

## To Help Small Businesses, Dominican Republic Thinks Big



In Santo Domingo, two dozen small businesses recently completed a new educational program designed by the Cisco® [Internet Business Solutions Group \(IBSG\)](#) and delivered with the help of partners. Its aim: help small businesses better understand how to benefit from information and communication technology (ICT). The program walked participants through advanced business concepts and technology strategies. Upon completion, program graduates came away with a specific plan for strengthening their businesses and transforming their organizations. With business booming in the Dominican Republic, programs such as this are helping to stimulate country transformation in the island nation's most promising job sector—small business.

A mango grower. A health-food store. A furniture maker. These are but a few of the two dozen small businesses in the Dominican Republic that have recently participated in a unique education program designed to help entrepreneurs get more from ICT. The iExecutive Education Program, conceived by Cisco IBSG and delivered through the cooperation of the government, a university, a technology institute, and local business partners, could show the way to increased prosperity for scores of companies in this Caribbean nation at a time when they need it most. Here's why.



Cisco Internet Business Solutions Group (IBSG)

Having recovered from a financial crisis in 2003, the Dominican Republic finds itself at a crossroads as a nation. Its economy, once dominated by large producers of sugar cane, coffee, and cotton, now produces more receipts from tourism than anything else. That has led to an explosion in the services economy. According to the U.S. *CIA World Factbook*, services composed 58.2 percent of the nation's gross domestic product (GDP) in 2006, more than agriculture and manufacturing combined. The success of the tourism industry helped grow GDP in this nation by 7 percent last year—among the highest in the region.

But the rise of tourism has ushered in great change, not all of which has been easy to digest. For example, despite the booming economy, unemployment remains high; it totaled 16 percent last year.

The shift to a services economy has also reduced reliance on large employers in the Dominican Republic. Now small entrepreneurs are seen as the future stars of the economic scene. According to the government, small and medium companies account for 27 percent of the nation's GDP. Together, they employ more than 1 million workers. While they are endlessly creative and innovative, many don't have formal education or training to work in the new, digitally enabled, global economy. They worry about competition from large companies in the United States and Mexico, and from other island nations, too.

### Where Cisco Plays a Role

That's where the new education program sponsored by Cisco is helping to lend a hand. Working in conjunction with its partners, Instituto Dominicano de las Telecomunicaciones (INDOTEL), Instituto Tecnológico de Santo Domingo (INTEC), and Instituto Tecnológico de Las Américas (ITLA), Cisco recently completed its first round of entrepreneur training in the capital city of Santo Domingo. The goal was to give small companies ideas for incorporating ICT in their businesses. Participants were recruited from a variety of organizations that belong to the Conferederacion de Pequeñas y Medianas Empresas (CODOPYME), a local trade group for small businesses. Among other things, the education showed small businesses how to develop strategies to use ICT to improve business processes, create new business value, and reach global markets. While the Internet is becoming increasingly popular here, only one in 10 uses the Internet today. Among SMBs, in particular, technology adoption is still at an early stage.

Cisco and its partners are trying to show how the Internet can help small businesses become more competitive. The education is focused on showing small-business owners and managers how to transform business processes and improve efficiency using ICT through a practical, hands-on approach. Over several weeks, participants in the iExecutive Education Program were asked to examine their companies and were shown how to streamline business processes, connect to larger value chains to reduce costs and increase sales, and improve the visibility and branding of their companies. At the end of the 40-hour program, the participants emerged with a business case for implementing new capabilities using the Internet. The program covers basic business fundamentals and strategies for using ICT as an enabler of people and processes.

One of the participants that benefited from the education was the Mango Producers Cluster, a farmers cooperative that is pursuing several technology initiatives. “Who would have thought that [ICT] would make mango harvesting more effective?” says Máximo Jerez, a director with the Cluster Del Mango Dominicano. “Internal and external analysis of our companies with all these experiences expands our horizons and strengthens our enterprising spirit, which will bring to life ideas that today are only investment projects.”

Partners obviously have played a key role in helping small companies achieve their goals. “The opportunity to join Cisco, INDOTEL, and ITLA in this outstanding program has helped us to recognize the role of ICT in the successful management of SMBs,” says Dr. Miguel J. Escala, dean of INTEC. As for the new Cisco training, he believes participants have gained knowledge. “The participating SMBs had the opportunity to grow, update, and implement tools, gaining competitive capabilities.”

Others who participated in the training hope Cisco and its allies extend training deeper into the countryside. At the graduation event in Santa Domingo, for example, a representative from a small business guild in San Pedro de Macorís asked that the program be replicated in his area as soon as possible.

Nothing can be done overnight, but Cisco and its allies are encouraged by the possibilities and eager to see the program expanded. “The government is very interested in this initiative because we believe it will make our small businesses more competitive and prosperous, which is the key to growing the number of people they can employ,” said Dr. Jose Rafael Vargas, president of INDOTEL. He adds that President Leonel Fernández has great interest in small and medium companies because of the sector’s potential to create jobs to benefit the population. Education obviously will play a key role—not just for businesses, but for citizens, too.

Last summer, Cisco conducted an assessment of the Dominican educational system and held a transformation workshop at the Presidential Palace in Santo Domingo with President Fernández himself and 22 other participants, including four ministers and other key leaders. The event brought together the key stakeholders of education in the Dominican Republic, including key NGOs and administrators from both the public and private sectors who are pooling their efforts to make educational reform a reality here.

If successful, the education and small business initiatives could be the springboard for additional work to follow.

### For More Information

For more information about Cisco’s efforts in Latin America, go to:

[www.redaccionvirtual.com/redaccion/default.asp](http://www.redaccionvirtual.com/redaccion/default.asp)

For more information about Cisco’s efforts in Emerging Markets, visit:

[www.in.cisco.com/emerging/index.shtml](http://www.in.cisco.com/emerging/index.shtml).

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### More Information

The Cisco Internet Business Solutions Group (IBSG), the global strategic consulting arm of Cisco, helps Global Fortune 500 companies and public organizations transform the way they do business—first by designing innovative business processes, and then by integrating advanced technologies into visionary roadmaps that improve customer experience and revenue growth.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>

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**Americas Headquarters**  
Cisco Systems, Inc.  
170 West Tasman Drive  
San Jose, CA 95134-1706  
USA  
[www.cisco.com](http://www.cisco.com)  
Tel: 408 526-4000  
800 553-NETS (6387)  
Fax: 408 527-0883

**Asia Pacific Headquarters**  
Cisco Systems, Inc.  
168 Robinson Road  
#28-01 Capital Tower  
Singapore 068912  
[www.cisco.com](http://www.cisco.com)  
Tel: +65 6317 7777  
Fax: +65 6317 7799

**Europe Headquarters**  
Cisco Systems International BV  
Haarlerbergpark  
Haarlerbergweg 13-19  
1101 CH Amsterdam  
The Netherlands  
[www-europe.cisco.com](http://www-europe.cisco.com)  
Tel: +31 0 800 020 0791  
Fax: +31 0 20 357 1100

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C36-396186-00 0307