



# THE UNIDO SUBCONTRACTING PARTNERSHIP EXCHANGE (SPX) PROGRAMME

MATCHMAKING BUYERS  
AND SUPPLIERS FOR  
INCLUSIVE AND SUSTAINABLE  
INDUSTRIAL DEVELOPMENT



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



SUBCONTRACTING  
PARTNERSHIP  
EXCHANGE



**THE UNIDO  
SUBCONTRACTING  
PARTNERSHIP  
EXCHANGE (SPX)  
PROGRAMME**

MATCHMAKING BUYERS  
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UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.

The mandate of the United Nations Industrial Development Organization (UNIDO) is to promote and accelerate inclusive and sustainable industrial development (ISID) in developing countries and economies in transition.

The Organization draws on four mutually reinforcing categories of services: technical cooperation, analytical and policy advisory services, standard setting and compliance, and a convening function for knowledge transfer and networking.

UNIDO's vision is a world where economic development is inclusive and sustainable and economic progress is equitable.



## INTRODUCTION

UNIDO establishes Subcontracting and Partnership Exchange Centres (SPXs) in order to achieve inclusive and sustainable industrial development (ISID). SPX specifically helps local enterprises to successfully meet the challenges of globalization and to take advantage of the emerging industrial subcontracting, outsourcing and supply chain opportunities. The UNIDO SPX Network thus serves to provide an important platform for the matchmaking of suppliers and buyers at the national, regional and international level.

Over the last 25 years, UNIDO has established a rapidly expanding network of SPX Centres in Sub-Saharan Africa, Asia, Europe, Latin America and the Middle East (over 30 centres). SPX Centres are often hosted in private or public sector organizations and are equipped with professional capacity to assist enterprises in their development process through a range of support services including enterprise profiling, matchmaking, benchmarking and buyer engagement. A Management Information

System (MIS) provides state-of-the art solutions to facilitate the supplier-buyer match-making process.

SPX Centres aim at extending the local supplier base of major buyers, including large foreign multinationals and state-owned enterprises. Procurement needs and local content plans of buyers are captured and the capabilities of domestic suppliers are benchmarked for potential matchmaking and upgrading purposes. On the basis of a consolidated firm-level database, UNIDO is stepping up its efforts to enhance SPX support to the internationalization process of SMEs by providing them with dedicated promotion platform opportunities at internationally specialized subcontracting Fairs such as the Hannover Industrial Fair in Germany and MIDEST in France. Increasingly, the SPX Programme provides solutions to transnational corporations (TNCs) and original equipment manufacturers (OEMs) in realizing their local content strategies and corporate social responsibility plans in host developing countries.



## THE OBJECTIVE



Enhancing inclusive and sustainable industrial development by strengthening the ability of domestic enterprises to capture emerging subcontracting opportunities through improved SME productive capacity and performance.

**1**  
PROFILING

**2**  
BENCHMARKING

**3**  
UPGRADING



## MATCHMAKING

SPX centres employ extensive tools and methodologies and are increasingly becoming major service providers to both large buyers (to identify potential local suppliers and develop local supply chains) and local suppliers (to identify their development needs and assist them in realizing their development plans). The three main components of the SPX Programme refer to Profiling, Benchmarking and Supplier Upgrading.

**PRODUCTIVITY  
ENHANCEMENT**

**ENTERPRISE CAPACITY  
BUILDING**

**DISSEMINATION AND  
KNOWLEDGE SHARING OF  
BEST PRACTICE**

## HOW YOU WILL BENEFIT

If you are a **buyer**:

- Get access to a large supplier database of profiled and validated suppliers of semi-finished goods and industrial services
- Get assistance to find appropriate suppliers for your requests for quotations
- Get B2B facilitation services at national and international fairs

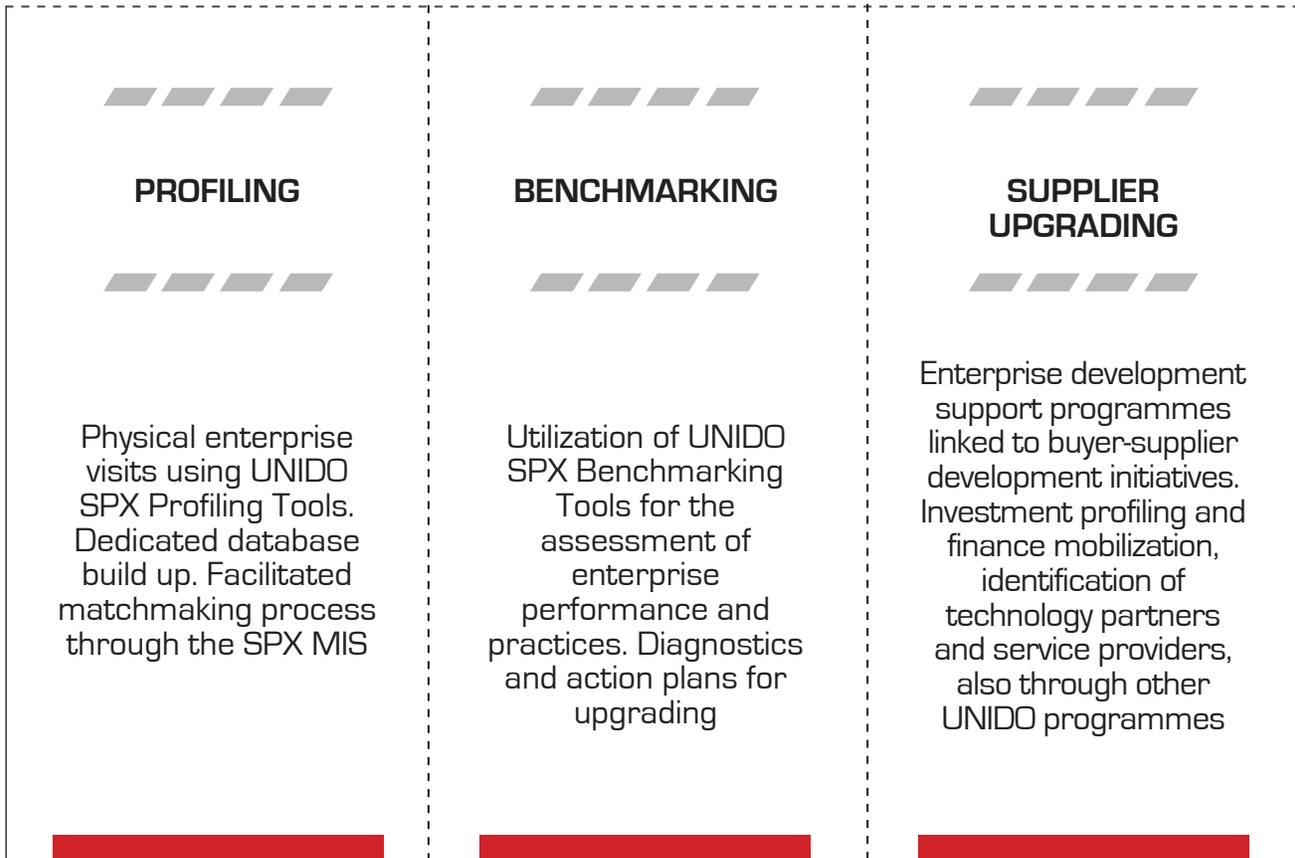
If you are a **supplier**:

- Find new market opportunities by working with major buyers of your products in your country and abroad
- Benchmark your performance and practices to understand your individual strengths and weaknesses
- Receive assistance to develop your capacity and upgrade skills

If you are an **institution/government agency hosting an SPX centre**:

- Gain visibility and expand your client base
- Use available data about local suppliers for policy/advocacy purposes
- Gain access to state-of-the-art tools, such as the benchmarking and profiling tool

## THE UNIDO SPX APPROACH



## UNIDO SPX GLOBAL NETWORK

The UNIDO SPX Network currently comprises around 30 members in four continents. In Africa, SPX Centres have been established in Cameroon, Cote d'Ivoire, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Senegal, South Africa, United Republic of Tanzania, Uganda and Zambia. In Asia, SPX Centres have been set-up in China (Chongqing, Beijing, Shanghai and Xi'an), India, and Viet Nam. In the Middle East and North Africa, SPX Centres have been established in Algeria, Bahrain, Iraq, Kuwait, Lebanon, Morocco, Qatar, Turkey, Tunisia and the United Arab Emirates. UNIDO continues to work with national and regional organisations in a bid to establish and support SPX Centres in the same continents.





**UNIDO continues to work with national and regional organizations in a bid to establish and support SPX Centres around the globe and assisting government and countries in achieving inclusive and sustainable industrial development**





## PROFILING



Physical enterprise visits using UNIDO  
SPX Profiling Tools. Dedicated database  
build up. Facilitated matchmaking process  
through the SPX MIS

## PROFILING

Utilizing the UNIDO SPX Profiling tool, SPX teams develop profiles of the skills and capacities of local companies to be promoted among buyers and provide customized support to buyers looking for competitive local suppliers. SPX Centres use a unified Management Information System to help build databases of local enterprise capacity, collate requests for quotations (RFQs) and provide a gateway to international benchmarking and information resources.

SPX Centres are also encouraged to implement SPX methodologies and approaches aimed to track subcontracting opportunities and enhance the buyer engagement focus with the ultimate aim to match buyers with profiled suppliers.

Each enterprise profile consists of more than 60 data points which are collected and captured in the SPX Profile database. Periodic data updates ensure that the SPX profile database maintains its status as an accurate reference database for buyer-supplier matchmaking in respective countries. To date, the SPX Profile database, accessible through the SPX MIS on-line software, contains more than 7,000 firms mainly operating in the metals, plastics, machinery, electronic equipment and parts sub-sectors.

“What are the areas of activity of SMEs (for example skills, technology, equipment, processes or products)?”

“Can SMEs’ capacities be matchmaked with Buyers’ local content needs?”

## THE UNIDO SPX PROFILING PROCESS



## ADDITIONAL ENTERPRISE DETAILS

Supplier partnership details

Requested co-operation

Details for assistance requested

Sustainability

Final observations

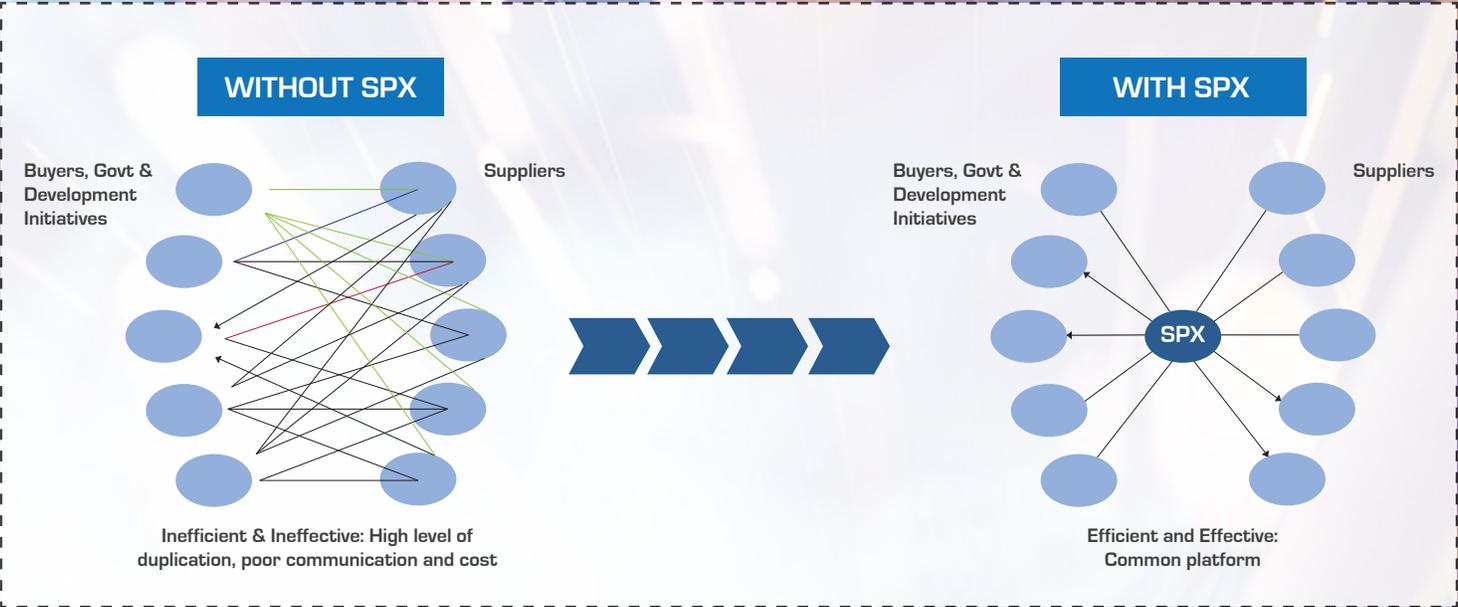
Company visit record

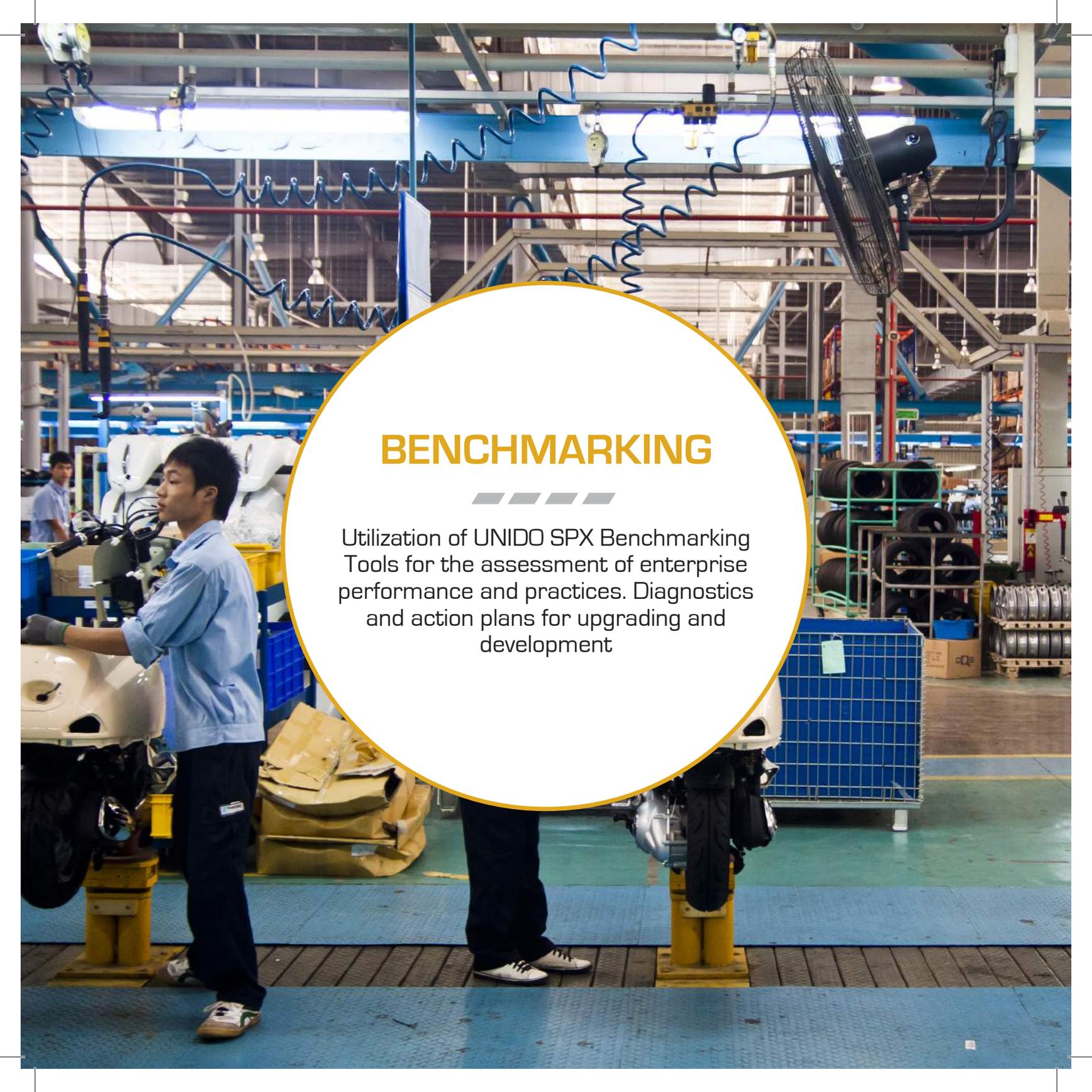
Financial and export information

Company qualifications

Company product, process details

Request for assistance and support





## BENCHMARKING

Utilization of UNIDO SPX Benchmarking Tools for the assessment of enterprise performance and practices. Diagnostics and action plans for upgrading and development

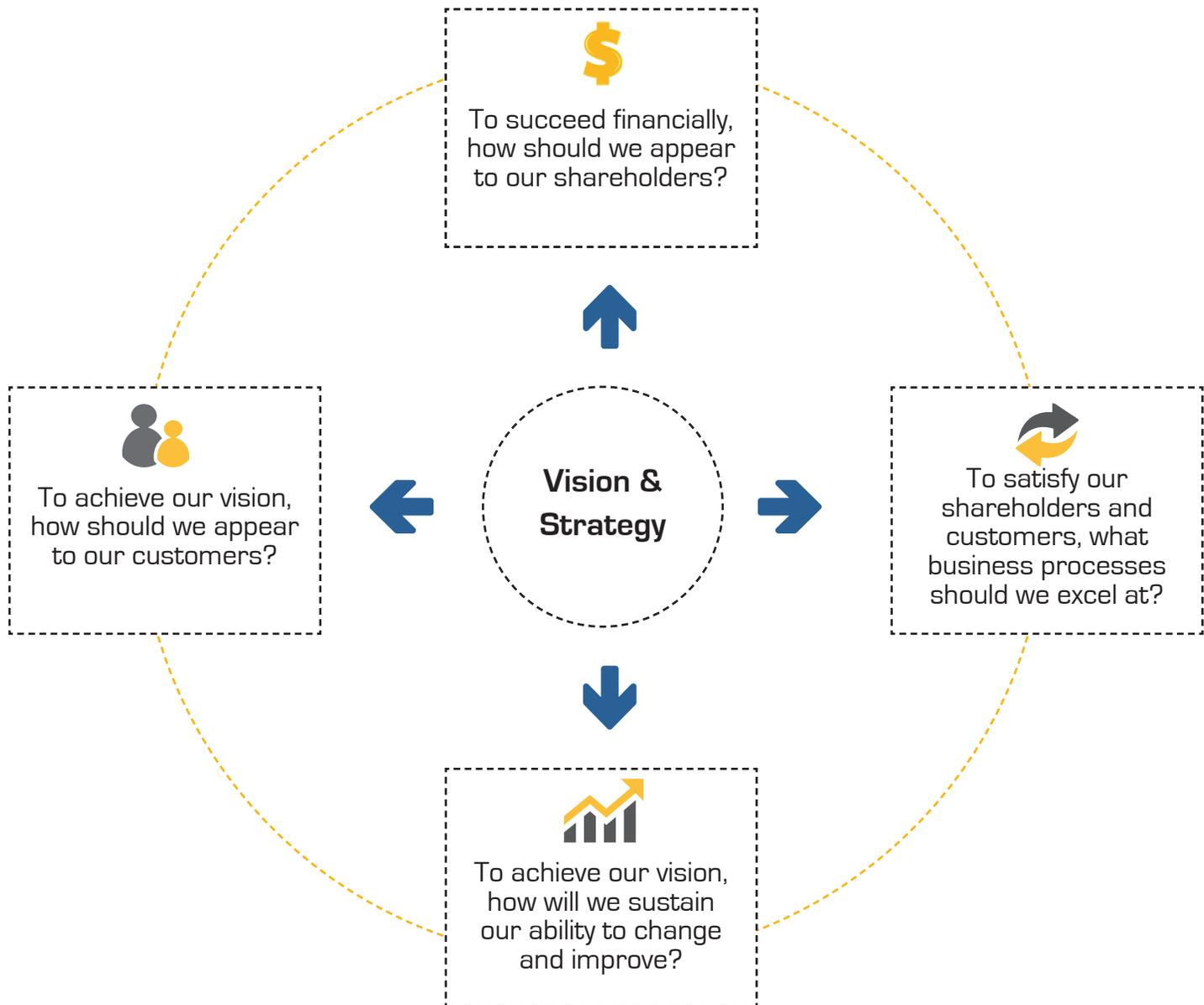
## BENCHMARKING

The UNIDO SPX Benchmarking compares the operational, productive and innovative performance and practices of a company against those of other companies of similar size and type. This enables companies to objectively assess their businesses, to see clearly where they stand in relation to international practices within their sector, and where they need to upgrade to meet buyer requirements.

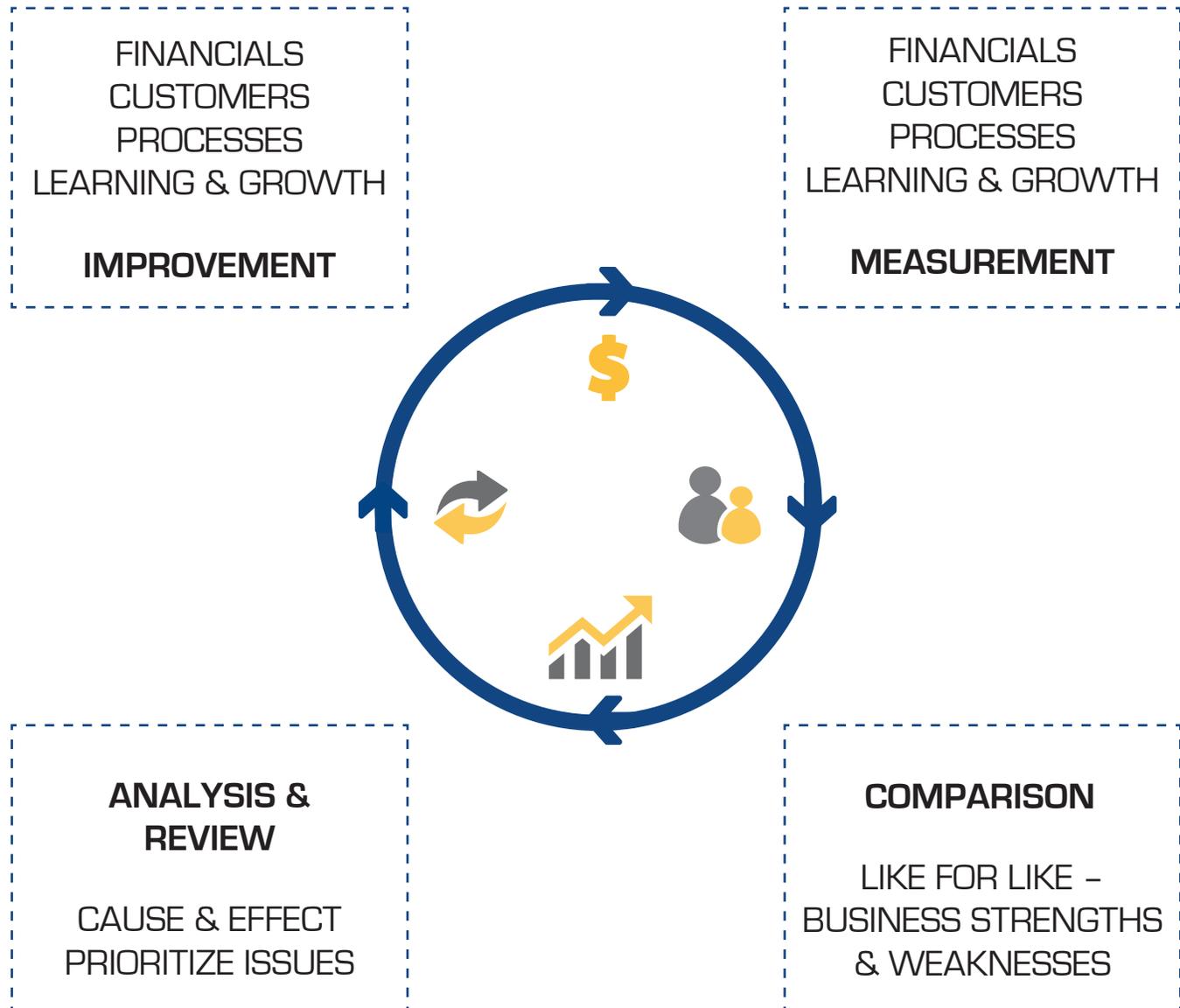
The SPX Programme works with two leading international partners, Winning Moves<sup>®</sup> and PROBE, to ensure that companies have access to the best systems and plant-level data when they undertake the benchmarking process. SPX also develops strategic partnerships with major buyers to determine their purchasing and procurement requirements in order to guide local SMEs in their path to becoming competitive suppliers of those products. Increasingly, the SPX benchmarking process assists buyers in their respective supplier development programmes.



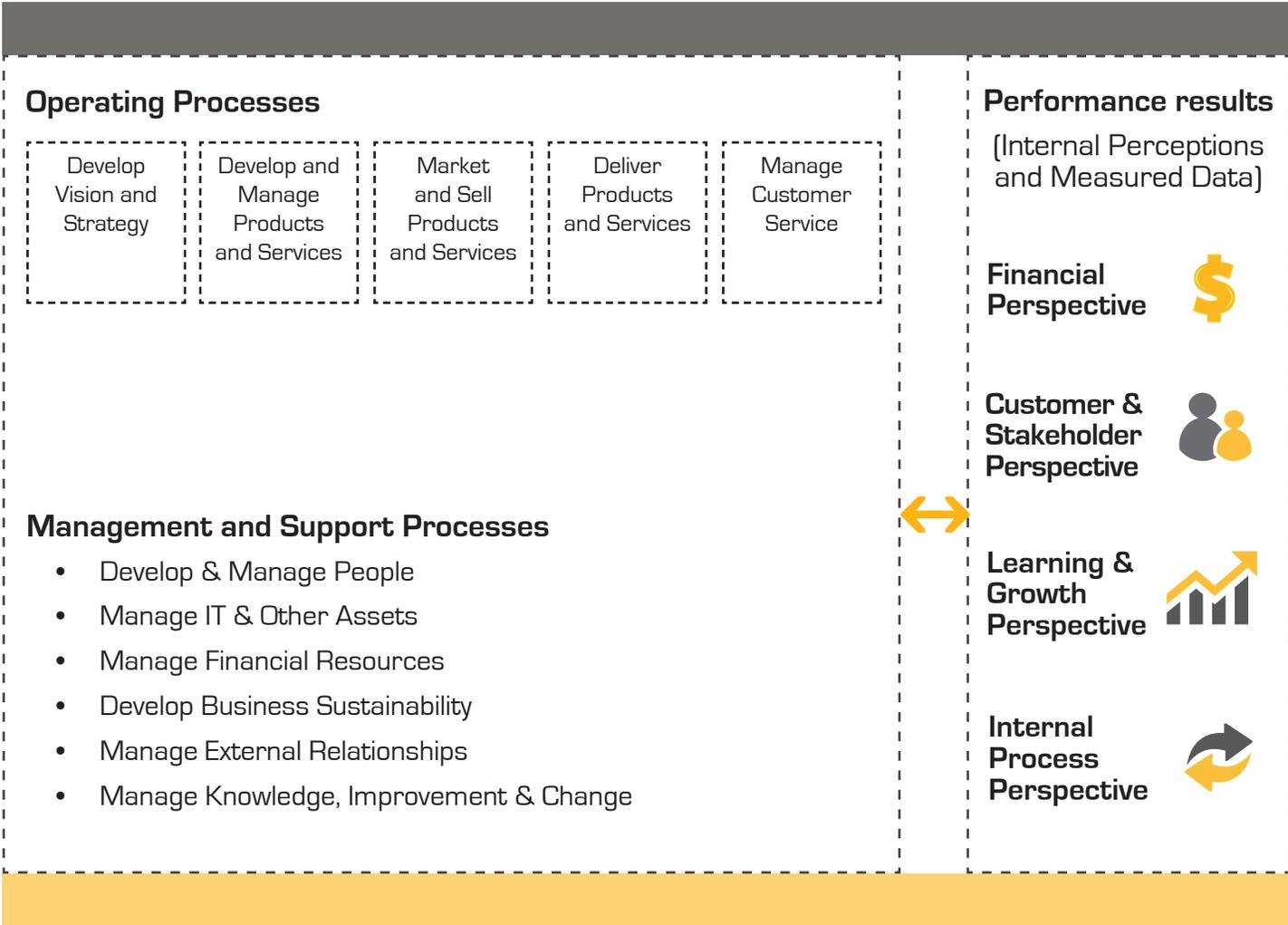
# BENCHMARKING FROM THE ENTERPRISE PERSPECTIVE

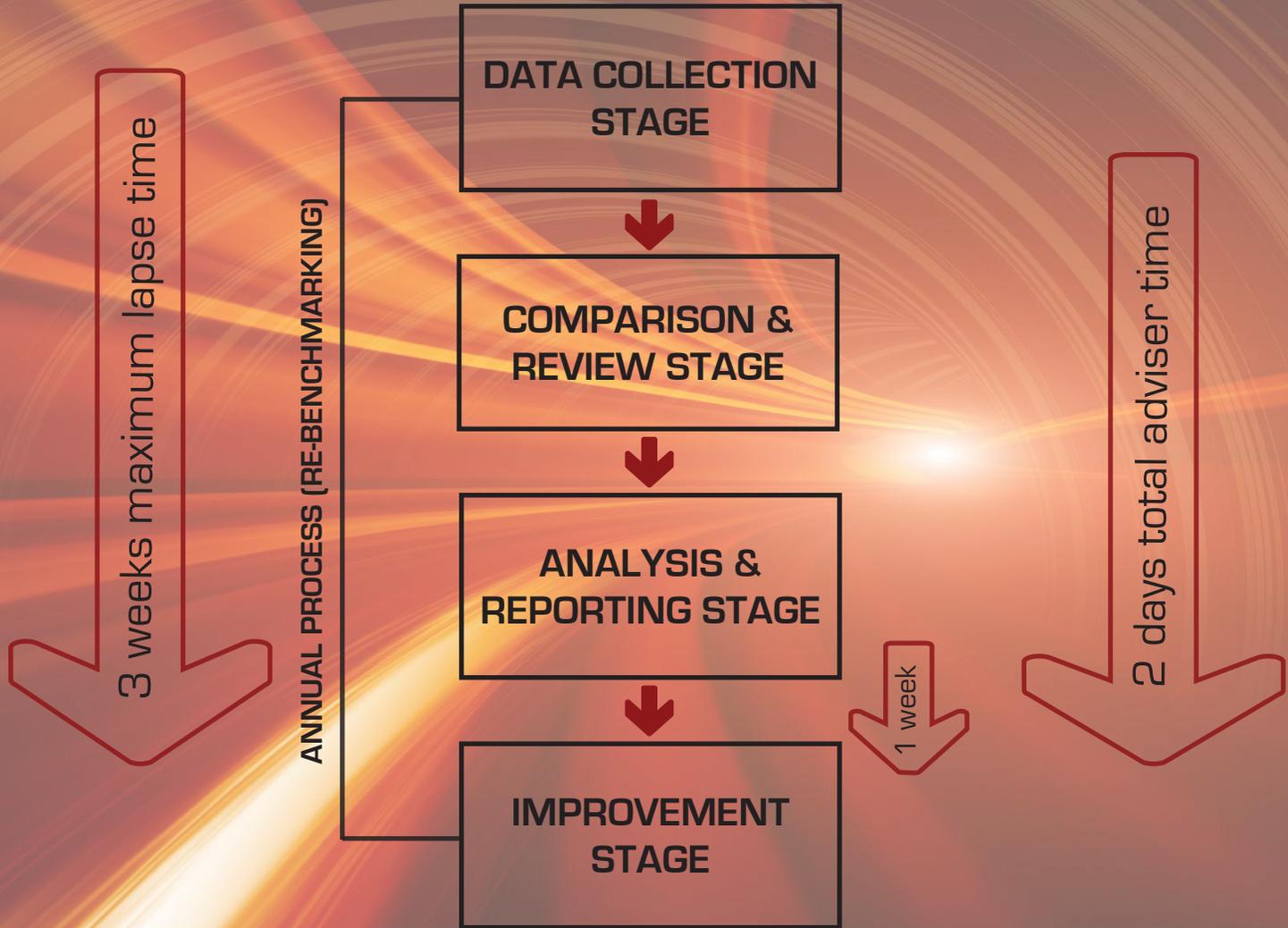


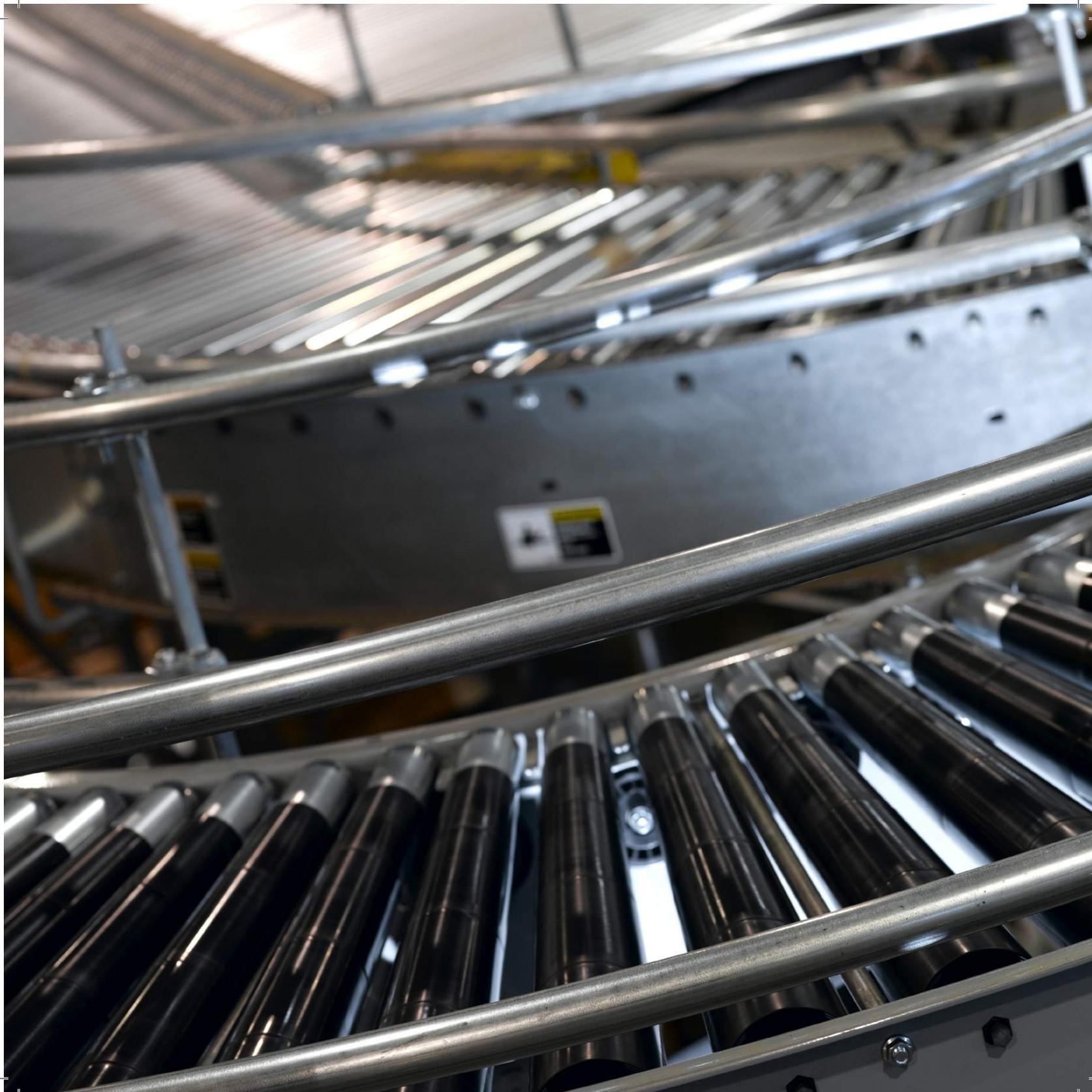
# THE UNIDO SPX BENCHMARKING SERVICE TO SMEs



# THE UNIDO SPX BENCHMARKING PROCESS







## SUPPLIER DEVELOPMENT

Where SPX matchmaking helps identify new buyers for supplier clients and SPX Benchmarking provides a diagnosis of where they need to upgrade to meet buyer requirements, SPX capacity-building supports domestic enterprises to meet buyer requirements. The UNIDO SPX programme supports enterprises in formulating investment proposals, mobilizing finance and identifying technology partners. SPX Centres can mobilize locally-available support organizations for enterprise development, investment promotion and provision of finance to help close the gaps identified by the benchmarking diagnosis.

### Enterprise assessment

- Facilitated benchmarking
- Diagnostic study and action plan
- Re-Benchmark over time to assess development

### Enterprise support programmes

- Buyer engagement process and links to supplier development programmes
- Service provider database and formal agreements
- Other UNIDO support programmes

## THE UNIDO SPX TOOLS AND METHODOLOGIES

The SPX Programme is hosted at the Business Investment and Technology Services (BITs) Branch at UNIDO Headquarters in Vienna, Austria from where the overall strategic, technical and implementation support to the various SPX Centres around the globe is provided. Over the years, this technical assistance has resulted in the compilation and development of various tools and resources, comprising extensive training material, methodologies, guidelines, manuals and software.

Under the SPX Profiling component, there exists a comprehensive SPX Profiling material comprising of the SPX Profiling Tool, related SPX Profiling Training and implementation manuals. The SPX Management Information System (SPX MIS) software provides an online tool for enterprise profile uploading, database management and seamless matchmaking services. A set of documents describing the manual of procedures of the SPX Management Information System are also available.

For the SPX Benchmarking component, resources and tools consist of the UNIDO SPX Benchmarking

Tool for both manufacturing and non-manufacturing enterprises as well as training documentation comprising case studies and implementation handbooks.

An SPX Buyer Engagement and Matchmaking Manual further outlines the various steps in the buyer engagement process, capturing buyer needs for locally-sourced industrial subcontracting.

Other SPX support material resources, ranging from introduction to the SPX Programme as well as detailed overviews of its main components, are collated in a series of video lessons which are available for dissemination and use by the SPX Network members on a dedicated Electronic Platform (SPX E-Platform).

UNIDO delivers the above methodologies and specialized capacity building as part of its technical assistance (TA) support to SPX host institutions and other related institutional stakeholders.

## Establishing a Subcontracting and Partnership Exchange (SPX) Centre

## SPX Buyer Engagement and Matchmaking Manual



## Subcontracting and Partnership Exchange Programme UNIDO SPX Profiling Tool



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## SPX Management Information System (MIS) Manual

For SPX Office Personnel



## MANUFACTURING UNIDO SPX Supplier Benchmarking Results

ORDERED BY  
James Bolton and Sons Ltd

ORDERING 25.11.07  
ORDERING 16097  
ACQUISITION YEAR 2006/7



SPX  
NEW INITIATION  
SPX MIS External platform  
(Suppliers/Buyers)

Login with your user name

User Name:

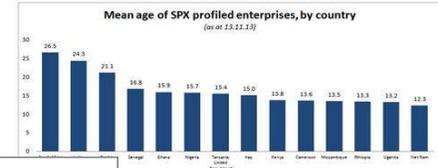
Password:

Remember Me

Login [Forgot Password](#)

Don't have an account?  
Create User  
Need to enter your validation code?  
Validation Code  
Can't remember your password?  
Reset Password

Notice: This system is designed to work with Mozilla Firefox 3, Internet Explorer 8, Opera 11, Safari 5, Google Chrome 12 or higher



SPX SUBCONTRACTING PARTNERSHIP EXCHANGE

ORDERING 25.11.07  
ORDERING 16097  
ACQUISITION YEAR 2006/7

James Bolton & Sons Ltd, Millstone, Millstone, 25/11/2007  
Overall Practice: 47.00% (Performance)

Ordering 25.11.07  
Ordering 16097  
Acquisition Year 2006/7

Measure	Target	Actual	Score	Weight	Weighted Score
1	100	100	1.00	1.00	1.00
2	100	100	1.00	1.00	1.00
3	100	100	1.00	1.00	1.00
4	100	100	1.00	1.00	1.00
5	100	100	1.00	1.00	1.00
6	100	100	1.00	1.00	1.00
7	100	100	1.00	1.00	1.00
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83	100	100	1.00	1.00	1.00
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85	100	100	1.00	1.00	1.00
86	100	100	1.00	1.00	1.00
87	100	100	1.00	1.00	1.00
88	100	100	1.00	1.00	1.00
89	100	100	1.00	1.00	1.00
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92	100	100	1.00	1.00	1.00
93	100	100	1.00	1.00	1.00
94	100	100	1.00	1.00	1.00
95	100	100	1.00	1.00	1.00
96	100	100	1.00	1.00	1.00
97	100	100	1.00	1.00	1.00
98	100	100	1.00	1.00	1.00
99	100	100	1.00	1.00	1.00
100	100	100	1.00	1.00	1.00

Overall Performance (%)

Overall Practice (%)

Overall Sample: 100.00%

Comparison Group: 100.00%

Comp. Gr. Avg: 100.00%

Overall Sample Avg: 100.00%

The Survey: 100.00%

## IMPACT AND RESULTS



SPX Centres currently manage a global enterprise profile database of more than 7,000 suppliers and 600 enterprise benchmarks. Suppliers are matched with major buyers leading to further exchanges of request for quotations (RFQs) and to the generation of new business for local suppliers and subcontractors

## IMPACT AND RESULTS

### **SELECTED STATEMENTS** from some of the **SPX partners**

#### **Buyer:**

“We find value in having an organization such as UNIDO to facilitate a structural engagement process between multinational conglomerates and local enterprises.”

Executive Vice President, Hitachi, South Africa

#### **Supplier:**

“The SPX approach makes the managers of the company to be involved in rethinking all management’s processes.”

CEO of FC Hoa Lac Co., Ltd., Viet Nam

#### **Institution:**

“The SPX Programme serves as a spring-board to facilitate and support SMEs in exploiting opportunities in the emerging economic sectors in Uganda.”

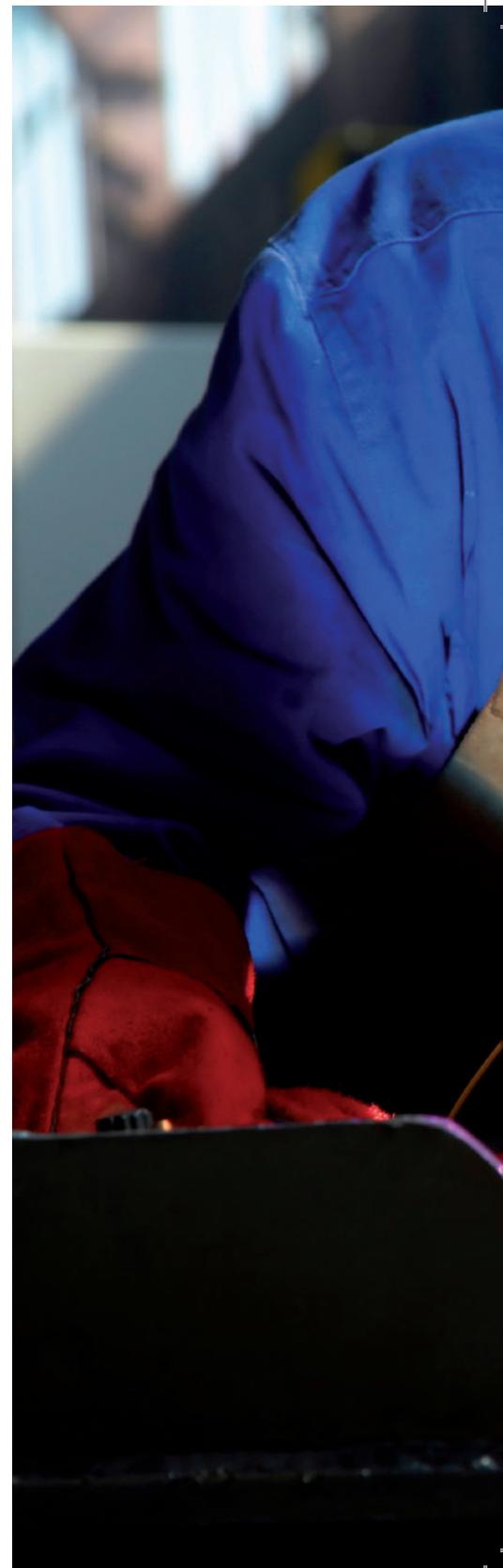
Manager of the SPX Centre, Uganda Investment Authority (UIA)

## SOUTH AFRICA

Since its inception in 2010/11, UNIDO SPX has contributed to the localisation efforts of industry in South Africa. The programme has been directly responsible for compiling an impressive industry database, assisting with supplier development, competitiveness improvement and matchmaking.

SPX South Africa has delivered the following achievements:

- A network of 14 satellite SPX Centres composed of sector specific private sector associations has been established
- An SPX database containing supplier profiles and benchmarking data from more than 2,000 SMEs linked to the main government procurement sectors, i.e. rail and utilities, has been instituted
- Some 450 SMEs across South Africa have been benchmarked, with a proportion of these re-benchmarked
- 174 suppliers have been referred to formal supplier development interventions
- More than 173 and 63 buyer meetings held with OEMs and State-Owned Companies, respectively
- A total of 1,459 subcontracting opportunities were investigated and promoted with counterparts
- More than 1,550 suppliers have been introduced to a subcontracting opportunity
- Since project inception, value of finalized contracts amounts to an approximate R115 million





## **SOUTH AFRICA**

//////

The main aim of the UNIDO Subcontractor and Partnership Exchange (SPX) Programme in South Africa is to provide local industrial manufacturing companies access to tools and services that will enhance their performance and enable them to compete so that they can access local and global procurement opportunities

A welder is shown working on a metal structure, likely a roof or industrial framework, using a power tool that produces a large amount of bright orange sparks. The welder is wearing a grey long-sleeved shirt, brown work pants, and a safety harness. A large white circle with a red border is overlaid on the right side of the image, containing the text 'IRAQ' and a paragraph of text. Below the title 'IRAQ' are four short, parallel grey lines.

## IRAQ

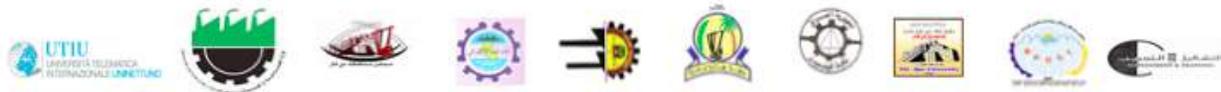
SPX Centres in Iraq are integrated into a network of Enterprise Development Centres (EDCs) forming part of a nexus between enterprise development, advisory support and investment promotion

## IRAQ

The Programme for enterprise creation, access to finance and investment promotion in Iraq is designed to support the development of a sound private sector in Iraq. It draws on different and highly successful methodologies developed by UNIDO, including the SPX Programme and implements these in a context of both 'traditional' capacity building approaches through series of physical class room trainings and more innovate approaches in a context of e-learning. The implementing organs in Iraq are four Enterprise Development Centers (EDCs), established in Baghdad, Thi Qar, Basra and Erbil.

The achievement of the SPX Programme in Iraq can be summarized in the following results:

- The four EDCs have so far provided capacity building to more than 787 Iraqi SMEs with some 385 and 54 firms receiving dedicated SPX Profiling and Benchmarking services, respectively. This database served as the basis of a newly published SPX Iraq supplier directory for national and international reference
- The SPX programme serves to support the capacity building of SMEs through enterprise development training programme (e.g. enterprise financial accounting and reporting, ISO certification etc)
- Various business delegations, consisting of representatives from 208 SMEs, have been organized to attend several international fairs and exhibitions, resulting in over than 900 B2B meeting between Iraqi and international companies. At the national level, buyer engagement meetings and matchmaking events with SMEs have been held in different locations
- An estimated 43 million USD has been generated as investment through establishment of enterprises and investment promotion services (e.g. SPX Centre in Basra successfully engaged with main buyers leading to the signing of 11 procurement contracts with SPX serviced SME suppliers)..



## THE GULF SUBCONTRACTING AND PARTNERSHIP EXCHANGE NETWORK

The Gulf Subcontracting and Partnership Exchange (SPX) Programme is a regional programme functioning under the mandate of the Gulf Cooperation Council (GCC) within the Gulf Organization for Industrial Consulting (GOIC). In 2003, UNIDO and GOIC established a collaboration to provide UNIDO SPX Programme technical support to SMEs in the GCC countries. Since 2004, the SPX GOIC programme has over 2,000 active enterprise members and is operational at the regional level offering various SPX service solutions, including:

- Technical and advisory support to industrial subcontracting and supplier development in each country SPX Centre
- Investment promotion and enterprise related training
- Database building through SPX Profiling services
- Facilitated B2B meetings and matchmaking services, in the ambit of national and international matchmaking events and delegation visits to international partner countries (e.g. 3 matchmaking events and 2 industrial delegation visits are organized annually). GSPX provides also online matchmaking services with more than 20,000 online matchmaking concluded in the last 2 years
- GSPX receives periodic industrial subcontracting enquiries and facilitates the identification and conclusion of business deals (e.g. recent matchmaking meetings facilitated by GSPX generated 100 million USD worth of enquiries of which 32 million USD concluded in business deals within months of the event)





**SPX GOIC**  
**GCC SPX**  
**REGIONAL NETWORK**



Published in March 2015



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**THE UNIDO  
SUBCONTRACTING  
PARTNERSHIP  
EXCHANGE (SPX)  
PROGRAMME**

MATCHMAKING BUYERS  
AND SUPPLIERS FOR  
INCLUSIVE AND SUSTAINABLE  
INDUSTRIAL DEVELOPMENT



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