applications.
- Greater consistency in the information and advice provided to customers.
4. Strengthening Program Efficacy

Our stakeholders have acknowledged that significant improvements have been made in the oversight and financial control of Tamkeen’s programs, and we have reached the consensus on minimizing fraudulent misuse of the programs and the available financial support.

In light of this, each program’s eligibility and participation ‘Terms and Conditions’ have been modified to clearly communicate the information to applicants, and we have introduced stronger monitoring and enforcement mechanisms to counter the risk of any potential misuse.
5. Improving Organizational Performance and Accountability

The consultation process organized to develop this strategy included extensive internal interviews and workshops with Tamkeen’s staff, as well as with our customers and other stakeholders. This process has been a valuable opportunity to gather an all-encompassing ‘360-degree’ feedback on the performance of Tamkeen as an organization, and compile suggestions as to how we can continue to evolve and improve as a team.

Several core themes emerged from the feedback received from our staff, customers and other partners/stakeholders both locally and internationally with whom we interact on a regular basis:

1. The need to continue to develop a more customer-centric model and culture at Tamkeen. We have stationed the customer at the center of our tending and process design and built a stronger, relationship-oriented (as opposed to transaction-oriented) approach to customer service.

2. A rigorous and transparent performance management has been implemented of our people and programs. The specific suggestions we received with respect to facilitating performance management were taken into account as follows:

- Developing a clearer and more comprehensive framework of Key Performance Indicators (KPIs) for tracking our activities and outputs, and our final impact (outcomes) for customers and for Bahrain.

- More systematic and frequent collection of customer feedback across the life-cycle of their interactions with Tamkeen – from first point of contact through the application process, and then once they have received the benefits of our products and services.

- All performance, impact assessments as well as other studies and reports will be shared with the public to enhance accountability and transparency with Tamkeen stakeholders.

3. Fourth, to achieve all these outcomes, Tamkeen continues to invest in the training and professional development of its staff. Priority training requirements identified by staff were:

- Sector awareness and knowledge building.

- Relationship management skills.

- Training on standards of excellence and quality management.
6. Extending Our Advocacy and Outreach Efforts

Feedback from customers and other stakeholders suggest that Tamkeen’s mandate is now well understood across the business community and among Bahraini citizens. The recent upgrade of Tamkeen’s website to proactively explain the details of each major program and the way in which they can be customized to individual needs and circumstances have been of great assistance.

Attendance at Tamkeen information sessions and engagement events has been growing for businesses and individuals, particularly businesses in smaller sectors and other underserved segments of the society.
7. Expanding Our Social Impact as the Integrator Across Bahrain’s Labor Market

Based on our past performance and the extent of our reach and networks across the private sector, Tamkeen has strengthened its capacity to act as an ‘integrator’ across Bahrain’s labor market and broader economic system. This came after our stakeholders underscored the need for Tamkeen to improve its skills and efficiency at bringing public and private sector stakeholders closer together for the benefit of the whole economy.

Our stakeholders have noted that the market trend and sector reports – in addition to the labor-demand and gap-analysis studies prepared by Tamkeen – are highly valued. Due to their significance, we are frequently updating and sharing the reports.

In preparation for these reports, consultations across the industries have been more effectively structured and managed.
The majority of Tamkeen’s current programs will be continued over the next three years, with some expected to expand considering a growing customer interest. Moreover, additional new products and services will be added to the portfolio, in particular, a new suite of investment programs that are outlined in more detail below.

**Programs for Bahraini Citizens**

**Ongoing Programs**
Tamkeen has always had training and employment support at the core of its activities and has contributed to the development and training of more than 125,000 individuals since 2006. We will continue to focus on preparing and enabling our youth to enter the workforce, strengthen the employability of jobseekers, and supporting the career advancement of existing employees in the workforce.

The programs that will continue as core parts of our employment support portfolio to Bahraini citizens include:

- **Training & Wage Support**
- **Works Ethics Campaigns**
- **Business Plan Competition Support**
- **Professional Cerification Support**
- **Employability & Internship Support**
- **Employment Support scheme**
- **Basic Skills**
- **Customized Individual Support Solutions**
Major New Programs: Internships and Apprenticeships

We will further invest in several new programs and initiatives focused on vocational training to reach a larger number of Bahraini youth and job seekers.

The cornerstone of this increased focus on vocational training will be:
- Leveraging Tamkeen’s new sector teams to provide a stronger focus on sector-specific and skills gap driven initiatives.
- Increased funding for an expanded suite of courses and programs.
- Design new internship and apprenticeship programs to help Bahraini youth acquire and develop practical, on-the-job skills for better opportunities and exposure to the workplace.
- To reach more young Bahrainis by increasing marketing and awareness of individual support programs and further enhance the flexibility and customizability in the training and wage support schemes.

As such, our core enterprise support programs will continue to include:

Business development co-financing support for a wide range of business equipment, consulting services, and marketing and business development activities.

Training and wage support programs for the employment of Bahraini individuals.

Financing support programs, including micro-finance support (up to BD 10,000), the Tamweel financing support program (up to BD 500,000) and Tamweel+ financing support program (up to BD 2,500,000).

The Riyadat women business owners financing program (up to BD100,000).

International placement support programs for employees.

Business mentorship programs.

Etc..
**Expanding Products and Services**

Based on the demand trends over the past three years and the customer feedback we received in preparation for this strategy process, we intend to expand several core products and services over the coming three years.

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<tr>
<th>Product or Service</th>
<th>Rationale</th>
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<tr>
<td><strong>Increased Support for Business Incubation Services</strong></td>
<td>- Feedback highlights a strong ongoing interest in incubation support services among Bahraini SMEs;</td>
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<td>- Through both direct equity investment in incubators and greater leveraging of Tamkeen's existing relationships, we will expand the services and support we provide to early-stage and scaling start-ups.</td>
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<td><strong>Greater Customization of Business Support Programs</strong></td>
<td>- Feedback also highlighted that an underserved segment of the private sector businesses are those facing financial difficulty;</td>
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<td>- Tamkeen will work with its advisory and financial service partners to develop new support programs for financially constrained businesses.</td>
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<td><strong>Expansion of Tamkeen’s Market Research and Business Intelligence Advisory Services</strong></td>
<td>- Our customers have also expressed a desire for higher quality market research and business intelligence products to inform their decision-making.</td>
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<td>- Tamkeen will invest additional financial resources to improve the quality, timeliness and accessibility of the market research.</td>
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<td>- This will include creating a business intelligence portal as well as a roster of events, conferences and tradeshows for Bahrain's private sector businesses in close collaboration with our partners.</td>
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Tamkeen’s portfolio of products and services for 2018-2020

Major New Programs to Support Businesses Operating in Bahrain
In accordance with our overall objective of strengthening on our experiences in customer centricity to amplify Tamkeen’s impact over the 2018-2020 period, several new strategic programs and initiatives will be launched over the coming three years:

- Investments by Tamkeen in high potential or strategic private sector businesses and initiatives linked to Tamkeen’s objectives with the aim of supporting the private sector’s growth and ability to generate new business and employment opportunities.

- Initiatives to improve ‘access to finance’ for businesses at all phases.

- Access to the export market and accompanying development support services.

- Productivity and innovation knowledge-sharing and incentive programs.

New strategic programs and initiatives
Investments into high potential companies and projects

The most significant new aspect of Tamkeen’s activities in 2018-2020 will be the introduction of direct investment activities as a supplemental tool to achieve Tamkeen’s strategic objectives as well as to expand and intensify the level of active support we can provide to Bahrain's private sector.

The overarching goal is to help Bahrain build a resilient and competitive economy and in order to achieve that, businesses operating in Bahrain must be sustainably productive, innovative, competitive and profitable. As part of this new investment program, Tamkeen will also invest in companies and ventures that seek to enhance the overall 'enabling environment' for businesses in Bahrain.

Access to finance initiatives, and other incentives for new and existing businesses

One of our objectives is to improve access to finance for businesses in Bahrain, either through direct investments or financing with our partner financial institutions.

Access to finance for SMEs has been internationally recognized as a major barrier to economic growth, job creation, and competitiveness. This is a particularly significant challenge for SMEs for whom traditional bank financing is usually constrained because of lack of collateral assets, limited capital, insufficient cashflows .. etc. Therefore, SME’s typically experience limited access to finance for their businesses. As a result, Tamkeen will introduce new programs and initiatives to help improve access to finance for businesses at all stages with an aim to support the business ecosystem.

At an early-stage, access to financing is pivotal for supporting the emergence of new sectors of our economy, including those based on technological innovations such as Bahrain’s emerging fintech ecosystem. By leveraging the combination of its financial capital, knowledge networks, and strategic partnerships, Tamkeen can amplify the impact it creates for its business customers and the economy.
Productivity and innovation knowledge-sharing and incentives program

To ensure greater levels of competitiveness, Tamkeen needs to play a more proactive role in encouraging productivity and creating a culture of innovation within the private sector. The common misperception is that innovation implies the adoption of advanced digital technologies, and therefore, is limited to ‘high tech’ sectors. In our view, innovation should occur across the economy – not confined to high-tech sectors, or limited to the use of digital technologies. The introduction of new operative processes or materials into a manufacturing business is as innovative as a new app or digital technology in the IT or banking sectors.

We will be focusing on our strengths – such as regional connectivity – and address gaps in the business enabling environment – such as intellectual property rights. This would then attract international capital providers such as private equity firms into Bahrain, leveraging the broader financial services infrastructure for which the kingdom is already widely recognized. This will support the national efforts in building an innovation culture within and across the private sector.

Consistent with the guiding themes outlined in this strategy, Tamkeen’s approach to driving productivity gains and developing an innovation mindset in our private sector will be multifaceted and focused on building an enabling ecosystem for innovation:

First, we will focus on supporting private-sector businesses in their effort to identify and adopt new processes and technologies in their business.

Second, we will develop, through domestic and international partnerships - new training and incentive schemes to encourage higher levels of company spending on R&D.

Third, we will evaluate the merit of investing into the creation or scaling of research centres within Bahrain’s universities and scientific institutions on a case-by-case basis to upgrade the broader ‘enabling environment’.
Tamkeen’s portfolio of products and services for 2018-2020

Export market access and development support
As a small, open economy in a dynamic regional and global economy, Bahrain’s long-term economic success must draw from being a successful exporter of goods and services valued by growing international demands.

Businesses in Bahrain have conveyed that they are looking for more support initiatives from Tamkeen and industry associations. Essential elements of boosting our export success is related to understanding macro-industry trends, market accessibility, political risks, and regulatory arrangements, as well as new business models for overseas growth and specific business intelligence on potential partners.

Export understanding and skill development:
We will seek to develop new advisory and training programs to improve the readiness within businesses and their workforce for exporting.

Network building:
Tamkeen will seek to invest in or otherwise support trade-shows and exhibitions to help businesses in Bahrain meet and build relationships with potential foreign partners and buyers.

Awareness and utilisation of franchising models:
franchising is a popular vehicle for penetrating international markets. Many foreign-owned franchises are present in Bahrain, particularly in the retail sector, and yet few businesses in Bahrain have successfully franchised their products and services abroad. Tamkeen will attempt to build the understanding and confidence of businesses in Bahrain to manage opportunities to adopt franchising and licensing models.

Export financing support:
We will set-out to use our grant-making and investment platforms to provide a range of financial products to help offset the direct costs and risks associated with exporting abroad.

Tamkeen is committed to improving its capacity to serve Bahrain’s private sector as a focal point or hub for market studies and business intelligence. Four other areas of focus will be priorities for the next three years as we work with our partners from the government and the private sector to build a strong export support framework for businesses in Bahrain:
Given the challenges and opportunities ahead, we are confident that this expanded portfolio of products and services will meet the growing needs of Bahraini citizens and the businesses in the country and achieve the national economic outcomes outlined in this strategy. Our commitment to serve the six customer segments that lie at the heart of this strategy is cemented.
Desired Outcomes and Impact Measures

As documented earlier, Tamkeen’s mission is to consistently advance the four core outcomes. It is important to note that Tamkeen cannot achieve all these outcomes alone, many of which are enduring challenges that extend well beyond the three-year timeframe of this strategy. They simply constitute the ‘goal posts’ we must aim for, and out of necessity collaborate with other relevant entities, business associates, the private-sector, and Bahraini citizens to achieve them together.

For Bahrain:
A resilient and competitive economy
a. Tamkeen’s contribution to achieving the outcomes of Economic Vision 2030 and the Government Programme, including a more diversified and competitive economy.
b. Improved private sector productivity as a result of Tamkeen’s support.
c. Strong market appeal of Bahrain as reflected in the growing domestic and foreign investments.

For Businesses in Bahrain:
Productive and innovative Bahraini companies driving the economy and successfully exporting abroad.

a. Improved corporate profitability for businesses in Bahrain.
b. Increased export success among businesses in Bahrain.
c. Greater resilience of businesses in Bahrain and the capacity to adapt to domestic and international market regulatory changes and market conditions.

For Bahraini individuals:
Skilled Bahrainis employed in, and leading the growth of, Bahrain’s economic development.

a. Increased use of Tamkeen’s products and services across all sectors and a wider range of businesses operating in Bahrain at different stages of their corporate evolution.
b. Labour market participation rates among Bahraini citizens.
c. Wage growth for Bahraini private sector workers.