

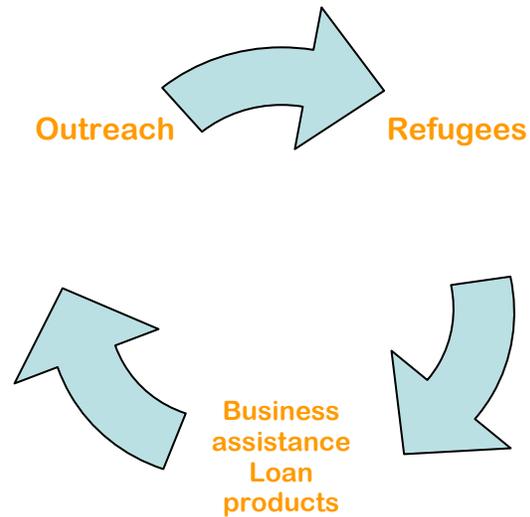
# **Focused Outreach in Refugee Microenterprise Field**

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*Identifying refugees already in business or ready to start business through market  
segmentation principles*

Refugee Microenterprise programs work in dynamic and diverse environments. Over the last 10-15 years RME programs have developed varied strategies to reach numerous ethnic groups: from Bosnians and Russians in late 90s to Sudanese and Burundi in 2000. Outreach strategies have changed, refocused and been refined over the course of the years. In the early years, programs were casting wide nets over the total refugee population, reaching out to resettlement agencies, ESOL schools and places which first assisted refugees on arrival. Over the long run, this strategy did prove to be effective as programs benefited from clients coming back after a couple of years when they were ready to start business. It did not, however, help with shorter term results. Furthermore beginning in the late 1990s the Refugee Microenterprise field began to move away from training led models and towards credit led models that focus on lending outcomes and efficient service delivery, lowering the cost of business outcomes. With a focus on credit led programming, outreach towards business ready clients is a critical component for a successful operation. Microenterprise programs which did not meet their proposal objectives had little success in focused outreach. A simple explanation would be that they most likely had smaller refugee population to work with, but then there are agencies, like StartSmart in Portland Maine, which work in areas with a small refugee population and they did assist a substantial number of refugee owned and operated businesses. Another explanation would be that they did not outreach simply to refugees, but rather determined and set up systems in their operation that catered more to business ready refugee



### ***Who are business ready refugees?***

Refugee entrepreneurs are usually very eager to start a business as soon as possible, and although microenterprise practitioners appreciate that, the question is how do we determine if a refugee client is business ready? Looking in the historical data available in the field, business ready refugee entrepreneurs emerge as more likely as males, who have been in the United States two or more years, and have basic English language skills. Out of this group, a quick look at successful clients identifies the following characteristics:

- Realistic expectations (income potential, competition, rate of growth, time commitment)
- Feasible business idea (need, demand, market size)

- Skills or know how (prior experience, transferable skills)
- Financing options (personal , family and friends, loans)
- No major barriers (health, family, financial)

### ***Where are Business Ready Refugees?***

As mentioned earlier, this group will mostly be within a larger group “2+ years away from initial resettlement”. It is most likely that resettlement agencies and ESOL schools will have lost track of them. Instead, they will develop their business and social networks. Within these networks, we can first see how we can find reach 2+ years resettled group.

- Phone companies serving immigrants - usually smaller, offering low international rates, advertised in the ethnic media
- Small ethnic travel agencies - not necessary in the area, advertised in the ethnic newspapers
- Ethnic Newspapers via mailing lists
- Translators and interpreters (general, medical and legal)
- Tax Preparers
- Ethnic Communities, MAAs
- Churches/Mosques/Temples
- Real Estate Agents
- Community (evening) ESOL, citizenship courses
- Places of employment (nursing homes, manufacturing, assembly)
- Employment services
- Business transferring money internationally
- Web based ethnic social networks
- Ethnic businesses (retail, restaurants, car repair, car dealers, real estate)

### ***◆Some are very ready, some are not...***

Refugee Entrepreneurs may be in different stages of starting business: some will be looking for an opportunity, some are still working part time and some will be looking to expand. Most of them will respond to the general message “Do you need money?” as World Relief program noticed when they mailed this simple message to their target market. That message can be refined along the lines of different segment groups with different needs. The basic four groups will include:

Part time (formally or informally) in a business	FT in business & needs to grow
Getting trained/licensed for a trade	FT employed, want a part time business

### **1. Part Time (formally or informally) in a business**

Most refugees need to supplement employment income with part-time employment or self-employment and may be more inclined to try self –employment. Some of them will be fixing friends cars, or cleaning houses, or selling various products on an occasional basis. They will be most concerned with access to customers.

Outreach Technique: Fliers, general outreach through target Ethnic Community distributed in successful ethnic business spots, ethnic restaurants, ethnic gathering spots, community centers, churches/worship centers

Advertising Messages: “Pros/Cons of part-time business” “Low Risk Businesses” “1000s of refugees/immigrants have succeeded in America” ‘Success Stories’ “Advantages of Home Based Businesses” “Growing Your Part Time Business” “Do you need tools/truck/equipment for your small business?”

Selling: Business Assistance, Starter Loans, Stepping Loans.

## **2. Full-time in business & need to grow**

Stagnating or “with potential to grow businesses” will likely be in the lower income brackets and in need of additional cash. It will be up to a program to understand if a business is not growing due to lack of capital or if there are some other reasons.

Outreach Technique: through other businesses, referral from current clients, targeted fliers, ads, brochures, visits.

Advertising ideas: “Success stories” “Other successful businesses from the same ethnic group” “No Growth without Investment” “Do you need tools/truck/equipment for your small business?” “Money Breeds Money” “Business Directory”

Selling: Express Loans, Cash flow solutions



## **3. Full time employed ready to try a part time business**

After a couple of years of employment, refugees realize that their wages are not enough to cover housing and educational costs. They usually consider two options: another part time job or a part time business. They are more likely to be interested in self-employment. They will be interested in business development specifics.

Outreach Technique: General advertising in native language, ethnic newspapers, and communities

Advertising ideas: “Family Business” “Work from your own Hours” “Paycheck is steady, not enough” “Advantages of Home Based/Part time Businesses” “Pros/Cons of Part-time Business” “Low Risk Business Start” “1000s of refugees/immigrants have succeeded in America” “Success Stories” “Business is risky, but there is no security in employment either”

Selling: Affordable loans and business consulting (TA), workshops (How to open a cleaning business)

#### 4. Getting trained/licensed for a trade

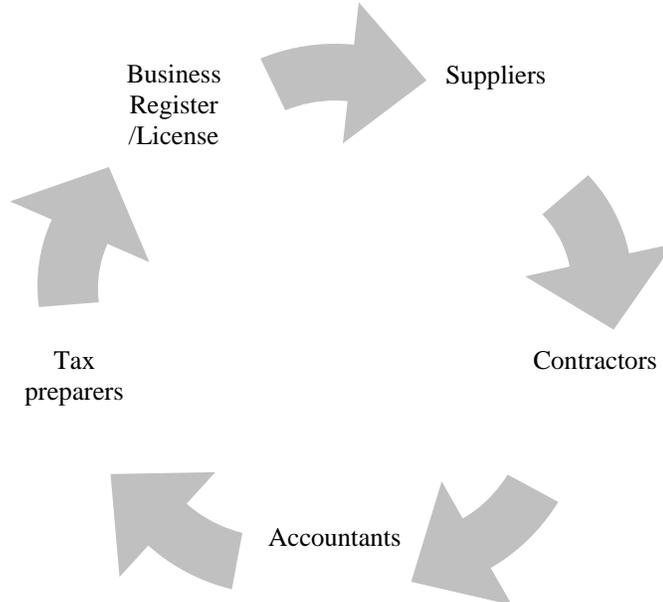
Outreach Technique: licensing schools/courses, technical programs, community colleges, community programs. The most common ones are: Cosmetology, electrical, plumbing, car-related trades.

Advertising Ideas: Advertise through/with the Licensing Office, Licensing Schools and Community Education, places of licensed business who have apprenticeship or hire subcontractors.

Selling: A package: Start Up Loans plus “10 steps to start a XX business”

#### ◆*Reach them in their business activities*

Within these market segments, there will still be a number of refugee entrepreneurs already in business or just about to start business, who will not see your marketing messages, or will not respond to them. They can be reached at various points of their business:



County business/Fictitious name registration list (Available on line some counties) For example: in Santa Clara County, CA, on 1/4/2006 there were 104 new business names registered.

City Business License Office (if applicable). They may share or sell the licensee list or help you advertise through them.

Suppliers (construction, beauty supplies, car auctions, junkyards, wholesalers)

Companies hiring sub-contractors: taxi companies, nail salons, general construction companies, trucking businesses, translation businesses, larger cleaning businesses.

Accountants and Tax Preparers: There are usually a couple of tax –preparers in each ethnic community who file taxes for majority of the community.

#### ◆ *Accelerate word-of-mouth*

Word-of-mouth (WOM) is the strongest (and slowest) promotional activity in the refugee communities. To speed it up, programs need to personally engage key influencers in the communities – unofficial or official leaders, faith leaders, successful businessmen, teachers, professionals etc. Building your business through word-of-mouth is about cultivating relationships with people who get to know you and trust you. However, spreading word-of-mouth about lending may be hard in some communities where people do not brag that they ‘had’ to borrow the money, which is then interpreted that they do not make enough.



Another proven technique for WOM Marketing is hiring an Outreach Specialist who needs to be an influencer and a person of positive social standing. Be sure to check credentials and reputation carefully. If your Outreach Specialist is not an influencer, your messages will be ignored.

#### ◆ *Does your target market understand your messages?*

Promotional materials too often speak the internal jargon of microenterprise. If translated, they get turn into Anglicized version of English message. Here are a couple of tips:

Avoid

Use

- ◇ Technical assistance = consulting
- ◇ Microenterprise = small business

◇ Enterprise = business

- ◇ Entrepreneur= businessman
- ◇ Entrepreneurial = business minded
- ◇ Non for profit =government assisted

Have simple answers for questions: What is a non-for profit? Why are you helping refugees?

Use simple language, simple message

Use native language proverbs or idioms

Use pictures of previous clients

Create directory of businesses started

Have pictures of clients displayed in the office

Word FREE always attracts attention

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