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931-0003
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PROJECT EVALUATION SUMMARY (PES) — PART I

1. PROJECT TITLE World Conference on Small Business Development (Project ICONE) (Grant AID/ta-G-1438)	2. PROJECT NUMBER 931-0003	3. MISSION/AID/W OFFICE DSB
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 81-30 Terminal 7/2/81 ☐ REGULAR EVALUATION ☐ ~~SPECIAL~~ EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES	6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY 77 B. Final Obligation Expected FY 78 C. Final Input Delivery FY 79	A. Total $ 45,000 B. U.S. $ 45,000	From (month/yr.) July 1977 To (month/yr.) March 1981 Date of Evaluation Review

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. The evaluation stressed the regional character of future ICONE projects. The decision for replicating ICONE will rest with the Regional Bureaus. The evaluation report will be transmitted to the key decision-makers in the Regional Bureaus under cover of a Memorandum that makes this point, among others, clear.	R. Moeller	8/1/81
2. Transmit by letter to Project ICONE/Manila participants the project results and express the Agency's appreciation for their participation.	R. Moeller	8/1/81

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- ☐ Project Paper
- ☐ Financial Plan
- ☐ Logical Framework
- ☐ Project Agreement
- ☐ Implementation Plan e.g., CPI Network
- ☐ PIO/T
- ☐ PIO/C
- ☐ PIO/P
- ☐ Other (Specify) None
- ☐ Other (Specify)

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

- A. ☐ Continue Project Without Change
- B. ☒ Change Project Design and/or ☒ Change Implementation Plan — Future Projects
- C. ☐ Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

J. Peter Bittner, Private Sector Advisor, LAC/DR
Roger D. Moeller, Project Manager, DS/AGR

12. Mission/AID/W Office Director Approval

Signature
Typed Name Donald Fiester, DS/AGR
Date July 2, 1981

AID 1330-15 (3-78)

15N-511 PD-AAJ-086 9310003055301

UNITED STATES GOVERNMENT

memorandum

DATE: June 25, 1981

RE A. TO OF: DS/AGR, Roger D. Moeller

SUBJECT: Comments on Project ICONE/Manila: an Evaluation dated June 8, 1981

TO: File

The subject project evaluation report (attached) is a good report based on as good a job of data collection as possible within budget and time limitations. The author and Principal Investigator, Dr. William B. Miller, deserves credit for a highly professional job.

The evaluation was contracted through the Bureau for Latin America/Carribean (LAC) with both budget and back-up support from the Bureau for Development Support (DSB). The project itself was partially supported by a small activities grant instituted and managed originally by N. Getsinger of the Bureau for Technical Assistance and then by Roger Moeller of DSB. The project was, for the Agency, a small experiment in the promotion of small and medium enterprises in the LDCs.

As in most evaluation reports, we see in this one an emphasis on mistakes and possible corrections. Two large mistakes are pinpointed as: 1) Inadequate opportunity identification prior to the Congress in Manila, and 2) A near total absence of follow-up after the Congress. The first of these mistakes can be attributed to a limited competence on the part of the project implementer. The second mistake can be attributed, to a degree, to a lack of foresight but the major cause was lack of support by the original project supporters. Other mistakes of a lesser magnitude are identified in the report.

From a project Manager's viewpoint the points made by the report are all valid and should be considered carefully by anyone interested in adopting the methodology. A few cautionary notes are in order, however. The support of the project by a large number of sponsors caused the grantee a serious problem in coordination and made it necessary to recruit participants virtually world-wide. Because no one sponsor dominated the budget, there was never any doubt that the control of the project was in the hands of the implementer. The Project Manager gives the implementer high marks for the job of coordinating the sponsors' inputs, recruiting participants and working with the Philippine government on the Congress itself. As noted in the report, the implementer took the initiative to call together key participants on the day following the Congress to critique the effort. This was very useful and pinpointed many of the problems noted in the report.

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

OPTIONAL FORM NO. 10
(REV. 7-76)
GSA FPMR (41 CFR) 101-11.6
5010-112

A major difficulty with the subject evaluation report is in the reporting of the project results in terms of increased investment, employment and trade. The report notes 19 business ventures were attributed to Project ICONE/Manila through the 60 interviews. In the report detail, 2 additional business ventures are noted but were not "confirmed". Of the twenty one business ventures 5 were primarily trade and were not quantified and are not amenable to estimation. Sixteen were investment ventures creating employment and small and medium enterprises directly. Of the sixteen, 7 had quantified investment and employment data, 6 had only investment data and 3 had neither. Using internal ratios, investment data was estimated for 3 and employment data for 9 of the projects. The attached table gives the results of the reported data as well as the reported data plus estimates for the 60 interviews plus 8 questionnaires.

In addition, an attempt is made to estimate a probable total investment and direct employment result for Project ICONE/Manila emanating from all 225 participants. In making this estimate, a degree of cross-referencing of non-interviewed participants is noted in the sample. There is also reason to believe that the sample is not truly random in that isolated participants tended to not be interviewed and their isolation would reduce probability of positive results. Therefore, instead of expanding the results using the 3.3 to 1 ratio valid for a truly random 68 in 225 sample, a 2 to 1 ratio was used with the results shown in the attached table.

It should also be noted that the first order ripple effect of investments on employment creation can be considered a valid result of the Congress. This ripple effect varies primarily with the type of business. A first order added employment of 0.3 per 1 direct is a conservative estimate. The overall ripple effect is, in many cases, as high as 2 or 3 per 1 direct.

Analyzing the results shown in the attached table indicates perhaps ten trade ventures and 32 investment ventures could be attributed to Project ICONE/Manila. The trade ventures are not quantifiable even by estimation. By a combination of projection and internal data estimation, the investment projects probably resulted in $75-$86 million in investments and the creation of 3900-5200 employment opportunities.

An unexpected result is noted in project items N and O. In these the investments were located in the United States and probably accounted for 950-1150 domestic employment opportunities.

Project Item	Location/Partner	Type of Business	Projected Investment	Projected or (Estimated) Employment
A	Phil./Phil.	Chemicals	NA	NA
B	Phil/Aust.	Textile Mach.	$0.5 - $2.0	(10 - 45)
C	Phil/Japan	Silk Production	NA	NA
D	SA/U.S.	Agri-bus	$0.1	5 - 10
E	Phil/U.S.	Water Purification	NA	NA
F	Taiwan/U.S.	Tire Mfg.	$6 - $10	80 - 225
G	3rd Ctry.US/US	Ind. Prod.	$0.1	(5 - 10)
H	Phil/U.S.	Mkt. Dist. Health Care Prod.	$0.1	60
I	ASEAN/U.S.	Air Cargo Co.	$5.0	60
J	Phil/U.S.	Solar Energy	$2.2	(110-140)
K	Phil/U.S.	Food Processing	$0.25 (only part of investment	150-250
L	Kor./U.S.	Electronics	$0.75	80-100
M	Kor./Kor.	Computer Software	$0.25	35-40
N	US/Phil	Food Processing	$2.0	300-400
O	U.S./Phil	Food Processing	$12.0	(650-750)
P	SA/U.S.	Agri-business	$1.0	(50-60)
	Sub total Reported data plus employment estimates		$30.25 - $35.75	

Total Projected and Estimated from 60 interviews plus review of 8 questionnairs	$37.75 - $43.25	1990-2600
Estimated for total project assuming non-random character of 68 in interviewees/ questionnaires (Used 2 to 1 ratio-up rather than 3.30 to 1 since samples was not truly random.	$75.5 - $86.50	3980-5200
First Order Ripple Effect on Employment est. as 0.3		1190-1680
Total Primary plus 1st Order Ripple Employment Estimated as resulting from Project ICONE/Manila		5170-6880

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PROJECT ICONE/MANILA:

An Evaluation

Contract Number LAC-0044-C-00-1021-00

Project Number 598-0044/936-1406

Amount Obligated: $15,000

By

William B. Miller
President, TransTech Services USA
Alexandria, Virginia

June 8, 1981

PROJECT ICONE/MANILA:

An Evaluation

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PROJECT ICONE/MANILA:

An Evaluation

I. Summary

An International Congress on New Enterprise (ICONE) was presented in Manila, Philippines, June 24-29, 1979. The Congress was part of what was designed as an international cooperative effort to establish more small and medium-scale enterprises (SME) in the developing countries, enhancing their proven role in creating jobs rapidly and at low cost.

The Congress was Phase II of what was conceived as a three-phase effort involving identification of potentially promising joint venture projects in a host country or countries and the recruitment of interested developed/developing country entrepreneurs (Phase I), the assembling of these entrepreneurs at an international working forum to consider the identified projects and to share interests and experiences (Phase II), and (Phase III) the provision of ongoing project development support as well as small business management and entrepreneurial training services in cooperation with in-country institutions. For Manila, only Phases I and II were funded; the concept of Phase III was described in pre-conference publicity materials but funding therefor was not available at the time of the conference.

Total cost of the Project ICONE/Manila was $959,000, including R&D costs. AID, one of the sponsors, contributed $45,000 directly to the ICONE Conference. Other U.S. Government agencies also participated.

According to some 60 of 225 American and foreign participants, plus several additional government officials, interviewed by the contractor in March and April, 1981, the concepts of the Project were worthy of further development. An official of the Philippine Government, host for the conference and a major sponsor, expressed satisfaction with the information on co-ventures acquired at the conference. The conference was judged a public relations success for the Government, and it provided a platform for the espousal of an important Philippine policy proposal advantageous to small business.

An informal and world-wide network of joint venturers may have been started, permitting better global communication about mutual problems. Some 19 business ventures by nine individuals, accounting for perhaps as much as $27-$31 million in actual or potential investment, and between 750-1150 jobs, have been attributed to Project ICONE/Manila; one, which may require yet another two years or more to materialize, could lead to a substantial venture abroad for two American companies.

The critiques of Project ICONE/Manila reflected strong negative views as well as positive ones, emphasizing problems of organization, management, and execution rather than of conceptualization. Its objectives were regarded by many of the interviewed participants as having been unclear; there was inadequate advance dissemination of information concerning the participants' business interests; it was too short for meaningful contacts to develop; the mix of participants included too many "facilitator" organizations and not enough businesses aggressively interested in promoting co-ventures; the conference was poorly targeted; and, contrary to apparent high expectations by the participants, there was no significant post-conference follow-up by the ICONE organization to contribute to project results. By far the majority of the participants interviewed were uncertain or negative about whether they would attend another ICONE conference presented in the same manner.

Project ICONE/Manila was, of course, the first of its kind. It was subject to time and financial pressures, which affected the adequacy of its preparations, and to the vicissitudes of the learning curve.

ICONE's organizer, The Entrepreneurship Institute (TEI) of Worthington, Ohio, appears already to have acted independently and in advance of this evaluation to correct many of the problems noted during the evaluation. Substantial differences from Project ICONE/Manila are evident in its proposal for a second Project ICONE, presented to the Government of Panama in 1981. As proposed, Project ICONE/Panama, scheduled for Panama City in 1982, would be financed and carried out jointly by the Government of Panama, TEI, and by private commercial sources. It seems likely to be regional in scope and to be strongly targeted toward doing business; its development should be followed carefully.

If the significant administrative and organizational modifications from Project ICONE/Manila materialize as indicated, the ICONE concept could well become a meaningful factor in helping develop the third world's private sector through coventuring. As a well-conceived effort to bring potential U.S. and foreign co-venturers together, Project ICONE should not be overlooked by the U.S. Government in its efforts to increase private sector growth in the third world.

One course of action open to the U.S. Government would involve the funding and development of a program jointly with

the Philippine Government to determine the feasibility of establishing a specific follow-up program for Project ICONE/ Manila.

Another area worthy of positive consideration by the USG could be the funding of the "Opportunity Identification Phase" of the new ICONE program. This might involve establishment of a $500,000-$1 million program to provide up to $200,000 of grant or loan funds to each of several foreign governments (perhaps between five and ten over a three-year period) for the preparation by them of commercially-oriented venture feasibility studies. These studies would target specific companies suitable for joint ventures in sectors of the economy which a government wished to develop. The studies would be made available to the U.S. private sector and would become the basis for specific co-venture negotiations at ICONE-type conferences to be organized subsequently by the foreign government and TEI.

A positive spin-off of Project ICONE/Manila was the stimulus it gave to participants to examine other mechanisms to attack the problems targeted by ICONE. The contractor urges that these participant suggestions should be considered carefully, both because of their origin and as a means of ensuring that no options for private sector development by SMEs are overlooked.

Three of the principal options offered by participants either to supplement or supplant an ICONE mechanism were: the initial presentation of co-venturing materials about specific countries to American businessmen at forums in the United States rather than abroad; the development and presentation in the United States of specialized training programs in small business management problems for overseas SMEs; and the encouragement of international agencies such as the Asian Development Bank to assume a leading role in helping develop SMEs through joint ventures abroad.

Some caveats. Overall, the Manila experience suggests that since the connotations of the term "small business" differ widely between the United States and other countries, any ICONE or other types of programs for private-sector development must be carefully formulated and tailored to area conditions if they are to have maximum chance of success. A program which works well in one area is not necessarily suitable in another.

Furthermore, co-venturing at best is a complex, delicate, and sensitive process. These conditions are compounded when differing cultures become involved. Two or three years or more may be required before co-venturers of different nationalities acquire confidence in each other and before an international joint venture can be operational. This is a time factor which planners of programs for stimulating international co-venturing should take into account. An undertaking such as Project ICONE, if entered into seriously for purposes of creating durable business development rather than more ephemeral public relations

advantages, should be regarded as just that -- a potentially medium-to-long-term project requiring commitment.

The Manila experiences suggest that its goals are certainly not best served when it is treated as a traditional short-term "impact" program or as a "one-time shot."

II. The Background of Project ICONE/Manila

Project ICONE/Manila--The International Congress on New Enterprises--was designed as an international cooperative effort to establish more small and medium-scale (SME) industries in the developing countries. Recent authoritative studies show that SMEs tend to create jobs faster and at a lower cost than do larger enterprises.

ICONE was initiated in 1977 by The Entrepreneurship Institute of Worthington, Ohio, an independent and nonprofit economic development corporation. It was developed under the personal direction of William McCrea, Chairman of TEI and President of Phoenix International, a small Ohio facilitator company. Staff time and initial Institute funds of $350,000 were applied toward the project. TEI undertook the role of Central Secretariat for the program.

Project ICONE is in a very real sense the international spinoff of The Entrepreneurship Institute's successful domestic program of small business development projects which, in turn, is an outgrowth of a similar program conducted by the TEI founders for the State of Ohio. The TEI domestic program has been in operation for five years and has serviced more than 3,000 small businesses. A TEI new enterprise development project is scheduled to be conducted in Washington, D.C. in late 1981.

The Project ICONE concept encompasses three phases. It is described in an October 15, 1980 document from The Entrepreneurship Institute in the following terms:

> "The fundamental ICONE concept is to link together SME entrepreneurs from the developed/developing countries and combine their respective talents to launch new cooperative business ventures. ICONE helps facilitate these linkages, provides assistance, and involves other appropriate institutions to help in the establishment and development of the new ventures ...
>
> "When a country decides to host an ICONE program, a joint secretariat is established to set goals of common interest and facilitate the overall project. Then, three specific activities are jointly carried off:
>
> "1. [Phase 1] Project Development and Recruiting -- Identification of potentially promising projects in the host country or neighboring countries, and recruitment of

interested developed/developing country entrepreneurs, financial and support organizations having the capacity to undertake these and other ventures of interest.

"2. [Phase II] The ICONE Forum -- Convening of an international working forum in the host country which brings together about 400 of the entrepreneurs, financiers, and facilitators who have been identified in the first activity, to share interests and experiences, learn the practicalities of doing business across national boundaries, and consider the identified projects.

"3. [Phase III] Project Support/Entrepreneurial Training. After the ICONE forum, ongoing project development support as well as small business management and entrepreneurial training services are arranged in cooperation with appropriate in-country institutions."*

It was decided in 1977 that ICONE needed the financial and technical support of one or more of the major international development organizations, as well as the private sector. Consequently, the project was presented to the World Bank's Industrial Development and Finance Department, which became the first outside ICONE financial sponsor. Subsequent presentation of the project to AID and to Control Data Corporation resulted in their early support of the program. An International Steering Committee composed of entrepreneurs, business executives, financiers, and representatives of government agencies and development organizations who were knowledgeable in SME co-ventures was recruited early in the planning stages and expanded from time to time throughout the early stages.

To make ICONE widely known at the outset, an announcement briefing was held at the World Bank headquarters in Washington on July 20, 1977. More than 100 representatives from 56 nations and several international economic development organizations participated. The involvement of other organizations interested in SME co-ventures was invited.

The initial organizational steps in 1977 were followed by a series of international meetings through the rest of that year and into 1978 designed both to define the concepts of Project ICONE and to enlist financial support for the program. They

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* ICONE: "Project Concept," October 15, 1980; Worthington, Ohio.

culminated in a decision to hold a World Conference, which was then followed by a series of individual discussions with eight different governments to determine the site of the Conference. A last-minute reversal by the Mexican Government of its decision to sponsor the ICONE Conference created serious increased time pressures and added costs for ICONE in its negotiations with the governments of Senegal and the Philippines. In October, 1978, the bid of the Republic of the Philippines to host a Conference in June, 1979, was accepted by the ICONE sponsors, and in March, 1979, the conference agenda was finalized.

Top- level representatives from 225 companies and other private sector and governmental organizations actually attended the Manila Conference in June, 1979. A listing of the registrants, prepared by The Entrepreneurship Institute and showing company affiliation and country, is attached as Appendix A. The formal Agenda for the Conference is attached at Appendix B.

Immediately following the conference, a working meeting of selected attendees representing sponsoring organizations was held in Manila on June 30 to discuss the question "whither ICONE." The meeting resulted in a critique of the Manila conference, but there was no specific decision about the direction to be taken by ICONE, and no funding was available to carry on further activity.

The Entrepreneurship Institute has undertaken only limited activity in what would have been the Phase III period described in its pre-conference publicity. A questionnaire to determine the results of the Manila meeting was sent to participants in mid-1980; some 22% of the recipients -- about 50 -- responded, most in relatively general terms.

As part of its follow-up, ICONE also initiated a campaign in the fall of 1979 to develop a network of associates in countries from which the participants came, requesting payment of an annual charter membership fee of approximately $750. Few participants paid the fee, and no "network" of associates has yet been developed.

A small and continuing working group meets periodically in the United States. In 1980-81, The Entrepreneurship Institute developed plans for further Project ICONEs in West Africa, the Caribbean, and the Republic of Panama. No progress has been made with the first two, but a firm proposal is currently (May 1981) pending with the Government of Panama.

III. The Costs of Project ICONE/Manila

Project ICONE/Manila cost a total of $959,000 in direct and indirect charges, in both cash and in kind.

Direct costs for the actual conference in Manila totaled $604,500; total direct revenues were $609,000, and the net was $4,500.

AID's total contribution, as one of nine sponsors of the Project, was $93,000; however, only $45,000 of this was in direct grant to The Entrepreneurship Institute, and $48,000 covered the financing of co-venture case studies prepared for the UNCTAD Conference and also used as background materials at the conference.

In addition to the total direct costs for the conference noted above, The Entrepreneurship Institute, as the conference organizer, had expended an additional $350,000 from its central funds for what it describes as "preliminary development work, network building, securing initial sponsors, and other R&D type activities." These funds were expended during the years 1977-78 and are regarded by The Entrepreneurship Institute as a non-recoverable investment to further the non-profit organization's purpose of assisting and encouraging entrepreneurship and small enterprise development in the U.S. and in the developing world.

There follows the budget for Project ICONE/Manila, as presented by The Entrepreneurship Institute in March, 1980. (Page 9.)

Project ICONE

Financial Summary
Phase I-II

REVENUES

Grants/Contracts:			
U.S. AID	$ 93,000*		
The World Bank	55,000		
OMBE/Commerce Dept.	30,000		
Control Data Corp.	30,000		
Alexander Grant & Co.	30,000		
Republic of the Philippines	150,000		
DuMond International	2,500		
OPIC	10,000		
The Entrepreneurship Insititute	77,500*	$ 478,000	
Registrations: 211 Registrations @ $595 - $995		131,000	
TOTAL REVENUES			$ 609,000

EXPENSES

Project Development (Central Secretariat)(2 Years)			
Staff & Consultants	$ 191,500		
Operations (Overhead)	73,000		
Travel & Meetings	81,000	345,000	
Marketing & Promotion			
Printing	18,000		
Mailings	8,500		
Public Relations	35,000	61,500	
On-Site			
Fixed Costs			
Conference Facilities	10,500		
Local Secretariat	4,000		
Intrepreter	1,000		
Seminar Materials	20,000	35,500	
Variable Costs			
Hotel (Manila, Philippine Plaza)	65,000		
Cruise	6,000		
Meals at Conference	10,000		
Tours, Assistance	8,000	89,000	
Special Related Projects			
Facilitator Study	25,000		
Co-Venture Case Studies	48,000	73,000	
TOTAL EXPENSES			$ 604,500
NET			$ 5,500

*Note: The Entrepreneurship Institute contributed an additional $350,000 in manpower in 1977-1978 start-up period of the Project.

**Of this, $48,000 was for co-venture case studies originally prepared for UNCTAD and later used by ICONE as well.

By way of comparison, the preliminary financial plan for Phases I and II of the proposed Project ICONE/Panama runs about as follows:

Revenues

Government of Panama	$ 275,000
From registration fees: (175 participants at $1,000 each)	175,000
Possible additional contributions from private commercial sponsors	
	$ 450,000

Expenditures

Management fee, to The Entrepreneurship Institute, for presentation of conference	$ 300,000
Local support activities	50,000
To contractor to carry out "Opportunity Identification Phase," recruiting activity	100,000
	$ 450,000

Substantial differences in costs exist between Project ICONE/Manila and Project ICONE/Panama in part because much of the infrastructure activity, conference materials, and other elements have already been developed and amortized.

The fee level was a matter of some interest to several Philippine participants. A number regarded the fee as quite high and described the conference as "among the most expensive" they'd ever attended. They also considered that the high fee kept away many truly "small businesses" and allowed only the relatively large Philippine companies to attend. Actually, many Philippine companies appear to have received substantial discounts in registration fees as a result of an agreement with the sponsoring Philippine government. Discounts were given to speakers and "faculty" members at the conference. It should be noted that numerous participants at Manila had little problem with the fee level, regarding it as a "reasonable, normal -- and deductible" -- business expense. However, for smaller businesses far distant from the Philippines, and faced with heavy additional travel costs, it might have been something of a deterrent to their attendance.

IV. The Results of Project ICONE/Manila

A. General

Appendix C contains a brief note on the methodology used by the contractor in interviewing the American and foreign participants of Project ICONE/Manila.

Appendix D contains a tabular summary of the responses of those participants. The table indicates the category of the participant, the overall size of his organization or company, whether he had previous international business experience, the participant's overall reaction to Project ICONE/Manila, and whether he would attend a second similar conference. The last column contains a specific comment concerning whether business resulted which could be attributed directly to Project ICONE/ Manila and additional brief commentary as appropriate. More general remarks made by the participants are synthesized in Section IV.C. of this report.

Where relevant, the contractor has included statistical estimates of the value of business concluded and of employment and investment effects. However, even in many cases where business does appear to be soundly in train, no firm project agreement or commitment had yet been developed, and no activity was actually under way. Principals often were either unable or unwilling to quantify investment or employment effects, given the preliminary stage of a project's development. Confirmatory documentation -- a signed project agreement, for example -- was neither offered nor requested in view of business confidentiality factors. Time constraints on this survey tended to preclude the possibility of confirmatory visits to factories or plants which might have been established for any of the ventures.

On balance, a number of figures in this report still seem highly preliminary and probably should be accepted more as "illustrative" than "definitive." However, the inclusion of a reference to specific business in this report indicates, in the contractor's judgment, solid contacts which were established following ICONE by the interviewees and which are being seriously pursued. That some figures are still tentative suggests only that ventures may take several years to develop and also that even projects seriously undertaken may falter or be terminated for a variety of reasons which could probably not have been anticipated at the onset of negotiations.

B. Business Possibilities

Of the 60 participants interviewed by the contractor, nine reported 19 projects consummated or judged very likely to be successfully concluded in the foreseeable future and which could be attributed specifically to Project ICONE/Manila. Total value of these transactions, taking into account the comments in Section IV.A., could be placed at between $27-$31 million; between 750-1150 jobs may have been created or kept from being terminated due to bankruptcy situations.

One outright incremental sale of handicraft items worth $25,000 was consummated, accounting for one month's work for some 300 workers. There is an apparent difference of opinion between seller and purchaser as to whether additional sales will occur or whether possibilities for co-venture agreements exist.

A joint venture is likely to be negotiated between a small Philippine chemical company with no international experience and a major Philippine diversified company. Representatives of the companies, both located in Manila, met for the first time at ICONE; the venture could lead to a five-to-ten fold expansion of the smaller company's capital. No statistical estimate of investment or employment effect was proferred. The venture was confirmed by both principals, who expected that it would be consummated by mid-1981.

One joint venture negotiation concerning the supply of textile machinery, initiated on the heels of the Conference between a Philippine company (an ICONE participant) and an Australian company as the result of the "brokering" of another ICONE participant, was terminated when the integrity of the broker was questioned. However, negotiations have now been renewed at the initiative of the Australian company, and in March 1981 a draft agreement was provided directly to the Philippine company for discussion. Employment and investment effects could not be meaningfully estimated, though one guess was that the project could lead to an investment in the Philippines of anywhere between $500,000 to $2.0 million. The Philippine principal regards the successful and early conclusion of negotiations as a sound possibility.

A Philippine company has entered into a joint venture with a Japanese company for the production of silk as a result of ICONE. The Japanese principal was not an ICONE/Manila participant, but the Philippine principal claims to have been "sensitized" by Project ICONE/Manila into thinking more about the possibilities offered by joint ventures. Consequently the company made contact with the Japanese firm. The Philippine company was not willing to provide estimates of investment or employment effect.

A small American facilitator participating in ICONE is assisting in developing an agri-business venture with another

American ICONE participant operating principally in South America. The agri-business project is small, with a capitalization of $100,000 or less; it is still on line though it currently is regarded by the facilitator as "not being very firm."

A small American facilitator involved in ICONE is negotiating with a Philippine ICONE participant concerning development of a water purification project. No definitive conclusions have been reached, nor are estimates of the size of the project available; possibilities appear sound, however. A further negotiation is being carried on with a Taiwan participant, possibly leading to an investment by an American company of between $6-$10 million in an industrial manufacturing venture, with a potential employment effect of between 80 and 225 persons. The figures appear to be planning estimates.

Two U.S. companies, both ICONE participants, one a sales company and one a facilitator, have established a joint sales agency in another country. If market projections prove out, this could lead in the next year or two to a joint venture in manufacturing an industrial product with a capitalization of as much as $100,000. More importantly, the two companies are seeking to be qualified to bid on a major internationally-financed hydro-electric project. Whether they are qualified and win a bid will, of course, require several years to be determined. Successful bids would lead to substantial employment and investment effects. (It is intriguing that these two companies are located just several hundred miles apart in the United States, yet they met only in Manila.)

An American marketing company was attracted to the Philippines solely because of the ICONE conference. Though only limited business resulted with other ICONE participants, the principal undertook a highly aggressive post-conference exploration of possible opportunities in Southeast Asia, visting ICONE participants from several of these countries and eventually relocating his company base from the U.S. to the Philippines. Projects described as firmly in train include: (1) the acquisition of marketing rights in one area of the U.S. on behalf of a Philippine trade promotion agency, principally involving handicrafts, with no estimate of value or employment effect yet available; (2) acquisition of production and world distribution rights to a well-known personal health care product, with a $100,000 initial investment in the Philippines, with potential initial gross sales of as much as $180,000 a month, and with initial employment prospects for 60 new jobs; (3) the establishment of an air cargo carrier in a Southeast Asian country, scheduled to become operational in July, 1981, with an initial capitalization of $5 million, an employment effect for 60 persons, plus additional positive developmental impact from resulting changes in food distribution patterns; and (4) a solar energy

project with the start-up target date of July, 1981, a $2.2 million capitalization, but with no estimate yet of employment effect. The American company's role is variable; it has acted as facilitator, as a venture partner, and as a distributor or marketer of the product.

A small American facilitator participating at ICONE reports five projects "consummated": (1) a joint venture with a Philippine food processing company, also at ICONE, involving technology transfer to the Philippines valued at $250,000, and with a positive effect for 150-250 jobs in the Philippines; (2) establishment of an electronics venture between a U.S. company and a Korean company as the result of the intervention of another Korean ICONE participant, with an investment of $750,000 and creating employment for 80-100 people; (3) a Korean computer software firm established, involving a Korean ICONE participant and a Korean conglomerate, creating 35-40 jobs with an investment of $250,000; (4) a $2 million reverse investment by a Philippine company in a U.S. firm -- a buy-out of a failing food processing company -- resulting in a "saving" of 300-400 U.S. jobs; and (5) a reverse investment of $12 million by the same Philippine company in another U.S. food processing company to acquire U.S. technology; no employment effect estimated.

Apart from the companies interviewed directly, two of eight other firms responding to an earlier written questionnaire sent out by The Entrepreneurship Institute reported that business had developed from ICONE. One project was described as an agri-business project in a South American country with a potential investment of $1 million. Confirmation and details are lacking. One American company is described as having joined with a Philippine company to establish a successful distributorship accounting for about $500,000 of business in a European country for certain types of clothing. No confirmation of this was obtainable from the involved company.

C. Overall Comment

It appears that most participants interviewed supported the concepts behind Project ICONE/Manila.

The tabular survey at Appendix D suggests that 50 of the 60 (83%) interviewees were judged to have positive or basically positive ("mixed") views about Project ICONE/Manila. (At the same time, in responding to the "pocketbook issue" of whether they would attend a similar-type Project ICONE meeting, 44 of the 60 (73%) responded with a completely negative answer or with an "it depends" response.)

In general, participants supported the concept of bringing potential venturers together to exchange ideas, explore

options, and lay the foundation for further creative discussions of possibilities. One experienced co-venturer commented that many ideas for projects would be sparked by random contacts in various areas initiated under the roof of an ICONE; synergy is an essential element for innovation in co-venturing. Another experienced businessman noted that confidence-building is particularly important in developing co-ventures between principals of different nationalities. An ICONE can provide the "umbrella" for the initial cross-cultural contacts which are the lubricant for further business discussions.

One participant, who was drawn to Southeast Asia by ICONE and who subsequently appeared to be exploiting a number of significant business possibilities in the area, believes he probably would not have come to Southeast Asia in the absence of an ICONE.

Most participants supported the ICONE type of meeting as a better mechanism for facilitating technology transfer than the trade fair or the trade mission, regarding the latter more as vehicles for specific sales programs.* Most, though by no means all, supported the idea of having such gatherings outside the United States, thereby attracting foreigners (particularly Americans) to specific countries or regions. However, several suggested that a modified approach of this kind might best be first made in the United States, establishing initial contacts between foreign governments with the American small businessman on his home grounds and at little relative cost to him, particularly if the alternative were expensive travel to far-distant Asiatic countries with few specific or immediate prospects. On-site visits would follow only if interest or possibilities seem to warrant.

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* The activities of West Germans in the Philippines were described to the contractor by one ICONE participant highly critical of the ICONE mechanism, who suggested that investment missions can do the job as effectively as an ICONE. He said one such mission to Manila was preceded by the Germans having developed close working relationships with and in the Philippine Board of Investments and by intensive and thorough identification of likely joint venture partners. Then, when the government-sponsored mission arrived, its members knew exactly what companies they were looking for and where to go. The Philippine businessman noted that advance preparation was important in ensuring the success of the mission.

Another suggestion proposed the development in the United States by the U.S. Government or private sector agencies of short-term training programs treating specialized small business management programs. This "business visitor exchange program" would help the overseas SME to qualify its management personnel to become better venture partners for developed country companies and would also provide exposure of practical commercial value to American SMEs on their home grounds.

There appeared to be widespread agreement that the ICONE concept stimulates the establishment of an informal but essential global network of principals involved in joint venturing and technology transfer. As the network develops, intermember communication about joint venturing possibilities is intensified, and the interest in, and capability to venture is strengthened.*

On balance, probably the most succinct and descriptive comment summarizing the conceptual strengths -- and the practical problems -- of Project ICONE/Manila was that of one participant who noted that it may be necessary to explore ten project possibilities to find one that is viable as a joint venture. Thus, he said, "it is necessary to sow as many seeds as possible. The problem at Manila is that there weren't enough flower pots to sow them in!"

The figurative absence of "flower pots" at the conference is a comment which in one form or another surfaced frequently during interviews with the participants. There were several major variations on that theme, essentially along the following lines.

There were too few "successful businessmen" at the conference aggressively interested in seriously and authoritatively talking joint ventures. Conversely, there were too many "facilitators" who were seeking business but who could not enter directly into ventures. The opportunity for matching participants in "deals" was poor.

Advance preparation for the conference was inadequate. Most participants had insufficient detailed advance knowledge of the business interests of other participants. Most of the conference time was therefore utilized in simply trying to find

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* The contractor's own experience during this survey in renewing professional relationships with former ICONE participants tends to confirm the validity of this view.

the "right" initial contact rather than in exploring specific possibilities for business arrangements.*

The range of participants' interests tended to be too wide, both geographically and functionally. It was difficult to find "matches" of interest within any given industrial sector, and it was equally difficult to establish compatibility of interests between a Colombian and a Nigerian manufacturer, for example. The utility of a "global" conference -- i.e., limited to ASEAN countries, for example -- was a matter of some interest. Opinions on this issue were frequently combined with views on whether conferences should be limited to specific industrial sectors -- global/sectoral, regional/sectoral, regional/non-sectoral, and so on. Many combinations were suggested; however, there was broad agreement that any future conference, whatever its duration, should be much more targeted in advance toward promoting specific business possibilities. Then, it was argued, businessmen could better judge whether attendance would likely be profitable.

In fact, the response, "It depends ...," to the question about attending future conferences (Column 6, Appendix D) tended to be frequently accompanied by comments such as "It depends on structure," or "I'd look to see what the objectives were ...."

The absence of follow-up to the conference seems to have been raised almost consistently by most interviewees, even those generally positive in their opinions about ICONE. The expectations for follow-up appear to have been raised in part by various advertising materials which either implicitly or explicitly promoted the probability of a "Stage III" which has so far not materialized due to lack of funds. The actions of TEI in circularizing ICONE attendees for membership in an ICONE association, in seeking to collect or collecting membership fees of $750, and in so far providing nothing in return, were cited by several of those interviewed in discussing the "follow-up" issue.

To be sure, there were few specific comments about what was expected as follow-up. Some suggested, as a minimum, the issuance of a newsletter to describe venture "successes" of

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* The Entrepreneurship Institute has stated that the prolonged grounding of the DC-10 aircraft, which occurred at the time of the conference, caused a "significant" number of cancellations by both scheduled faculty and regular participants. This in turn caused substantial scheduling problems in the lectures and also affected the quality of the participants, according to TEI.

others or to analyze co-venturing problems. Some implied the desirability of a continuing secretariat to provide information and assistance to first-time co-venturers. Some suggested a central office to follow-up with those who might have encountered opportunities at an ICONE but who then failed to follow-up due to other preoccupations on their return home. Whatever the suggestions, there was evidence of a desire for assistance, and a willingness to accept ICONE as a source of that assistance in connection with a conference.

Most participants suggested strongly that few, if any, sound co-venture agreements could ever be signed at a five-day conference, unless of course they had been pre-negotiated. In fact, any agreement negotiated de novo and signed in such a short time was, almost by definition, likely to be unsound in concept and/or execution. Co-venturing required time for potential partners to establish mutual confidence and to resolve tricky technical, financial, economic, and socio/political issues. If the purpose of ICONE were to stimulate co-venturing, it should, in fact, regard itself -- and be regarded -- as a true project of somewhat extended duration. Follow-up is an integral part of the entire process, and should be fully covered in the basic planning and financing of ICONE. A conference should also provide less in the way of lecturing and allow more time for specific business-related discussions.

There was some general dissatisfaction about the professional aspects of the actual conference organization and management. Troublesome organizational factors cited included the shortness of time allowed for putting the conference together; the financial pressures which led to lack of sophistication in recruiting and which permitted an international banking concern to give the impression of dominating The Entrepreneurship Institute and the Conference itself; and the fact that the Conference neither put out any summary statement in Manila of its work there nor a "Final Report" of the proceedings and papers as a bona fide attesting to at least the minimum benefits of conference attendance. Concern about these kinds of items seems to some extent to have vitiated the conference results. One suggested remedy was the utilization in the future of professional conference managers to handle the administrative and operational details, leaving TEI to concern itself more directly with the substantive aspects of a Project ICONE.

D. Philippine Government Reactions

It is difficult to offer comments about reactions of the Philippine Government. The conference was fully authorized and strongly supported by President Ferdinand Marcos, who so indicated in a letter to a United States Senator; however, the President was not interviewed by the contractor for this survey.

No official written report on the Conference was made by the involved Philippine Ministries in 1979. Several of the Ministers and other officials associated with the planning and/or implementation of the Conference have left government; in several cases their departures occurred shortly after the conference and they professed little awareness of the government's post-conference reactions. Only one senior official in office at the time of Project ICONE/Manila is currently still in office.

According to several of the former officials, the actual expectations of the Philippine Government for Project ICONE/Manila were relatively modest. The Project was viewed with some curiosity as a possible alternative to a UN program then regarded as not too promising. It was potentially a device to encourage Philippine/"western" contact and demonstrate possibilities for east/west technical cooperation, and to make Philippine businessmen more aware of western business methods and of the possibilities for their adaptation to the Philippine business style.

In general, several elements of the Philippine Government appeared well satisfied in terms of having met their own expectations. Having attracted so many "distinguished" foreigners to Manila, the conference was a public relations "success" for the Marcos administration. Philippine officials received considerable information in relevant areas and were pleased that western businessmen "would help inform us how to do coventures." On the other hand, it was also held that some of the Philippine participants might have expected more specific results than were achieved; some were believed to have been disappointed at the results. According to one senior official, the preparation necessary to have avoided this reaction would have required perhaps another three months of "homework."

Some difficulties were experienced in recruiting sufficient numbers of Philippine businessmen to attend the conference, and it was thought that pre-conference advertising was not well-handled. It was reportedly necessary for government elements to "coax" a number of them to attend -- to "generate" participants, as it was put -- and difficulties were reportedly experienced in reaching agreements on overall organization and cost-sharing. Inter-ministerial differences were described as existing about the utility of Project ICONE and, for that matter, are projected as currently likely to arise again if a similar Project ICONE II/ Manila were to be considered for presentation.

Among some, Project ICONE/Manila appeared to raise an issue of the government role vs. the business role as sponsors. The government's role as co-sponsor apparently reflected strongly its desires to enhance its international status and prestige; the organizer's role was regarded as fundamentally commercial in nature. One view was therefore advanced that these two roles should have been more carefully defined; the government role in controlling the direction of the conference should have been more prominent.

Government and the private sector could and should work together, but responsibilities should be more clearly outlined to avoid any confusion about the motivations of each.*

In seeking to assess its reaction to Project ICONE/ Manila, the contractor did not attempt to pursue the question of whether the Philippine Government would officially support a second ICONE in Manila. However, comments which were volunteered and could probably be regarded as quasi-official suggested substantial support for a second conference, despite other views noted earlier in this report. Such a conference would, however, probably be more regionally oriented, limited perhaps to the ASEAN countries and the United States. There was strong support too, particularly by a senior government official, for its being carried out under the "umbrella" of an Asian Development Bank or one of its subsidiary organizations.

Project ICONE/Manila clearly had one positive effect in sensitizing the Philippine Government to joint venturing. Evidence of this was the reported action of a government office to ask a Japanese organization and a major U. S. technology transfer company each to provide listings of some 12 companies from their respective countries which were interested in co-venturing in the Philippines. It then apparently intended to move ahead to explore the potential venture possibilities for these companies. As of early April, the Japanese reportedly had already responded and initial Japanese/Philippine discussions had taken place; the authoritative Philippine source was "unaware" of any response by the American company.

The Government also found the conference useful as a platform for the presentation of a major policy proposal supporting the development of small business in the Philippines. The proposal, made by the then Minister of Industry, would have supported a two-tier program of foreign investment regulations and controls which would have been less "defensive" against, or more favorable to, the smaller enterprises while leaving the present levels of regulation for multi-nationals essentially untouched. The proposal had received Cabinet endorsement but had encountered business opposition, including some from Japanese

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* Parenthetically, in discussing the role of government in a Project ICONE, one source urged that the USG recognize far more explicitly the value of ICONE to the U.S. export trade and utilize it as such far more aggressively than it did in Manila. The source noted that the Philippine Government had just received a substantial Ex-Im Bank line of credit; it considered that another ICONE might help it "avoid wasting time" in determining how best to utilize those credits.

companies. One Philippine official regarded ICONE's failure to have formally endorsed this proposal as decidedly lessening possibilities that it might have been developed further. ICONE's endorsement might also have strengthened its own image as a significant vehicle for conveying to governments the views of small businessmen on major issues in the international commercial sector.

V. An Evaluation of Project ICONE/Manila: Conclusions and Recommendations

A. Conclusions

Evaluating Project ICONE/Manila recalls the story about the blind men describing the elephant; the evaluation depends in part on what one expected ICONE to be at the outset and on what segment one looks at at its conclusion.

For example, The Entrepreneurship Institute has called Project ICONE/Manila principally an "experimental exercise" to prove that businessmen can be mobilized to go abroad to explore possibilities for joint venturing. It considers the experiment to have been successful. The Government of the Philippines, host and principal sponsor, appears to believe that its expectations, limited though they were, were met. AID, also one of the Project's several sponsors, initially expected Project ICONE/Manila to provide answers to questions about whether medium-sized American enterprises could effectively be joined with third-world small and medium-sized enterprises in technology transfer. The more pragmatic question about ICONE's capability to impact on reducing the third world's unemployment problem was only subsequently targeted as a major additional issue. The World Bank, a sponsor, is understood to have been interested in ICONE in terms of its potential for stimulating investment in the third world. It is doubtful that these developmental questions could under any circumstances have been satisfactorily answered by just one conference.

In evaluating Project ICONE/Manila, company sponsors appeared to look at the potential short and medium-term business returns to them or their clients deriving from the project. In a number of cases, companies may have regarded the longer-term gains, though less tangible, as more positive than the shorter-term gains.

Individual participants' expectations were equally varied. Some attended principally because they felt obligated by business commitments to do so; some "stopped off" en route to other appointments in the Far East; some were attracted by the promised educational and information benefits; and some went without knowing really what to expect. Some experienced international marketers attended especially to seek new business; some, inexperienced in doing business abroad, went because Project ICONE/Manila offered a convenient and "comfortable" vehicle for a first look at business opportunities overseas.

Their evaluations are in effect what are described in Part IV of this report and offer many valid areas to explore if the potential benefits of the Project ICONE concept are to be extended to an even greater number of participants in future conferences.

Certainly, even though this first Project ICONE/Manila seems not to have generated substantial enthusiasm for its repetition in that same form, and though only a very few participants reported positive results, the underlying philosophy still seems sound. The concept is that, considering the essentially conservative nature of small business entrepreneurs everywhere, the promotion of their involvement in co-venturing in any sizable scale seems to require numerous mechanisms which will encourage and facilitate creative and innovative business contacts between them.

Against such a generalized comment, it is also fair to pose more specific questions, such as the following:

1. Were the benefits worth the cost? The answer here seems to be an unqualified "yes."

For example, the direct AID contribution to Project ICONE/Manila totalled $45,000, as previously noted. Against that sum, plus the expenses of this evaluation, projects totaling more than $27 million and probably accounting for more than 750 jobs in one form or another appear to have been developed. These involve substantial American business activity abroad and seem likely to lead to positive long-term developmental effects. For example, as suggested, if the establishment of an air cargo carrier in one Southeast Asian country materializes, it could cause considerable economic impact by bringing about major changes in the distribution pattern of locally produced foodstuffs. The "reverse investment" by a Philippine company in a near-bankrupt American company reportedly saved 300-400 U.S. jobs.

Further, even the relatively small-scale overall USG participation in the project undoubtedly served for other sponsors as a "signal" of U.S. interest in getting at the private sector development problem. Parenthetically, the level of U.S. participation seems to have been regarded by many as considerably larger than it really was.

Substantially the same cost-benefit conclusions seem valid if total conference costs are related to the tangible and intangible benefits derived therefrom. As a minimum, the conference effectively served as a "consciousness raising" mechanism stressing the potential role of the SME in private sector development in the United States and abroad. Project

ICONE/Manila may have performed a valuable service in initiating what one participant called an "advertising campaign" on behalf of the SMEs.

The foregoing answer of course begs an answer to the question of whether the benefits of ICONE might have occurred even without an ICONE. Certainly, aggressive governmental investment promotion efforts, such as the German approach noted on page 20, could have produced much the same kind of result. It should come as no surprise that businessmen from companies of many different sizes readily attend overseas conferences for various purposes, and a positive ambience supporting the expansion of SMEs overseas can be produced in many ways. However, it certainly seems moot at the moment whether many other organized efforts to this end are really underway.

2. Could local institutions have carried out the conference, and with what results? The answer here is "Yes, in all probability, though with differences of style and substance, and conceivably, with as good or better results."

The term "local institutions" in both the question and the answer is assumed to relate to "Philippine institutions." The answer also assumes the need for, and the existence of, a sophisticated and capable foreign government Investment Promotion Board, or its equivalent; aggressive Ministries of Commerce, Industry, and Trade, with good relations with major American or foreign companies operating in the area; relatively open-minded international economic policies, and good relations with the American or other foreign governments for technical and "moral" support, as a minimum.

There was little opportunity to explore in depth the actual competence of Philippine institutions to undertake such a conference, but there is no *prima facie* reason to doubt their capabilities. Many Philippine government officials and business people interviewed appeared to have received extensive university training in the United States. They maintain close business relationships with the developed world and with major international institutions and are involved in various aspects of development economics. For example, another Southeast Asian government was described by several persons as having developed an extremely effective and comparable though quite different type of investment promotion program; there seems to be no reason to consider the Philippine Government as necessarily any less capable. And it can be assumed that the German and Japanese governments would have been most willing to have assisted the Philippine Government in backstopping such an endeavor.

If carried out by local institutions, a Manila conference would most certainly have been more precisely defined in

terms of local or regional objectives and might have contained fewer philosophical and instructional segments. The enhanced responsibility of local institutions might have also stimulated them to target the conference more directly to Philippine co-venture possibilities and might have led to more immediate joint venture possibilities for the country.

There are, of course, countries which still lack infrastructure capable of organizing and presenting such complex conferences, and where results of their attempt to do so could have been highly negative. Of course, only an actual test would determine whether the Philippines possessed or could develop the necessary capability to do a satisfactory job.

3. Could start-up activities (Phase I) be separated from Conference activities (Phase II)? If so, what level of benefits could be expected? The answer here is "Yes, but ...."

Start-up activities could be separated from conference activities, insofar as assigning lead responsibilities for preparation of each is concerned. The two cannot, however, be disassociated completely from each other, and close coordination during the preparatory phases is required. Admittedly, separation of the two could present troublesome problems of conference control which would require careful and tactful resolution.

This conclusion assumes that the start-up phase is the equivalent of what has been described in another context as the "Opportunity Identification Phase". Phase II or "Conference Activities" would emphasize principally the aspects of recruiting, program planning, conference management, and, perhaps, follow-up planning.

The "Opportunity Identification Phase" would seem to be a period during which governments, particularly in developing countries, will want to have strong inputs in the determination of areas to which they give priority for encouraging coventuring. "Opportunity Identification," which would be carried out in close conjunction with the conference organizer, complements and could enhance government development planning efforts and also gets at the issue of "conference targeting" which was raised repeatedly by Manila participants.

The actual implementation of the working forum, designed to facilitate the development of "matches" between potential joint venturers, seems much more a business-oriented function. Here governments might be best put in a secondary role; the conference organizer, with its better non-host-country private sector contacts, could be expected to make the major contribution.

The separation of responsibility also seems likely to mean better definition of the respective goals, clarification of

the responsibilities and motivations of each of the major parties, and probably more directed activity in each of the phases.

Though the basic question did not raise the issue of a Phase III, or follow-up, the Manila experience, as reported by the interviewees, suggests that this should be regarded as being as important as the other two phases, if in fact host governments want actual business ventures to result and if a momentum for ICONE is to be established. It is the finishing touch of a Project ICONE, one which Manila obviously and disappointingly lacked. It is perhaps not as separable from conference activities as is Phase I; "Opportunity Identification" work can be carried out, publicized, and implemented in various forms even if no conference were to follow. However, a conference without some degree of follow-up to produce positive tangible results could be regarded as incomplete and perhaps little different from other relatively routine conferences.

4. Is such an effort recommended for other developing countries? The answer here is again "Yes, but ...."

Comments stemming from Manila suggest that the term "small business" often carries with it substantially different connotations for people of different nationalities concerning the size, structure, and orientation of business. "Small business" in some countries means only a "family" or handicraft business; it may mean a top-rated high-technology business in the United States. A "small business" in the United States can be a "big business" in a developing country. Project ICONE/Manila highlighted the fact that business systems may well exhibit more cultural and structural differences and reflect more differences in legal and administrative systems than may be assumed to exist by persons generally unfamiliar with the structures of foreign systems.*

These factors seem to imply that no programs for private sector development can necessarily be applied

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* Several of the Philippine conference participants cited ICONE's "poor understanding" of these kinds of differences as partially responsible for the poor mix of businessmen at the conference. Consequently, some Philippine businessmen, regarded by Americans as "small businessmen," saw themselves as "big businessmen"; the difference in perceived levels meant that there was relatively little presumed commonality of interest -- and of contact.

automatically across the board to developing countries. Their success will depend on the structure of business systems in areas where the programs are implemented. Such programs should be at least "regional specific" or, better yet, "country specific" if they are to have maximum chance for success. Clear-cut objectives should be established by sponsoring governments. Programs must be carefully formulated and tailored for area conditions; an ICONE might be especially suitable for one country or region where economies are complementary and where industrial infrastructure is moderately well-developed. In another area, where economies are competitive -- only agricultural, for example, or where infrastructure were minimal -- there might be little chance for the synergistic effects necessary for an ICONE to have full play.

Thus, though the general principle of providing for interchange between entrepreneurs through an ICONE appears valid, careful analysis of the foreign situation seems to be desirable as a prerequisite to determining the potential of an ICONE in any country or region.

B. Recommendations

This report has several times referred to proposals by ICONE to the Government of Panama for a Project ICONE/Panama some time in 1982. The proposals, as shown to the contractor, seem to embody the substance of many of the modifications suggested after Project ICONE/Manila and also as discussed in this evaluation. The conference seems likely to be strongly regionally oriented; provision has been made for an "Opportunity Identification Phase," leading to better targeting; more care seems promised in recruiting, though there is apparently no funding yet for any appreciable degree of follow-up in terms of a "Phase III" effort.

However, if the basic organizational and administrative modifications from Project ICONE/Manila materialize as indicated, the ICONE concept could likely become a meaningful factor in helping develop the third world's private sector through co-venturing by the smaller enterprises. As a well-conceived effort to bring potential U.S. and foreign co-venturers together, it should not be overlooked by the U.S. Government in its efforts to increase private sector growth in the third world.

There are numerous areas of activity related to, or deriving from the evaluation of Project ICONE/Manila where U.S. involvement might be highly appropriate as a part of such total effort.

1. To help overcome concern about the absence of follow-up after Manila, the USG could consider making a grant

or loan, exact amount to be determined, to the Phillipine Government to develop jointly proposals for, and establish, if possible, a follow-up mechanism to Project ICONE/Manila. Clearly, some problems may exist with this proposal, particularly in view of the passage of time after Project ICONE/ Manila. However, there is a residual of interest in ICONE in the Philippines; it is the only place where an ICONE has been held; the developmental experience could be applied elsewhere; the activity would provide the Philippine Government with evidence of continuing U.S. interest in the private sector; and an active U.S./Philippine co-venturing program would be useful in a market which seems to be oriented toward the United States but which also may see the U.S. principally as a seller of goods and not as a co-developer of the Philippine economy.

2. The U.S. could undertake to fund what has been described as the "Opportunity Identification Phase" of a new ICONE program. This might involve a $500,000-$1 million program which would provide up to $200,000 of grant or loan funds to each of several foreign governments (perhaps between five and ten over a three-year period) for the preparation by them of commercially-oriented venture feasibility studies. These studies would identify not only sectors of the economy which a government wished to develop, but would target more specifically individual companies in those sectors which were both interested in, and capable of, co-venturing with U.S. (or other foreign) companies.

The studies would then be made available to various U.S. private-sector groups and companies interested in entering the co-venture process through an ICONE; they would also become the basis for specific discussions and/or co-venture negotiations at ICONE-type conferences organized subsequently by the foreign government and The Entrepreneurship Institute. If no conference ensued, the studies would still have validity and could be given wider distribution for investment promotion purposes through agencies such as the U.S. Department of Commerce.

This approach would provide USG encouragement for foreign government involvement in the development of their own private sectors. It would strengthen The Entrepreneurship Institute indirectly but effectively in any negotiations it might undertake with governments for continuing ICONEs. At the same time, the USG would have been removed from any direct responsibility for detailed conference-associated activities which it might not be able to monitor adequately. It would go far toward getting at the issue in Manila of the non-targeted nature of the conference and of its preparations. And, if appropriately structured, it should also have a positive export effect for potential U.S. co-venturers overseas.

3. Project ICONE/Manila clearly stimulated a number of participants to think about other mechanisms which they believed might complement or supplant an ICONE in any total U.S. program for private sector development abroad. Some of the mechanisms, referred to variously in the report, included the initial presentation of co-venturing promotional materials about specific countries to American businessmen at forums in the United States rather than abroad; for overseas SMEs, the development and presentation in the United States by the government or private sector agencies of specialized training programs in small business management problems; and the encouragement of international agencies such as the Asian Development Bank to assume a leading role in helping develop SMEs through joint ventures abroad.

The scope of this evaluation has precluded any detailed examination of these or other related options. However, it is encouraging evidence of the positive effect of Project ICONE/Manila that it did bring participants to focus on other mechanisms which might also address the problems targeted by ICONE. Therefore, both in effort to build on the ICONE reaction and to build a range of instruments to meet the diversity of business conditions abroad, the contractor urges that the merits of these and other proposals be carefully studied to determine their applicability to, and/or their practicability for, the goals set by future U.S. development programming.

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A final caveat. Whatever programs or actions are adopted, their successful implementation would seem to require a clear recognition that co-venturing at best is a complex, delicate, and sensitive process. These conditions are compounded when differing cultures become involved. The experiences of Project ICONE/Manila participants suggest that two or three years or more may be required before co-venturers of different nationalities acquire confidence in each other and before a joint venture can become operational. This is a time factor which planners of programs for encouraging co-venturing abroad should take into account.

An undertaking such as Project ICONE, if entered into seriously for purposes of creating longer-term business development rather than the somewhat more fragile public relations advantages, should be regarded as just that -- a potentially medium-to-long-term project requiring commitment. It is certainly neither a traditional short-term "impact" program nor a "one-time shot," at least not ideally.

ALPHABETIZED LISTING
OF
ICONE MANILA CONFERENCE PARTICIPANTS

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Mr. Justo Trazo, Chairman, Magara Intl
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Mr. Arsenio Uy, Exec V President
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PHILIPPINES

Mr. Ernesto Uychiat
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PHILIPPINES

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Admiral Earl Yates President
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Mr. Kim Giang Yu
First Vice President & General Mgr
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Mr. Tang Yunbin, Engineer
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Chinese Mechanical Engineering Assn
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INTERNATIONAL CONGRESS ON NEW ENTERPRISE

PROGRAM

Monday, June 25

SUCCESSFUL CO-VENTURING

8:30 am	Preconference Breakfast (Organized by Industrial Sector)
10:00 am to 12:45 pm	Philippine National Anthem
	Opening Remarks Mr. William J. McCrea Chairman, International Congress on New Enterprise
	Mr. Rafael A. Sison Chairman, Development Bank of the Philippines
	Welcome Address Hon. Vincente T. Paterna Minister of Industry and Chairman, Philippine Committee International Congress on New Enterprise
	Introduction of Keynote Speaker Hon. Cesar E. Virata Minister of Finance
	Keynote Address His Excellency Ferdinand E. Marcos President and Prime Minister Republic of the Philippines
	Break
	Opening Presentation Mr. David Gordon, Director Industrial Development and Finance Department The World Bank
12:45 pm to 2:15 pm	Lunch
2:30 pm to 2:45 PM	Participants' Introductions

2:45 pm to 4:30 pm

Session IV - The Co-Venture Process

- Developing country partner

  Chief E.O. Ashamu, Chairman
  The Ashamu Group

- Developed country partner

  London Whitted, Vice President
  U.S. Marble Co.

- Facilitator organization representative

  Vincente Jayme, President
  Private Development Corporation of the Philippines

4:30 pm to 4:45 pm

Participants' Introductions

5:15 pm to 6:30 pm

Session V - Problems in Co-Venturing
(3 concurrent workshops)

Goal: Surface all issues, not necessarily solve all issues (Each workshop is the same)

- Identification of Opportunities, Projects and Partners
- Project Preparation
- Selection of Technology Appropriate to the Project
- Acquisition of Technology/Contractual Arrangements
- Financing
- Government Policy

Workshop 1:

Joern Jensen, Managing Director
Danish Turnkey Dairies Ltd.

Sebastian Omari, Senior Economist
African Development Bank

Pierre Damiba, Director General
West African Development Bank

	Workshop 2:	Chief E.O. Ashamu, Chairman The Ashamu Group
		Charles Cox, President Indamer Company
		Vincente Jayme, President Private Development Corporation of the Philippines
	Workshop 3:	London Whitted, Vice President U.S. Marble
		P.K. Yong, General Manager Selangor Pewter Co. Sdn. Bhd.
		Katsuhiko Azuma, Senior Counsellor International Investment Division Bank of Tokyo Ltd.
Dinner	Open	

PROGRAM

Tuesday, June 26

ENTRY STRATEGIES AND PARTNERS

8:00 am to 9:30 am — Breakfast discussion Sessions - Important Issues in Co-Venturing

Workshops participants divided into groups: developing country partners, developed country partners, and facilitator organization representatives.

Objective: Discussion of critical issues in successful co-ventures and associated problem areas. (Suggest discussion leaders and rapporteurs).

Developing Country Partners:

- Gustav Olsen, President, Olsen Associates
- Yeo Beng Poh, Managing Director, Impac Sdn. Bhd.
- J.D. Drilon, Managing Director, Southeast Asian Regional Center for Graduate Study and Research in Agriculture
- Derek Collins, Managing Director, FRIDA Consultance Limited
- Bruce Lloyd, Project Finance Manager, Bank of Credit and Commerce International S.A.

Developed Country Partners:

- William Skinner, Vice President/Managing Director, Ontario Corporation
- George S. Kanahele, Project Director/Chairman of the Board, Hawaii Entrepreneurship Training & Development Institute (HETADI)
- Robert Baker, President, Venture Resources International
- Louis Kessler, Consultant, Alexander Grant & Company
- Elizabeth Thomson, Legal Counsel, Nugan Hand International

9:45 am to 10:15 am — Participants' Introductions

10:15 am to 11:45 am — Session II - Co-Venture Approach/Entry Points (Plenary)

Keynote Address: Overview: Matching Technology to Needs

Kevin Thompson, Vice President
International Marketing
Control Data Corporation

1. Market Entry

Donald Knode, Director
Systems International, Inc.

2. Manufacturing Entry

Diego Hidalgo, Chairman
Fund for Research and Industrial Development in Africa

John DuMond, President
DuMond Co., Inc

Ruben Ramirez, Chairman
Chemcial Universal Oil Co.

3. Operations Entry -- turnkey projects

Joern Jensen, Managing Director
Danish Turnkey Dairies Ltd.

11:45 am to 12:15 am — Participants' Introductions

12:30 pm to 1:45 pm — Session III - Lunch

2:00 pm to 2:30 pm — Participants' Introductions

2:30 pm to 3:45 pm — Session IV - Identification and Selection of Partners (Plenary)

Moderator

Frank Nugan, Chairman
Nugan Hand International

- Selection of Developed Country Partners:

  Francisco Gomez Upegui, President
  Corporation Financiers de Caldas

  Jose Concepcion, President
  RFM Corporation

- Selection of Developing Country Partners:

  Robert Chappell, President
  Churchill International

4:15 pm to 5:30 pm — Session IV - Selecting Co-Venture Partners/Opportunities (Workshops)

Objectives: Discussion of critical issues in successful co-ventures, the entry opportunities and partners.

1. Market Entry (Sales/Distribution/Marketing/Information)

   Donald Knode, Director
   Systems International, Inc.

   Diego Hidalgo, Chairman, FRIDA

2. Manufacturing Entry

   Jose Concepcion, President
   RFM Corporation

   John DuMond, President
   DuMond Co., Inc.

   Francisco Gomez Upegui, President
   Corporation Financieras de Caldas

   Ruben Ramirez, Chairman
   Chemical Universal Oil Co.

3. Controlled Operations

   Joern Jensen, Managing Director
   Danish Turnkey Dairies Ltd.

   Robert Chappell, President
   Churchill International

7:00 pm — Filipino Buffet - Folk Arts Theatre

PROGRAM

Wednesday, June 27

GOVERNMENT POLICY AND THE CO-VENTURE PROCESS

9:00 am to 10:45 am — Session I - Government/Co-Venture Interactions (Plenary)

Earl Yates, Chairman, The Nugan Hand Bank

Bruce Lloyd, Project Finance Manager, Bank of Credit and Commerce International, S.A.

William Miller, Director, Trans Tech Services, U.S.A.

Guy Pauker, Senior Staff Member, Rand Corporation

Kenneth Hansen, Consulting Economist

11:15 am to 12:45 pm — Session II - Co-Ventures and the Government (Panel)

Question/Answer/Discussion regarding government/co-venture issues

Moderator: Vincente T. Paterno, Minister of Industry Government of the Philippines

Special Topics

Laurence Kramer, Partner, Alexander Grant & Co.

Sebastian Omari, Senior Economist, African Development Bank

Abdelkader Benslimane, Chairman, Banque Nationale pour le Developpment Economique

Panelists - Session I speakers

1:00 pm to 2:30 pm — Session III - Lunch

3:00 pm to 5:00 pm — Session IV - Co-Venture Agreements and Tactics

Investment Transactions, Government Interaction

Katsuhiko Azuma, Senior Counsellor, International Investment Division, Bank of Toyko Ltd.

Legal Transactions/Licensing Under Government Regulation

Harold Levine, Partner, Sigalos & Levine

Rufo Colayco, Principal, SyCip, Gorres, Velayo & Co.

	Operational Transactions, Government Controls
	Kjell Sletsjoe, General Manager, Veroc Technology A.S.
6:30 pm to 7:30 pm	Reception
7:30 pm	Dinner, The Manila Hotel

PROGRAM

Thursday, June 28

CO-VENTURE ASSISTANCE

9:00 am to 10:45 am

Session I - Facilitator/Intermediary Organizations

David Gordon, Director, Industrial Development & Finance Department, The World Bank

Cesar Macuja, SyCip, Gorres, Valayo & Co.

Richard Crisler, Director, Investment Promotion, Overseas Private Investment Corporation

Arthur Quinn, Partner, Hamel, Park, McCabe & Saunders

Robert Holtz, Vice President UAIPME, Confederation Generale des Petites et Moynees Enterprises

11:15 am to 12:45 pm

Session II - Selecting an Intermediary/Facilitator Organization

This session will follow-up Session I, with informal roundtable discussions led by facilitator/intermediary organization representatives. The discussions will concern what can be expected from the specific organizations, its range of services, fees, and interests. The roundtables will be grouped by geographic location.

A partial list of organizations is below:

- Industrial Development Bank of India
- MISR - Iran Development Bank (Cairo, Egypt)
- The World Bank
- ATOM, Inc.
- Nugan Hand International
- FRIDA
- Entrepreneurs International
- G.V. Olsen Associates
- Aderemi Thirwell Aneni & Co.
- Corporacion Financieradi Desarrollo
- Bank of America/Manila

- P.T. Bahaha
- Bapindo
- Tamaki International Management Consultants, Inc.
- Canadian International Development Agency
- Multinational Agribusiness Systems, Inc.
- World Frames, Inc.
- Citibank/Manila
- International Marketing Development Center
- Indamer Company
- Opportunity Search
- Trans Tech Services U.S.A.
- Overseas Private Investment Corporation

1:00 pm to 3:00 pm — Lunch

3:15 pm to 5:00 pm — Session IV - Individualized Discussions with Resource People and Special Topics Workshops

This session is designed as an opportunity for Conference participants to interact with all the resources at the Conference. The facility will be arrange such that one-on-one discussions are possible. Resources will be grouped by area of specialty/program position.

PROGRAM

Friday, June 29

MAKING THE VENTURE WORK

9:00 am to 10:30 am

Session I - Successful Co-Venture Operations

This plenary session will be presentations of the critical elements for successful co-ventures by professionals who have multiple experiences in international co-ventures.

- Richard Holton, Professor,
  University of California, Berkeley
- Marcia Grad, Consultant
- Victorino Magat, President,
  Cardinal Industries
- Masataka Tamaki, President
  TAMAKI International Management Consultants
- Rufo Colayco,
  SGV

11:00 am to 12:15 pm

A serious of workshops, organized according to the industries represented at the Conference. Participants should discuss their specific experience relating to their own co-ventures. Details of particular industry sector problems are encouraged. Some special presentations are included.

Workshops:

- Agribusiness/Forest Products/Food Processing (Room 2)
  M. Jiminez, ALBAY Agro-Industrial Development Corp.
  G.V. Olsen, G.V. Olsen Associates
- Financial/Business Services (Room 3)
- Textiles/Apparel (Room 7)
- Construction (Room 8)
- Other Manufacturing (Room 6)
  M. Smolens, IMEX
  A. Javier/L. Whitted, Marble Products, Inc.
  C. Cox, Indamer

12:30 pm to 2:00 pm

Formal Lunch and Concluding Address

Rafael Sison, Chairman
Development Bank of the Philippines

APPENDIX C

A Note on Methodology

This evaluation of the Project ICONE/Manila represents the results of a survey and study conducted in March and April, 1981, both in the United States and overseas.

The survey was carried out principally by telephone or on-the-spot interviews of ICONE participants now in the United States and through personal visitation of ICONE participants now living in Tokyo, Seoul, Manila, Kuala Lumpur, and London. For reasons of money and time, it was impossible to interview participants now in countries such as Indonesia, Colombia, and Mauritius.

Interviewees included officials of AID and of The Entrepreneurship Institute, the conference organizer. In Japan, South Korea, Malaysia, and the United Kingdon, the number of participants from each country had been relatively small. Allowing for absences, changes of job or residence, and similar factors, the majority of each country's "delegation" was interviewed. During a two-week stay in the Philippines, past and present government officials involved in the ICONE conference as well as representative business people from both larger and smaller companies were interviewed.

In all cases, advance notice of the intent to meet with interviewees was given by letter, cable, or telex, though no firm advance appointments could be made. Interviewees were told that their comments about the conference, as well as any information about their businesses, would be handled without attribution. They generally responded in a forthcoming manner, with interest, and with enthusiasm, since the presence of the contractor was regarded by many as the first evidence in almost two years responding to their curiosity as to whether ICONE were still operational.* Most had discounted a questionnaire

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* In other cases, of course, interviewees noted that the occasion of the contractor's visit was the very first time they had even thought about ICONE in the interval since the conference!

concerning conference results previously submitted by ICONE, as well as an invitation to become an ICONE "associate."

Of some 225 participants at Project ICONE/Manila, the contractor interviewed a total of 60 participants, plus additional U.S. and Philippine Government officials. Since it was not possible to make personal contact with all participants, the results may perhaps better be regarded as "Illustrative" rather than "definitive." However, the contractor wishes to emphasize the wide geographic distribution of the sample, and the repetitive and self-reinforcing nature of the pattern of responses which tended to emerge across the board.

The questions put to the interviewees generally followed the format listed below:

1. Tell me something about your company -- what does it do, what do you do in it, what is its size, number of employees, capitalized value, annual sales turnover?

2. How did you happen to go to ICONE? What, if any, were your previous overseas business experiences?

3. How does ICONE/Manila look to you almost two years later?

4. What kinds of specific business activities have developed for you as a result of ICONE -- size, employment effect, investment, location?

5. Which of the sessions or events at ICONE/Manila did you find particularly helpful? Which were not particularly useful to you?

6. What kinds of follow-up from ICONE have there been which involved you?

7. What is your reaction to attending another ICONE Conference structured along the same lines as the Manila Conference?

8. What opportunities and problems do you see for another ICONE? What kind of future do you see for it?

A major focus of this survey has been to quantify any business deals that might have resulted from the Conference.

As noted in Part IV.A. of the main body of this report, this has not been easy.

This follows a similar effort by The Entrepreneurship Institute in mid-1980 to quantify the results of the Conference, and some substantial differences are evident in the two reports. The September 1980 report of the TEI included in its count items such as "Arrangements being explored ...," "Evaluating proposal ...," "Correspondence begun ...." This, of course, represents one valid approach to the problem. However, as the contractor interviewed directly some of the same people who had responded to the questionnaire in that form, it appeared that many of the "arrangements," "evaluations," and "correspondence," reported earlier had been terminated due to developing mismatches of the partners, to the appearance during negotiations of previously unanticipated business factors, or simply to the emergence of time as a major factor in negotiations. In one specific case, it was apparent that the potential likelihood and effect of possible negotiations had been grossly overstated by the responder in the 1980 survey. Statistical data also appear to have been "clarified" by parties to negotiations as the negotiations became firmer. The lower count of "deals" in this survey also results from the attempt of the contractor to confine the list only to those projects identified by the limited number of interviewees as being firmly in train -- in itself a "judgment call" which must be subject to a number of limitations but perhaps represents the best effort to date to quantify the ICONE results.

KEY TO TABULAR SUMMARY

Column 1	NUMERICAL LISTING OF COMPANIES
Column 2	CATEGORY OF COMPANY: A. Manufacturing B. Facilitator C. Services/Sales Representative D. Government E. Other
Column 3	SIZE OF COMPANY: S. Small - under 25 employees M. Medium - 25-300 employees L. Large - (Note: Categories are arbitrary for this report only and do not necessarily correspond to SBA, foreign government, or any other categorization.)
Column 4	PREVIOUS INTERNATIONAL EXPERIENCE: Y. Yes, generally more than six months N. No
Column 5	REACTION TO ICONE CONFERENCE OVER-ALL, GENERALLY EXPLICITLY EXPRESSED, BUT OCCASIONALLY A JUDGMENT CALL BY CONTRACTOR: A. Positive -- no reservations B. Mixed -- essentially positive, but with reservations as to form, content, or execution of conference C. Neutral -- neither supportive nor condemnatory D. Negative -- critical of concept and/or implementation
Column 6	WOULD ATTEND ANOTHER ICONE OF THE SAME TYPE: Y. Yes -- without reservation, explicit or implicit N. No -- without reservation D. "Depends"-- on style, location, economic factors, or other elements

APPENDIX D

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
1	B	S	Y	B	D	No business from ICONE, but expected none. Valuable in building business confidence between persons of different nationalities.
2	E	S	Y	B	D	No business resulted. Contacts useful. Probably would not attend ICONE outside region.
3	E	S	Y	B	Y	Did not understand purposes of ICONE and doubts whether it directly related to his organization. No business.
4	D	L	Y	B	D	No business. Thought Japanese attendance poor because of "suspicions" about ICONE, "absence of US support," and poor approach of organizers to appropriate Japanese groups. Reported on a fifth Japanese participant who could not be interviewed: a facilitator, who did no business. However, established contact with another Japanese participant, previously unknown to him.
5	D	L	Y	B	D	No business. Went for educational contacts.
6	D	L	Y	B	Y	No business. Purpose of ICONE good, but needs to be better oriented toward actual business structure of country. ICONE needs better approach to handling language differences.
7	D	L	Y	A	Y	No business expected. Supports idea of conference, with substantial US support as well: little support could be expected to produce only minimal results.

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
8	D	L	N	C	N	Participant sent by his organization "before he knew purpose of conference" which completely unrelated to his specific job though not necessarily to over-all purpose of his organization. No business.
9	A	M	Y	B	D	No business, since no other manufacturers from his industrial sector. Reaction essentially negative, but also equivocal. Would not recommend others attend a second conference, but conference encouraged him to consider export more actively though he was already in export before ICONE.
10	D	M	Y	B	D	No business. Experienced in developing joint ventures, i.e., with Germans. ICONE ignored structure of small business in his country. Did not support general conferences of this sort to develop business, thought meetings of intermediaries to discuss promotional efforts might be more productive.
11	E	S	Y	B	D	No business, due in part to structure of small business in his country and to location of conference in developing world. ICONE needs to be regarded as longer-term project; one conference cannot produce results.
12	B	S	Y	B	D	No business, though several "interesting" inquiries. Suggested conference planning was dominated by developed countries, but required more the

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
						view of local participants as well as SMEs.
13	A	L	Y	B	D	No business deals; participants were not qualified to engage in serious discussions; supported concept strongly of this kind of forum but suggested possibly better to hold initial meetings in the United States as likely to attract more American business people.
14	C	L	Y	C	N	No business deals, knew of none in his community. Company dealt more with large corporations than SMEs. Thought several foreign government trade promotion organizations much more successful in area of targeting and prior homework than ICONE. Would probably send "young man" to next ICONE for "educational purposes" but would not go himself.
15	B	S	Y	B	D	No business results. Suggested joint venture concept not well established in Philippines, needs to be "advertised like a new product."
16	C	L	Y	B	D	Went because of curiosity about concept. No deals. Problems in Philippines because of capital shortages.
17	C	S	Y	B	D	Has "gentleman's agreement" developed at ICONE with Taiwan manufacturer for small joint venture, but no further progress since then because market "not established." Gets most of his business through traveling, and not through conferences.

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
18	C	L	Y	D	N	Strongly critical of way in which conference put together in Philippines; companies recruited were not of size or kind disposed to negotiate with SMEs. Served in both government and business capacity during preparations and conference. No business results.
19	D	L	Y	B	--	Critical of quality of preparations. Did not attend a session.
20	C	M	Y	C	N	Attended only because of personal friendship. Concept good if "right people" are brought together. Established contractual relationship to provide services to US firms. No business resulted, however, from this. Initially were prospects for one joint venture with Phil. firm and European company, but conditions made venture impracticable.
21	A	M	Y	C	N	No business resulted. Found no participants interested in his line of business.
22	A	M	Y	C	N	Initially developed potential for venture with US or European companies. Venture failed to materialize because of certain physical conditions beyond control of the parties. ICONE-type conference should have more potential direct investors, fewer "intermediaries," more targets.
23	A	L	Y	A	Y	No business. Joint ventures take substantial time to conclude--this one problem ICONE must

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
						deal with; perhaps this argues for strong govt support and control.
24	C	S	N	A	Y	Generated $25,000 of incremental sales, providing work for 300 workers for one month. Hopes additional sales will result, but potential purchaser doubts it. ICONE useful for educational purposes.
25	A	M	N	A	Y	Though interested in co-ventures, attended conference because of outside obligation. No business developed. Would have liked more potential investors, particularly from US. Developed some contacts with Filipinos as result of conference. Important to continue with this technique.
26	C	S	N	B	N	No business resulted. "If no results, a conference is useless," which incidentally is direct contradiction from comment made on written questionnaire submitted earlier to ICONE.
27	A	S	N	B	D	No business. While conference "opened eyes" to business possibilities, it unlikely there could ever have been a match of interests, realistically. Was introduced to ICONE by happenstance through mutual friend.
28	C	M	Y	B	D	Did not expect to conclude joint ventures, which are complex to conclude. "Met only facilitators," few actual investors. Would attend another ICONE only if held in Philippines. No business.

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
29	A	S	Y	A	Y	Established contact with another large Philippine company which appears likely to finance large expansion of his own company. This could be consummated in May or June, 1981. Would not estimate value of investment. Is also in communication with an American ICONE participant about possibility of business relationship. Correspondence continuing since ICONE but not in an area in which company feels itself capable. Attended partially as result of outside circumstances.
30	A	L	Y	D	D	No business. Went with "open mind" but hardly any idea of what it would be about. Should have been utilized more by Philippine Govt to "explain" opportunities in country to foreigners
31	B	S	Y	D	N	Quite critical; organization and format not appropriate for small and medium/sized companies. No business.
32	A	L	Y	B	D	No business. One contact with Filippino may materialize into something, unspecified. Criticized quality of preparations; would attend a second Manila ICONE, but attendance elsewhere would depend on quality of advance information he received about participants.
33	B	S	Y	B	D	No business. More effort should have been devoted to bringing in small scale entrepreneurs.

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int. Ex.	(5) React.	(6) Go Again	Results/Comment
34	A	M	Y	B	D	Already into joint venture with Japanese. ICONE rather general. Attendance at a second ICONE would be determined only after careful scrutiny of content.
35	C	M	N	B	Y	Interests oriented toward academic/business management course approach and training. Gained substantial number of insights, which he passed on to students. Thought most benefits would be among Filipinos themselves. May seek franchise from US company as result of ICONE contact, but this still tentative. Otherwise, no business results.
36	A	L	Y	B	D	No business resulted; impressed with ICONE, but needs more targeted approach. Educationally beneficial to principal, who, however, was professional manager and not entrepreneur.
37	A	L	Y	A	Y	Initiated serious discussions with one US ICONE participant looking toward possible joint venture; this, however, abruptly broken off by American who "did not understand way of doing business in developing countries--too insular in his view." Through contacts made by one intermediary, initiated discussions with Australian company re joint venture with potential 5-15 million pesos. In view difficulties with intermediary, foreign partner terminated discussions for 3-4 months but then suddenly reopened them directly with Philippine company in late March,

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
						1981. No indication or estimate of probability of successful conclusion of agreement, or of possible employment impact.
38	C	L	Y	B	D	Made good contacts. Received one inquiry from Australia as result of efforts of ICONE intermediary. Project stalled because of difficulties with raw material in Philippines and no indication whether it likely to become viable.
39	A	L	Y	B	D	Corresponded with one American ICONE participant re equipment purchases, but Philippine company changed plans and terminated correspondence. Entered into one venture with Japan (non-ICONE) attributable indirectly to ICONE because of "sensitizing" effect of conference, which encouraged looking abroad. No estimates given re effect of venture.
40	C	S	Y	A	Y	Signed service contract, since cancelled; facilitating Haitian joint venture, possible $100,000 investment, but venture by no means firm.
41	B	S	Y	A	Y	Negotiating with Philippine company, no estimate of value of project, no commitment. Negotiating on joint venture for tire project, potential employment 80-225; potential investment $6-10 million; prospects good, but no estimate of date of commitment.

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
42	B	S	Y	A	Y	Established sales agency with US ICONE participant in 3rd country; if market permits, could lead to venture with $100,000 investment; planning for potential major venture with US ICONE participant in 3rd country, which however several years away from initial qualifications; no specifics available now.
43	C	S	Y	B	D	Planning with previous company for major venture.
44	A	L	N	A	D	Went for educational purposes; hence, not disappointed with absence of business. Did not believe ICONE useful for "appropriate technology" business.
45	B	S	Y	B	D	"Letter of commitment" given but "hadn't pushed project." No specifics whether deal might materialize; it probably doubtful.
46	C	S	Y	A	D	No immediate short-range results; engaged in "conversations" on project with another ICONE participant.
47	C	S	Y	B	Y	No direct deals with ICONE participants. However, conference brought company to Manila; reps stayed on, visited SE Asia, now have "firm possibilities" in several areas: one JV with world rights to distribution, with initial return of $180,000 per month, initial employment about 60; initial investment about $100,000; reportedly finalizing JV for air cargo line in SE Asia

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

(1) Number	(2) Cat.	(3) Size	(4) Int.Ex.	(5) React.	(6) Go Again	Results/Comment
						country, to be operational 7/81; 60 people initial capitalization $5 million; 7/81 also target startup for $2.2 million JV in solar energy project. Projects not directly due to ICONE, but principal probably would not be in Philippines had it not been for incentive provided by ICONE to visit country.
48	A	S	Y	D	N	Critical of conference as potentially duplicative of work of US Commerce and State Department. No results.
49	C	S	Y	B	D	No results in business. Contact with "social network" of joint venturers potentially useful. Needs follow-up.
50	C	L	Y	B	D	No business results. Uncertain about original purposes.
51	B	S	Y	E	D	Consummated five major projects, principally because he stayed on for additional week to explore possibilities: arranged $250,000 purchase by Philippine company to acquire US food processing technology, creating 150-200 jobs; facilitated establishment of computer company, $750,000 investment, affecting 80-100 jobs; started software company in Korea, affecting 35-40 people with $250,000 investment; effected reverse investment by Philippine company in failing US company of $2 million which "saved" 300-400 US jobs; effected

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

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						reverse investment of $12 million in US company to acquire US technology--investment by Philippine company, with no direct job effect. Suggested purposes should be defined more carefully in order to sharpen recruiting effort.
52	C	L	Y	B	D	Supported concept, though execution "fair" considering it first time. No business for his company or for clients. Quite disturbed when location changed from Mexico City to Manila since he thought it "too far" and "frightening" for SME clients going abroad for first time.
53	C	L	N	B	Y	Was not seeking business when he went. Thought conference well constructed, well designed. Was important to get "optimum types" of business people to facilitate development of matches for deals.
54	A	M	Y	A	Y	Quite stimulated by associations made there which are continuing. Facilitated one deal between ICONE participant and another for establishment of clothing distributorship in European country. Claimed other prospects but could not follow up because of other priorities. Was not interested generally in geographic area covered by conference. Could not supply details of deal in which he'd acted as facilitator.
55	A	S	Y	D	N	Attended while in SE Asia on behalf of other business interests. No business results, despite

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

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						investment of $10,000-$15,000 in follow-up. Judged caliber of participants quite poor and unable to live up to what they'd promised. Should be more targeted so participants would know what was available. Said also important to know who would be available.
56	A	L	Y	B	N	Conference lacked adequate preparation and targeting; it very important to ensure that attendees are really interested in doing business, which is admittedly easier said than done. No business initiated at all.
57	B	L	Y	B	D	No business. Attempted to develop correspondence through exchange of letters and circulation of newsletter; only one in 10 recipients replied. Had seen 6 of ICONE Participants, most of whom evinced skepticism about short term benefits of ICONE and ambivalence in understanding what it was going to do. Alternatives to ICONE exist and should be explored.
58	B	M	Y	B	D	No business, in part because area of geographic interest was not served by ICONE. Concept excellent, but execution "went awry."
59	A	L	Y	B	D	No business. Concept good, mechanism "superb," but it is important to involve the right kind of people. Should recognize more effectively the role of LDC governments in determining products and technologies entering their countries and

SUMMARY OF REACTIONS: ICONE PARTICIPANTS

MARCH - APRIL, 1981

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						target in those areas.
60	A	L	Y	B	D	No business. Initial series of communications with one company which had seen list of ICONE participants, but broke down because two companies were really "not a match." Attended conference because of personal relationship; concerned that it was more for facilitators than for companies that "really wanted to get down to business."

NOTE: The foregoing table reflects the views of seven persons from Korea; four from Japan; two from Malaysia; twenty-six from the Philippines; sixteen from the United States; and five from the United Kingdom.