

**5<sup>TH</sup> ANNUAL MSBM**  
**ROUNDTABLE**  
MONA VISITORS' LODGE & CONFERENCE CENTRE



**TRANSFORMING ORGANIZATIONS FOR GROWTH**

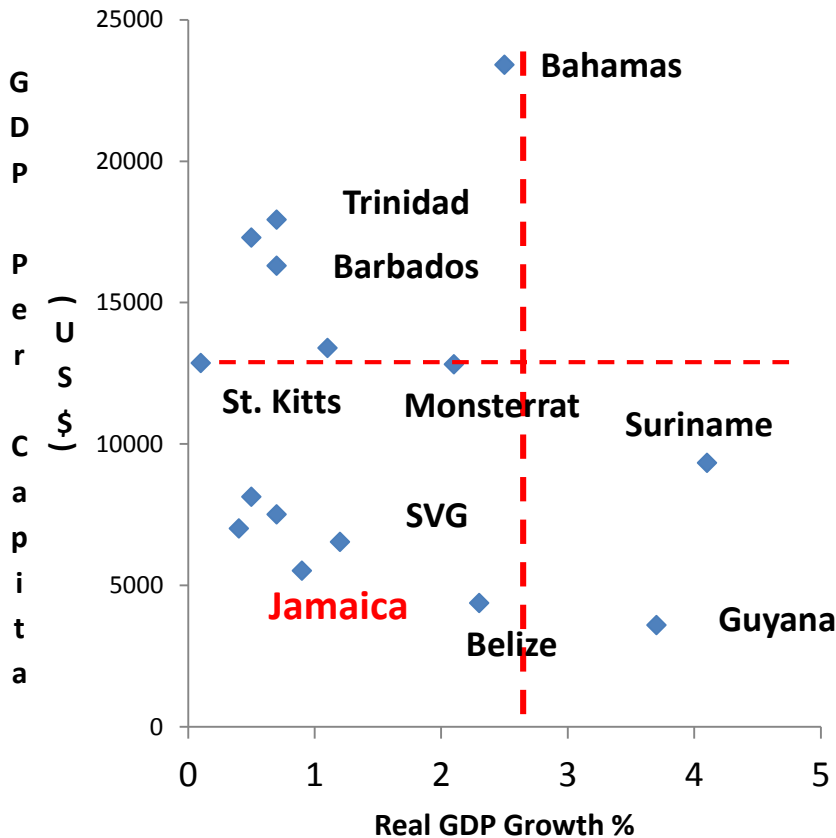
# Increasing Business Productivity in Jamaica

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WEDNESDAY  
**JUNE 18**  
2014  
7:00AM-10:30AM

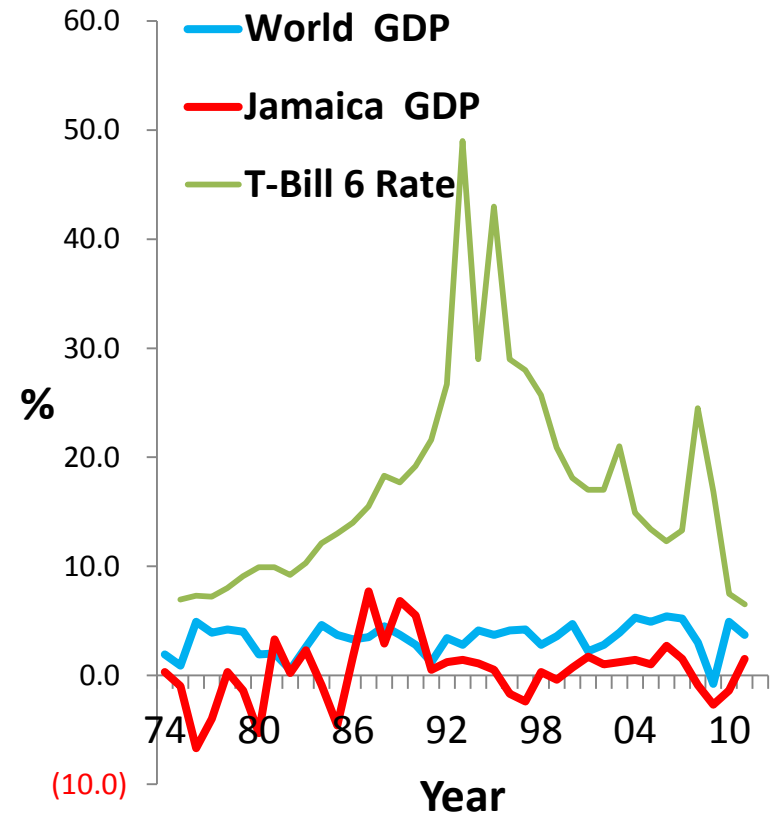
# Weak Jamaican Economy

## Low Output



Reference: IMF, Feb. 20, 2013

## Low Growth Rate



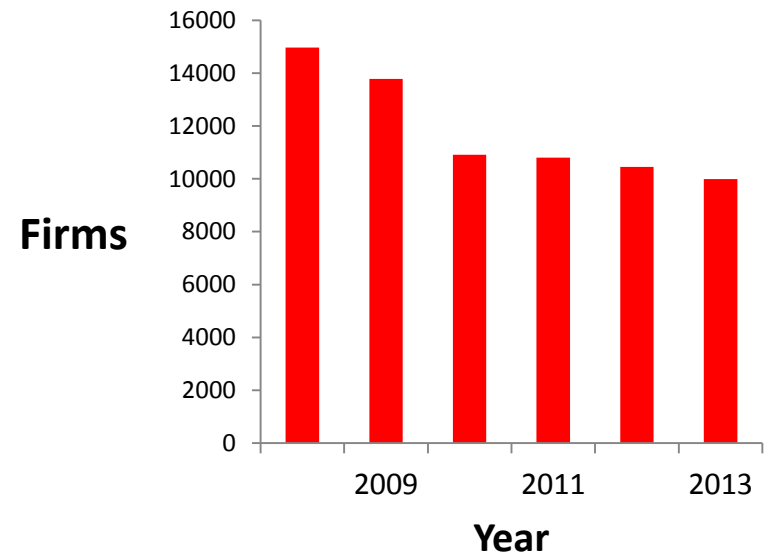
Data Source: PIOJ Annual Reports

# Alarming Business Distress

## Fewer Small Firms Filing GCT Returns

## Many JSE Firms Report Losses (1969-2013)

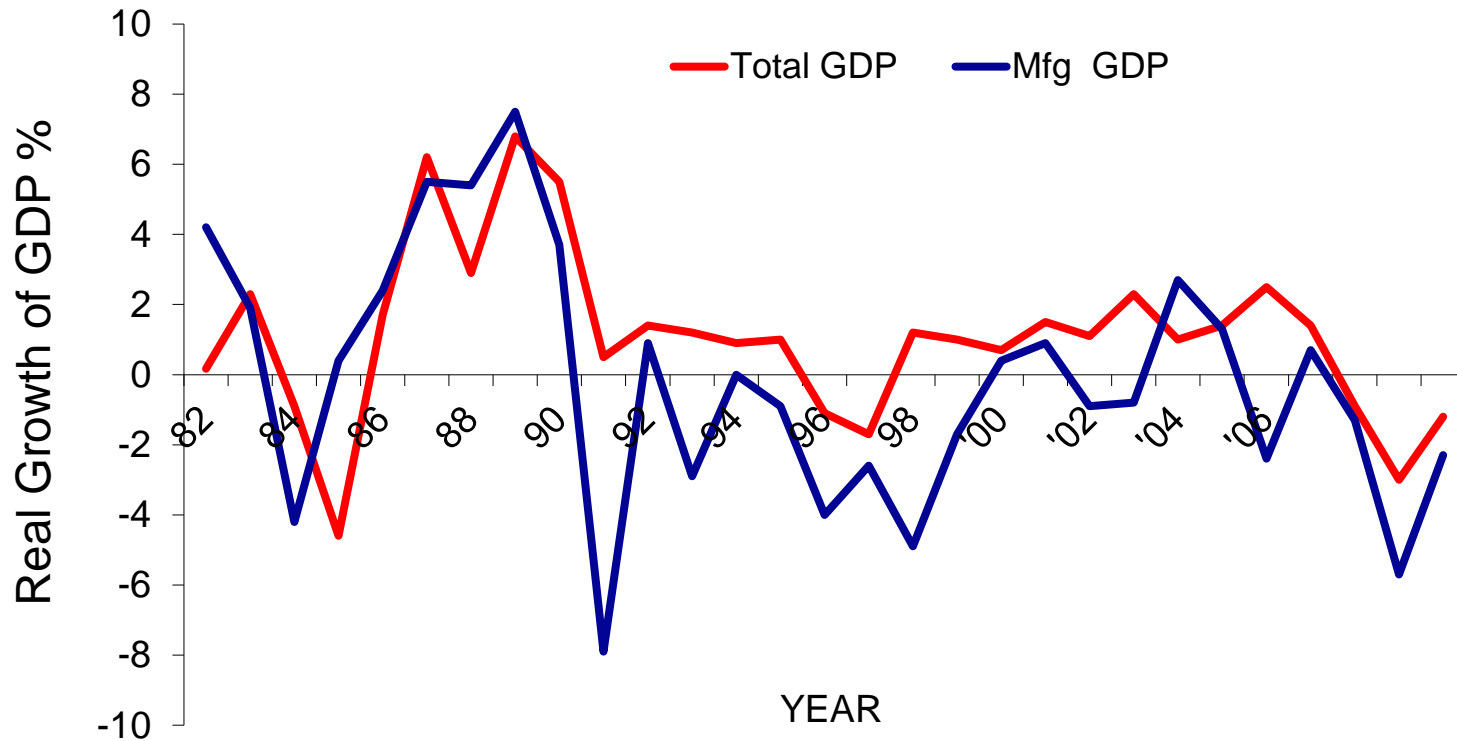
Firms listed	106
Firms reporting losses	54
Firms recovered	26



Some firms reported losses despite having revenue growth (JSE Yearbooks)

- Small firms tend to create more jobs over time (Lawrence, 2007/8).
- Business attrition is most severe in the real sectors (PIOJ Reports)

# Manufacturing drives Growth of the Jamaican Economy



**Regression of Total on Mfg:**

**$R = .62$ ,  $R^2 = .38$ ,  $n = 30$**

**$F \text{ ratio} = 16.3$  ( $p = .000$ )**

The JSE Junior Market has shown that SME manufacturing can be viable (6 of 21 listed firms)

# *Increasing Business Productivity*

## Learn from Critical Trends

- Firms tend to over-rely on low pricing to compete
- Firms tend to over-rely on the Jamaican economy for revenues
- Cash flow problems are likely when total debt exceeds 70% of total assets
- Firms tend to overlook strategic foresighting when making decisions

## Strengthen Business Models

