Best practices from FEA: 
IBM Restarting Microcredit

Fejér Enterprise Agency
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The project is implemented through the Interreg Europe programme co-financed by ERDF.
Launched in 2002
Promoters:
- FEA
- Local Government of Székesfehérvár
- IBM Storage Products Ltd.
Geographical coverage: City of Székesfehérvár
Two part:
- intensive (2 year, who were IBM employees) – the IBM microcredit team have part in the decision
- second (4 year, fund for microcredit activity) – compatible of the EU Recommendations – time period (short, medium, long) of the sustainability, social impact,
Objective

- In 2002, the closure of the IBM manufacturing plant in Székesfehérvár affected 3700 people.
- Profile of the company: manufacturing hard disk drives – less demands on the market.
Objective

- The closure of the plant affected approximately 10,000 people in Székesfehérvár (families included)
- The aim of the Local Government, FEA and the IBM itself was to ease the employment crisis
- Provide an efficient tool for the employees to restart their career as entrepreneurs.
The IBM Restarting Microcredit was an initiative of FEA and the Local Government of Székesfehérvár as a reaction to the closure of the IBM manufacturing plant.

A separate fund was set up, with the donation of the Local Government and IBM (IBM donated 1 million EUR)

Goal: Helping redundant employees to become entrepreneurs.

Fund manager was FEA
Availability of the local credit

- FEA created a refundable, thus recyclable loan product
- Resulted in the outplacement of total 2,2 million EUR to 178 clients.
Target group

- Former IBM employees wishing to set up an enterprise
- Microenterprises employing such former IBM employees could also apply to this credit.
Innovative elements

- Quick reaction to the crisis
- Set up of an efficient tool capable of mitigating the negative effects of the collective redundancy
- Cooperation of the local government, the company and the local LEA
- IBM evaluate the program process and the results highly appreciated
Thank you for your attention!

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