



BUSINESS AS MISSION
GLOBAL THINK TANK

REGIONAL GROUP REPORT

Business as Mission in Mongolia

BAM Think Tank
Regional Group Report

bamthinktank.org

Business as Mission in Mongolia

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Foreword

The Global Think Tank on Business as Mission has opened up a unique forum for collaboration among practitioners and leaders from around the world. When we began this second Think Tank initiative, we focused on a key word: *invigorate*. The purpose of the Think Tank has been to invigorate the global business as mission movement, to equip and encourage those who want to serve God and the common good in and through businesses—among all peoples.

To that end we launched over 30 national, regional and international working groups. Some of these groups focused on a particular issue in the BAM movement, and others were concentrating on BAM in and from a particular region or country.

The objectives for these groups were to listen, learn, share and connect. We developed tools and templates for the working groups to effectively collaborate through virtual meetings, as well as face-to-face consultations. Each group has produced materials, including papers, analyses, case studies, tools and resource directories, as a result of this dialogue.

To enable a meaningful and constructive conversation in and between groups, we have used the following working definition of business as mission:

Business as mission is:

- Profitable and sustainable businesses;
- Intentional about Kingdom of God purpose and impact on people and nations;
- Focused on holistic transformation and the multiple bottom lines of economic, social, environmental and spiritual outcomes;
- Concerned about the world's poorest and least evangelized peoples.

This definition emerged from the first Think Tank on BAM, which among other things produced the Lausanne Occasional Paper on Business as Mission, as well as the BAM Manifesto: http://www.lausanne.org/docs/2004forum/LOP59_IG30.pdf.

The Think Tank project has resulted in a massive global gathering of both intellectual and social capital for the BAM movement. As well as the written materials, we have built networks and have gathered together in person at the working group Leaders Forum and at the Global Congress on Business as Mission, both held in Thailand in April 2013. The intention is to now share and disseminate these gathered resources as widely as possible.

This report is one in a series of papers from the 30 plus working groups. Hundreds of leaders in the BAM community, from every continent, have contributed to these reports. Additional Think Tank reports may be found at <http://bamthinktank.org/reports>.

In 2014 we will publish a comprehensive BAM 2.0 paper, a follow up to the Lausanne BAM Paper of 2004.

These reports are not the end or the final destination of the BAM Think Tank, but should rather be seen as important reflections by BAM practitioners and other leaders who will continue to journey together. We need to continue to grapple with issues, and address needs and gaps. Some groups will continue and new initiatives will emerge. The BAM movement is on the move!

It has been a privilege to facilitate this unprecedented and global collaboration over the last two years. Looking back we can see that at times we have achieved less than we have hoped and planned for. But we have also witnessed that God is able to do more than we could have ever imagined.

Our sincere thanks goes to all those who have co-laboured with us to bring the Think Tank initiative to fruition. We want to especially thank the Steering Group, the Issue and Regional Group Leaders, the Support Team and our spouses Mark and Jennifer for their steadfast support.

We pray that these papers, case studies, tools, recommendations and resources would go out widely, and encourage and equip you as well as invigorate the global BAM movement.

“Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen.” (Eph. 3:20-21, NIV)

Jo Plummer & Mats Tunehag

September 2013

Co-Chairs

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Executive Summary

Business as Mission in Mongolia

Mongolia is seen as the “Final Frontier” for many people. It stirs up images of the horse herds that still run free across her open steppes. From the harsh arid climate of the Gobi Desert in the south, to the pristine lakes in the frozen north that border Russia’s Siberia, the climate has forged a hardy, resilient people who work hard, play hard, and practice a survivalist hospitality.

Into this climate, Mongolia in 1990 opened her borders to doing business and trade with the rest of the world. Freedom of religion was written into her new constitution. A free market economy emerged. People were asking for the tools to cope with a new and growing economy. From 2000 to 2012, Mongolia’s resource-rich countryside has fueled what is now reported to be one of the fastest growing economies of Asia.

Into this setting business as mission (BAM) entrepreneurs are finding opportunities to work with Mongolians to help them build their country on the solid foundations of faith and the hope that does not disappoint. BAM workers seek to close the gap between rich and poor; to disciple Mongolia’s young population with values which will encourage them not to buy into the despotism of capitalism, but that will build a sustainable future.

Probably the biggest hurdle most BAM workers (BAMers) will face is the government’s US \$100,000 entry requirement to start a foreign-run business in Mongolia. This requirement is to ensure that businesses which apply to be in Mongolia are legitimate businesses and have enough capital to start up and run in the first 2 years of operation. Though many mission workers may find this hurdle unrealistic and difficult, it has been noted by many business people that this probably is a basic minimum to realistically start a business in most countries.

Mongolia faces many similar concerns that other developing countries also face: corruption, frustrating legal red tape, unskilled workers, workers with a different worldview regarding ethics or finances, etc. However, most successful BAM entrepreneurs after sifting through the difficulties, have found themselves working beside hard-working Mongolians who are sincere about learning how to provide for their families, both physically and spiritually.

In this context, Mongolia presents itself as a BAM mission field that holds many opportunities. Mongolia is a country where BAM workers could have a significant influence to disciple Mongolians who are building their nation. They could help those who have caught the vision to share the Good News beyond Mongolia’s borders.

Business as Mission in Mongolia

Introduction

Purpose of the Group

The purpose of the BAM Think Tank Mongolia Regional Group is: To review the opportunities for BAM work in Mongolia and make projections regarding future possibilities, so that current and future BAM entrepreneurs and ventures may be more successful.



Introduction to Mongolia

Mongolia is the little known country with the big influence. It became most well-known in history in the 1200s because of Genghis Khan (Chingis, as pronounced by most Mongolians). He was the ruler who united the tribes and conquered much of Asia, ruling the largest empire the world has ever known. His grandson Kublai Khan met Marco Polo and the West was introduced to this powerful nation.

Later the Chinese would take back not only their country from the Mongols, but Mongolia as well. In the 1920s Russia helped liberate Mongolia from Chinese rule. For the next 70 years Mongolia and the Soviet Union had strong political, economic and social ties.

In 1990 with change sweeping the communist nations, Mongolia was no different. A new Mongolian democracy was instituted and multi-party elections were held. For the next 10 years like many of former communist countries, Mongolia struggled to survive in a capitalist-democratic system. In the new millennium, practicing a good “Third Neighbour Policy” (China and Russia being Mongolia’s first two neighbours) the invitation to mining companies from Western democracies to invest in extraction of its coal, gold, copper and rare earth metal resources has made Mongolia’s economic outlook favorable for the country and investors.

Mongolia’s religious history is colorful as well. From the time of Chingis, most tribes had practicing Shamans giving religious direction. There was an influence of Nestorian Christians amongst some of Mongolian tribes deriving from the Nestorian missionary work in China in the late 600’s.

Kublai Khan reportedly asked Marco Polo to send missionaries from the Pope in Rome to teach about Christianity and give an alternative to the Shamans who were often pushing into national politics. There has been no record of Christian teachers being sent. This likely constituted one of the greatest missed mission opportunities of Christendom. As a result

Kublai Khan turned to the Buddhist monks of Tibet to provide an alternative to Shamanism.

Buddhism did not really take hold until 1578 when Altan Khan, a Mongol military leader with ambitions to unite the Mongols and to emulate the career of Chingis, allied with the head of the rising Gelug lineage of Tibetan Buddhism. They formed an alliance that gave Altan Khan legitimacy and religious sanction for his imperial pretensions and that provided the Buddhist school with protection and patronage. Over the next centuries Buddhism power rose slowly till eventually it has been estimated that 6 in every 10 Mongolian men were Buddhist monks in the early 1900's. With the arrival of communism, Buddhist temples and monasteries experienced the brunt of the religious persecution and purges; many communities were completely wiped out.

In 1990 with the advent of multi-party democracy, freedom of religion was enshrined in the new constitution. Buddhism and Shamanism experienced significant resurgence as many of the cultural practices of Mongolians were built around these religions and they were seen as the historical and cultural basis for what it meant to be a Mongolian.

It has been reported that there were only 4 Christians in Mongolia in 1990 (and these were people who have become Christians while abroad). The church quickly grew over the next 20 years to encompass 2% of the population (estimates range between 40-60,000 Christians). The Mongolian Evangelical Alliance is the largest representative umbrella group of Christians in Mongolia.

Although there is freedom to practice the Christian faith, it is often seen as a foreign religion (though in reality it has deeper roots than Buddhism). This has meant encountering problems with political officials, local governments or leaders at times. Mild persecution has even been experienced; especially from those who wish to score political points by pushing an extreme form of nationalism. It is noteworthy that along with the economic boom in Mongolia, the growth of the church has slowed significantly—at least in the city of Ulaanbaatar. The church and those involved in missions are seeking God for direction on how to meet the needs of a new generation of Mongolians who have high expectations and hopes for the future built on a new materialistic prosperity.

Mongolia is the second largest landlocked country in the world with over 2.7 million people¹. Almost half of its people live in the capital with 67% living in urban centers. It has a young population with 48% younger than 24 years old. Its capital is one of the coldest capitals in the world and the second most polluted in the winter (due to coal and garbage smoke). 32% of its population lives in poverty, and estimated half of the capital's population lives in the tented area of the city that has no plumbing (water trucks bring water to distribution points), no heating (people pick up coal and wood and burn it in their felt tents (*gher*) for heat and cooking) and very poor infrastructure.

Most Mongolians receive a primary education, but the system is fraught with poor teaching conditions, methods, and even corruption and bribery. This results in school and university graduates who are not prepared to compete in the global market. English is the official second language of the country, though the number of people who speak it well are very few. Therefore ESL (English as a Second Language) teachers find it relatively easy to get visas to come into the country to teach.

¹ 2010 Population and Housing Census of Mongolia <http://www.toolgo2010.mn/medee.php?language=en&medeeID=239>

Overview of BAM in Mongolia

Summary of BAM businesses

The Mongolia Regional Group identified 12 BAM enterprises known to them. These 12 businesses have been in operation for a range of 1 to 12 years and have between 2 to 10 employees each.

The types of Mongolian BAM enterprises are:

- Café or café direct sale products
- Jewelry/tourist items design and sales
- Agricultural/greenhouse businesses
- Handmade products/export items not primarily aimed at tourists.

Stated purpose of BAM companies in Mongolia

The most common reasons given for being in business are:

- Provide a context for discipleship, character building, employment for believers and/or target groups that need income and support. A key identified reason for most business operators is to work with their employees to build them up and send them out.
- Provide a context for evangelism. Secondarily, but still key, was to reach customers with the gospel.
- Build awareness of the Mongolia people in the global community; provide opportunities through products and information that will support the people and their work.
- Through discipleship and training provide models for Mongolians to do BAM work both within Mongolia and abroad.

Background Factors for BAM Entrepreneurs in Mongolia

The following observations are summarized from our SWOT analysis (see Appendix A) and direct experience of Mongolian culture and BAM in Mongolia.

Population and youth

Mongolian population continues to be centered in the capital, though outlying regions will develop as infrastructure and mining opportunities make development in these regions possible and desirable. It has been reported that some of the provincial capitals are projected to have over 500% growth over the next 20 years because of mining related businesses in these provinces.

With 59% of the population being under the age of 30, there are many opportunities to work with youth.

Economic climate and church growth

The economy is listed by *Citibank* as one of the better countries for economic growth and stability in the region.

The church grew very rapidly in the 1990's when there was disenfranchisement with the communist system. Since the economic boom of the last 10 years the church growth has slowed significantly. As the economy continues to be strong and there are many diversions of modern technology and entertainment, this will be a challenge for outreach.

Nationalism

Shamanism and resurgence of nationalism may make it harder for foreign BAM practitioners to work in Mongolia as they are concerned with the influence and control of foreigners and foreign ideas in Mongolian economy and culture.

Potential Sparks and Wildcards

There are a number of additional factors that have the potential to cause tension and unrest, including:

- The number of male youths who are unemployed is increasing and there could be a risk of civil unrest.
- An economy that is as hot as Mongolia could continue to see very high inflation and leave the 32% of the population that lives in poverty even further behind. This could spark unrest as they lack basic needs of food and housing.
- The impact of corruption in a climate where only a small portion of the population is receiving the benefits of a growing economy.
- Societal breakdown, especially due to divorce, single mothers, and alcoholism. An estimated 51% of population drinks too much, 30% are alcoholics

Major Issues Directly Facing BAM Entrepreneurs Within Mongolia

The following observations are summarized from our SWOT analysis (see Appendix A) and direct experience of Mongolian culture and BAM in Mongolia.

High entry requirements

The Mongolian government is requiring foreign business start-ups to have US\$100,000 up-front to invest in a business in order to operate in Mongolia. Primarily, the Mongolian government is trying to stimulate larger investments and serious entrepreneurs to develop the business sector. Secondly, the government is concerned with people who have come to the country requesting a business visa, but are not doing business; they are doing mission.

For people considering BAM work in Mongolia the bar therefore seems high. However, this may be a realistic minimum to be successful. For example, to rent one or two rooms of 60m² as business premises would cost over US\$20,000 per year, the salary for one multi-disciplined competent Mongolian is approximately US\$6,000 per year, business utilities are at least US\$1,200 per year, continued registrations and basic office expenses from \$US2,000 per year. Thus, before even beginning operations, the minimum required is US \$30,000 and then you would need assets for the business itself. The US\$100,000 required is not unrealistic.

The \$US100,000 requirement may also be a good thing because it could deter people who have not seriously thought through a business plan or understand what it means to run a business. However, for traditional mission agencies, this is not the way they usually approach entering a country and BAM in Mongolia can therefore present a formidable step to get started. Those coming from a nonbusiness background into mission may have a challenge to raise the money to start the business. However, those who have run their own businesses or done well in business may raise the US\$100,000 relatively easily, if they are confident in their business plan.

As a side note, the Mongolia Regional Group recognized that mission organizations are often registered charities in their home countries and therefore funding businesses is often not allowed. This was mentioned especially for the Canadian context. In the USA this question has been raised and has been a difficult area for some missions. Some missions may actually state in their mandate that they do BAM work and then regulate how the money is spent, loaned and used within the parameters of their charity status in a way that is acceptable to the Internal Revenue Service.

Joint ventures in Mongolia also start with a requirement of US\$100,000. As an alternative, there is also the possibility of working with a Mongolian company with no investment requirement, however then the Mongolian company has to pay about US\$200 a month for the privilege of having a foreign worker. There are also percentage rules requiring 20 Mongolian workers for every 1 foreign visa. Therefore, you would have to have a large business proposition to consider this type of visa. The mining companies hire 20 non-skilled people to be able to bring in one foreigner. There are registered Mongolian NGOs but they are not supposed to place workers in businesses.

Need for better business planning and preparation amongst BAMers

Though the US\$100,000 may be a barrier for those looking at doing traditional mission, for those who develop a viable business plan, can donors and investors will be attracted when they see that you are serious and capable to handle their investment dollars.

Often, developing a business plan and keeping accurate financial records are new to missionaries, BAM people, and indeed many business start-ups. People don't know what they don't know, i.e. they don't know that they don't know how to run a business, write up a good business plan, keep accurate records, and so on. Therefore, aspiring BAM entrepreneurs are too often set up for failure and don't even realize it.

Need to make business the main thing

There is a need to have true integration between business and ministry, that is you do ministry in the context of, and through your business. This is in contrast with attempting to run a business but considering that ministry is what happens in your spare time. The danger is trying to live with the impossible demands of a 80 hour working week to keep the business running and then trying to fit in 20 hours of 'ministry'. For many this false separation between the business and 'real ministry' means they ultimately focus on what they consider 'ministry', so they only dabble in business and lose their start up money. This is not good for long-term credibility.

High employee turnover

There is a high turn over of people with skills in a strong economy. An issue for BAM companies is finding people with skills to fill the jobs we have. With a proliferation of high-paying, unskilled jobs, many people will initially take a local job, but will quickly move to a mine or equivalent if there is promise of higher pay. Even the mines encounter this issue and have workers moving from company to company.

Lack of infrastructure and essential services

Particularly in the countryside, there is a lack of consistency in services and a difference in business standards and work ethic in other businesses or official organizations that a BAM business might depend on. For example, a business that is exporting goods may not have a regular postal service they can depend on; the Post Office opening times might not be regular, there might even be a wait of a few days in order to meet the right person to get a needed stamp.

Challenging living conditions

The harsh winter climate with poor infrastructure makes for all kind of unforeseen difficulties for transport, storage, manufacturing difficulties, general living conditions, etc. In the capital air pollution is a major health concern for BAM workers

Bureaucracy

In the countryside particularly, there are great difficulties in finding out "how to do things right". Official paperwork is very complex and there is a lack of people, including government officials, who know how the Mongolian law and tax system works.

Cultural and language barriers

The language learning curve for English speakers is steep. Mongolian is rated a very difficult language.

Less obviously, there are cultural differences that make working in business cross-culturally a challenge. Business standards and norms are different. Running any business aimed at the foreign community is very hard for a Mongolian to grasp due to lack of understanding and knowledge of the world outside of Mongolia. For instance, there is a subtle gap in taste between the local Mongolians who are making the a Western-style product and the Western customers themselves. For some of the BAM businesses in Mongolia, this has been one of the greater challenges to overcome when thinking of the sustainability of a company that exports products. In spite of globalization, fashion is slightly different from one country to another. Culture does have an impact on preferred color, design, etc., that only a native can grasp. Thinking about business opportunities in Mongolia for products that may be marketed in the West may mean that it is necessary to have a Westerner involved long-term as a bridge between producers and customers.

Recommendations for Starting and Growing Successful BAM Businesses in Mongolia

Training BAM entrepreneurs

There is a need to rethink whether we do business training for missionaries or mission training for business people. Experience in Mongolia points to the need to bridge the gap. Often we don't bridge the gap and we find that we end up with poor missionaries or failed businesses.

Much of the work in Mongolia in the 1990s and into the 2000s were projects for relief and development. Most projects have found it hard to move from a project to a business. Projects have beneficiaries, but businesses have customers. It is difficult to get the people you serve to change from one to the other; for instance if you need paying customers, but people are coming in expecting to be beneficiaries. Businesses tend to succeed more when they are purpose-built as businesses.

Suggestions for how to bridge this gap:

- Give appropriate training before people come in or before they do a business start-up. Make sure the required skills and knowledge are there upfront.
- Put BAM workers in teams where they can help each other with their giftedness and have a good cross-section of skills, e.g. business skills, cross-cultural communication skills, spiritual mentoring skills, etc.

- Begin with the end in mind. Ask the question early on: Could what I am getting into end up as a business? Plan appropriately.

Training and working with Mongolians

BAM entrepreneurs need to focus on how to get good Mongolians to work with the business and to keep them once you have them. Partner with Mongolians that share similar values from the beginning. This is especially true if you plan to turn over the BAM business to Mongolians. This will also help with bridging the language and cultural barriers and dealing with challenges such as meeting with the tax officials!

In Ulaanbaatar, businesses must figure out the level of salary that will induce workers to stay and not jump easily to another job. For many people salary dictates job loyalty and predicts whether they will stay or not. In some cases employees/artisans have been trained with specific skills, which develops company loyalty. It is often more difficult for them to find employment elsewhere with niche skills, so in some cases workers may complain a bit about salaries but have fewer employment options.

Suggestions for managing employee turnover issues:

- Choose a business model with high enough return to pay people commensurate with the booming economy.
- Alternatively, rather than developing a business that tries to stop turnover, accept it as a part of doing business.
- Structure the business to withstand a higher turnover of workers. Rather than find a business that is immune to this concern, highlight it as a management issue and factor it into the business plans. Expect to be training people with lower marketable skills who might leave once trained. This gives opportunity for discipleship of a larger number of people but is a risk to business sustainability.
- Choose a less people-intensive business. This might hinder the BAM focus on discipleship, however you could focus on a small group of influence rather than a large one.
- Hold on to 2 or 3 key people and let the rest turnover, and/or have key staff participate in the ownership of the business. This will mean working through and preparing for the issues of: attitude and work ethic, money and partnership concerns, etc.
- Enough is never enough in a young materialistic society. The employer must offer other benefits as well as a decent salary to retain staff.
- Remember the worldview difference between Mongolians and foreign business owners. There are differences in how to handle money, how to deal with loss of face—this includes understanding culturally-appropriate ways to communicate, “I am sorry that will not be possible” when dealing with requests for pay rises.

Opportunities for Making BAM Work in Mongolia

Mongolia has a relatively small population that is highly concentrated in one city. Therefore it is an amazing place for rapidly growing economic opportunities and it has a high need for ministry impact. There is a particular need for BAM businesses that reaches the influential rich of the country. There are also many opportunities for business in more remote areas, which definitely welcome foreign businesses.

Opportunities in rural areas

- In the countryside people are still buying cakes (*tourte*) from the city and travelling long distances with them or requesting them when they have a relative visiting from Ulaanbaatar! There could be an opportunity for bakeries in the rural areas.
- Because transportation infrastructure is poor there are many opportunities for green houses and growing vegetables for local markets. Even as transportation improves many people prefer Mongolian grown produce for health reasons over Chinese imports.

Opportunities in cities and mining communities

- Western-style products and services for expats.
- Apartment renovation services.
- Venture capital and business mentoring for Mongolians.

BAM as an indigenous movement

The young church, though small, has grown from 4 people in 1990 to over 50,000 in 2013. Members are keen on sharing their faith not only with fellow citizens but they are sending mission workers to China, North Korea, Russia, Afghanistan and other regions which are traditionally hard for other nations to send mission workers to. This makes BAM an exciting prospect, as there is the opportunity to get in at the ground level and disciple Mongolians through business, for business.

Overall, we need to aim for more businesses run by Mongolians for Mongolians so they can meet the needs of Mongolian society through business and be a witness in the market place of Mongolia and beyond.

Conclusion

Mongolia is a relatively young democracy with a history that has impacted the world. The fact that it is positioned on the trade route between China to Russia means that it has international attention and relationships with other world powers as well. Though smaller in population and economic influence, Mongolia has an official “Third Neighbour Policy” to help maintain their independence from Russia or China. This means that Western governments have a vested interest in keeping the region stable. For those living here there are visible signs of this, such as the banks meeting international standards and the new Stock Exchange, though one of the smallest in the world, is viable.

Foreign investment in mining, agriculture, and other resources makes Mongolia an international player. There are growing investment opportunities. Almost all sectors from production to retail have experienced double-digit growth over the last few years.

There is a national church to work with. Mentoring and training are some of the key growth areas that the church has asked for help with.

There are also challenges to overcome. Even now there is a concern about dependency in the church and the Mongolian nation. Entitlement is a common attitude in Mongolia, as in many developing countries that have attracted international aid and investment. Alcohol devastates many families. Unemployment is high which causes discouragement and unrest at times. The perceived corruption index, though not the worst in the world, is certainly very high according to international standards.

These are the problems of a post-Communist, growing capitalist-democratic system with atheist, shamanistic and Buddhist foundations. There is a great need to bring the Gospel to Mongolia. There are too many people who have lost hope, who have escaped into alcohol, who have rallied around nationalism, and who have resorted to begging for handouts, as they feel entitled to. This is the environment that is the seedbed for a growing church.

Action

This group wishes to challenge and encourage anyone interested in being involved at the international crossroads of Asia and Europe, at a pivotal time in history, to join us in this vital work.

Our BAM group recognizes that this report is only a beginning of the work we could do together. Things are changing so fast in Mongolia that this report will be outdated in 6 months. We will need to continue to work together to keep each other informed on how to best invest, train, and network to be successful as businesses and as BAM enterprises. We plan to continue to meet together and network for BAM in Mongolia. As we work together and work for the King there is nothing that He cannot accomplish.

Those wishing to communicate with the editor or the contributing group regarding this report or ongoing Action may do so at projects@jcsintl.org or info@bamthinktank.org.

Appendix A – SWOT Analysis

To compile the SWOT analysis, each contributor gave a written review of their own BAM experiences in Mongolia and their observations of other businesses known to them. This was followed by a general review and discussion that arose out of the a compilation of these reviews.

Strengths of BAM activities and initiatives within Mongolia	Weaknesses of BAM activities and initiatives within Mongolia
<ul style="list-style-type: none"> • Creates a wide and natural contact with people who have not heard the Good News / who are open to the Gospel. • BAM people may have access to unique techniques, items, and supplies from overseas. • Import/Export businesses. • BAM people may be “high profile” especially in small communities and this may open door to work with large businesses or government. • Possibilities for joint ventures with a number of companies and organizations as well as requests for training of other companies employees. • Many people like working for foreign bosses because of higher levels of integrity with contracts and pay. • Staff want to work long term with stable job future and income. • Strong relations with South Korea – a country with a vibrant church & economy. • Creates back door to North Korea. • Business visas are more stable for being in the country long-term (especially since the government is particularly concerned about religious activities). • Supports the vision to see Mongolian Christians start businesses and BAM work, which will give longer lasting impact. 	<ul style="list-style-type: none"> • Many profitable business opportunities must focus on catering to the small wealthy class. • BAM workers are often not business people and are learning on the job. • High staff turnover - people leave for higher paying jobs when after being trained with new skills at an international business level. • Pressures on salary levels to retain staff – they have high expectations about material things. • With a staff composed of youth, inexperience and training is a challenge • An inability to train staff fast enough in all aspects of leadership, management and sales. • Cyclic business requiring 50% full-time staff and 50% flexible student staff – makes start of semester and May very challenging – more staff needed when staff are not available. • Student staff working hours can be inconsistent during examination / independent study times. • Staff of all women: maternity leave causes difficulties for staffing and difficulties for returning staff when the company moves on so fast. • New workers with “what is in it for me” mentality - the loyalty and “others” mentality is what we seek to build but it takes time. • Cash flow can be difficult - inability to secure low-cost loans for cash flow, plus the populace having little disposable income a small change in economic circumstances can create. • Finding good suppliers in country is very difficult. • Basic supply items can suddenly disappear without prior notice, as well as electricity and water for up to a whole day or two at a time. • Business rates for rents and utilities continue to skyrocket and make it hard to operate profitably. • US\$100,000 USD business start-up money is a new requirement for people wanting to start a business in Mongolia, it is a very hard goal to reach and few missions could afford to front this. • BAM work registered as a foreign business must be profitable within 2 years or may not have their registration renewed - the government does not want missions registering as businesses.

Opportunities for BAM within Mongolia

- Authorities want successful small, medium and large businesses operating in Mongolia, using foreign investment, generating employment for Mongolians and creating taxable profits.
- Third Neighbour Policy (Mongolia wants to encourage investment from other developed countries).
- With the influx of foreign capital there are opportunities for investment and growing knowledge base of how to invest.
- Many Mongolians have a real “can-do” attitude, want to work, and learn how to lead, if given the opportunity.
- Young staff hired into their first jobs don't have poor cultural working habits.
- Rapid development in almost all business sectors (construction to high end goods).
- Low taxes, low regulatory regime relative to other places, including the West.
- Easy registration of companies.
- Growing Mongolian middle class who seek what foreigners seek and have more disposable cash for purchasing and service industries.
- Growing expatriate customer base as mining operating and associated supply chains expand primarily through foreign companies.
- Overall increasing demand for Western goods and Western quality goods and services.
- Cheap supplies from China.
- Entrance into China is relatively easy.
- Americans can get automatic 3 month tourist visas at border crossings.
- Tax evasion is getting harder, so it makes a more level playing field for honest businesses with other businesses.

Threats to doing BAM within Mongolia

- Inflation.
- Housing, business and warehousing space is hard to find in good locations.
- Corruption makes doing business difficult and unstable, threat that if you don't participate your business may be forced to close.
- Air pollution in UB may force individuals or families to leave.
- Sudden law changes.
- Exchange rates - when exporting and purchasing raw materials.
- Prevailing world economic situation – Europe and USA hard to export to.
- Unfair competition - Mongolian run businesses often find way to “cut corners” (e.g. government papers, taxes, customs, etc.) which make it hard for foreign businesses that want to maintain a higher level of integrity.
- Poor transportation and distribution systems.
- Poor education system so that many who hold degrees are not educated to the level that we may need.
- Few well trained accountants who know the tax laws and rules well to keep your business up to date with following gov't rules and regulations.
- Lack of availability of raw materials for some industries.
- Economy is changing so rapidly that it is easy to miss the right market entry point.
- People copy your ideas very quickly and market them cheaper; it means that you have to be on the ball to keep your business up to date and profitable.