

1' Pn-ABB-761  
2829 (RM)  
UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON D C 20523  
PDS  
IMI  
940-0001



SEP 30 1983

Dr. Jerome Brightman  
Executive Director  
International Marketing Institute  
29 Garden Street  
Cambridge, MA 02138

SUBJECT: Grant No.  
PDC-0000-G-SS-3127-00

Dear Dr. Brightman:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the International Marketing Institute, (hereinafter referred to as "IMI" or "Grantee") the sum of thirty-four thousand, six hundred eighty-one dollars (\$34,681) for a program to conduct a Multinational Marketing Management Program in Indonesia. These funds shall be used to shorten and intensify your traditional six-week program so that it can be presented in three weeks. The Grantee's proposal dated June 9, 1983 addressed to the Bureau for Private Enterprise is hereby made a part of this grant document. Refer to Attachment A for the Program Description of this grant. Refer to Attachment B for the Budget. Attachment C contains the Standard Provisions to be included with this Grant.

The funds obligated hereunder are to be provided to the Grantee in accordance with the payment provisions contained in this Grant.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period September 21, 1983 through March 31, 1984.

This grant is made to the International Marketing Institute on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description" and Attachment C entitled "Standard Provisions", which have been agreed to by your organization.

The Bureau for Private Enterprise (project office - AID) requires one copy of the final report on the repair program and a detailed financial statement of the costs incurred under this grant. A final report and financial statement is required detailing the expenditures made under this Grant and the results of the Grantee's efforts during the term of this Grant. One copy of the program report is due within one month of the end date of this grant, and shall be submitted to the Bureau for Private Enterprise; Agency for International Development; Washington, D.C. 20523.

2'

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six copies of this Grant to the Office of Contract Management.

Sincerely yours,



Judith D. Johnson  
Grant Officer  
Services Operations Division  
Office of Contract Management

Enclosures:  
Attachment A - Program Description  
Attachment B - Budget  
Attachment C - Standard Provisions

ACCEPTED:

INTERNATIONAL MARKETING INSTITUTE

BY: Jerome B. Brightman

TYPED NAME: Jerome B. Brightman

TITLE: Executive Director

DATE: October 28, 1983

Fiscal Data

Appropriation No. : 72-1131021.6  
Allotment No. : 346-34-099-00-61-31  
PDAA83-13480-DG-61  
PIO/T No. : 3430835  
Project No. : 940-0001  
Total Grant Amount: \$34,681

31

PROGRAM DESCRIPTION

The Grantee's proposal addressed to the Bureau for Private Enterprise and dated June 9, 1983 is attached hereto and made a part hereof. The program description is as follows:

Summary

The International Marketing (IMI) will present a three-week version of its Multinational Marketing Management Program (M3P) to entrepreneurs and to managers of small and medium-size private Indonesian companies, in Jakarta, Indonesia, in October-November 1983. The Program would be presented in collaboration with an appropriate private Indonesian counterpart institution.

IMI will demonstrate the role that indigenous private management education institutions can play in solving the marketing management problems of developing countries, if such institutions are assisted with the upgrading of their curricula, and the strengthening of the skills of their faculties. The Indonesian counterpart would be in a position to offer the marketing management program on a continuing basis.

Program Content

IMI will shorten and intensify its traditional six-week program so that it can be presented in three weeks. Strong emphasis will be given to the following topics, believed to be of special importance to Indonesian private enterprises:

- The Consumer and Product Policy
- Marketing Research
- Strategic Planning
- Competitive Analysis
- Selling to OEM's
- Forecasting
- Analyzing Export Markets
- Export Pricing
- Market Auditing
- Financial Analysis

IMI will prepare special materials for the Indonesian program. Though IMI will use some of their normal cases, including some "classics," for the Indonesian participants, who will not be accustomed to intensive case study, IMI will have audiovisual aids, and will also place emphasis on lectures and prepared lecture notes. IMI will also conduct a literature search for shorter, more focused cases than are usually used. At the conclusion of the program, IMI will submit all materials used to AID for its information and files.

W

### Selection of Indonesia

From the economic chaos of earlier years, this country has made a major recovery, thanks to recent political stability and the strong support for private enterprise. The role of state corporations has been downplayed, and for the first time since independence, a middle class has arisen. Indonesia has recently instituted an austerity program to counter the fall in oil prices, and better management is more important now than ever before.

A class of indigenous entrepreneurs has arisen, which has created a large number of small enterprises furnishing goods and services to the Indonesian public, and components to larger state-owned and foreign businesses. Many of these enterprises have reached a stage of development where delegation of authority to managers is needed. Because of the traditional dominance in Indonesia of the Chinese minority in the distribution process, there are few qualified managers in the marketing field. The government has restricted entry into distribution and trading companies to indigenous firms; there is thus a "demand pull" for marketing management know-how.

IMI believes that Indonesia offers an excellent test case for the proposition that improved capacity in strategic market planning, distribution, pricing, and other related areas can be of significant assistance in improving the profitability of small and mid-size companies.

### Selection of Counterpart Institution

In April 1983, the Executive Director of IMI visited Indonesia for the purposes of meeting with IMI alumni and potential candidate for the 1983 Multinational Marketing Management Program. During the course of this visit, he met with representatives of several key institutions in Jakarta who have the capability of serving as a local institutional counterpart of the type of program herein described.

The first of these institutions is the Institution for Management Education and Development. Known by its Indonesian initials as LPPM, the Institute is Indonesia's major private management development and training organization with a significant history and experience. It was founded in the 1960's and despite all the problems encountered in trying to function as a private school in a state dominated sector, LPPM has grown and expanded until it has become a leading institution for the country. LPPM has consistently emphasized quality over quantity and this has been acknowledged by the business community. The Institute lists among its clients most of Indonesia's major private corporations, and many state enterprises as well. It has agreed enthusiastically to serve as a counterpart organization for this project, and in fact is sending two of its staff members to IMI as members of the Class of 1983, so that they can receive direct training in state-of-the-art marketing management.

5

Another institution of considerable merit is Resources Management International, Inc., a consulting company of 1400 professionals which was established in 1970 and has its Asian regional headquarters in Jakarta. The RMI team includes experienced planners, managers and technical specialists working to provide a wide range of local services including project planning and management, agriculture, rural development, education and training, fisheries and livestock, urban development and civil engineering. The company has extensive experience in working with various Indonesian ministries including interior, manpower and transmigration, public works, industry, and education and culture.

A third potential candidate is an indigenous management and engineering consulting firm called P.T. Tri Hasta. Established in 1965, Tri Hasta has eventually developed into an organization which renders important consulting and training services to various sectors of industry, agriculture, and shipping. The company lists a wide range of accomplishments in assisting other indigenous companies to become established in the Indonesian marketplace. Such projects include a regional dockyard project, plastic woven bag factory, reinforcing steel-bar factory, private international shipping company, sugar factory, schools, shop repair management, etc. Meetings with top Tri Hasta officials indicated a strong willingness to cooperate with IMI in a local program as outlined in this proposal.

### Indonesian Participants

The participants in the IMI program will be Indonesian nationals, from small and medium-size firms in Jakarta and West Java principally, but also from other industrial centers such as Surabaya. It is anticipated that at least 30 persons would attend the program. Participation from areas outside West Java would involve expenses for lodging and meals, which would probably restrict the majority of firms sending persons to those within an 80 km radius.

The cost per Indonesian participant is estimated at approximately \$700. This sum would cover costs of advertising, promotional materials, reproduction of training materials, facilities, equipment, and local support staff, and other local costs.

### Tasks

#### A. Initial Visits to Course Sites

The IMI Executive Director will visit Indonesia to work out all terms of collaboration on the project. He will also visit leading businesses both to pre-sell their participation, and to obtain input on local marketing management needs. He will prepare a full report on his visits and submit it to AID/PRE.

6

B. Course Planning and Editing/Materials Preparation

IMI will create visual materials (transparencies, slides), edit cases, prepare specialized lectures based on local needs, arrange for use of copyright published material, and conduct a literature search for certain cases.

C. Course Presentation

IMI will present the three-week program in October/November 1983, commencing on a date to be agreed with the counterpart institution and USAID Jakarta. Two IMI marketing professors will take part in the program. The Program Moderator, who will also teach, will be present for the full three weeks; the others will be present for two weeks each.

D. Reports

The IMI Executive Director will submit a full report to the AID/PRE Project Officer covering the initial visit results (A above) before October 15, 1983.

IMI will write and present a final report to USAID Washington within six weeks of the termination of the Jakarta program. In addition, IMI will submit all materials prepared and used for the

Key Person

As a condition of this Grant, IMI will assign Jerome B. Brightman to carry out all functions designated for performance by IMI Executive Director. In addition, Jerome B. Brightman will be the IMI Program Manager-in-Charge and shall be designated as a key person in the performance of the tasks under this Grant.

1'

BUDGET

The following budget sets forth specific limitations on the Grantee during the term of the Grant. The Grant funds hereby authorized are to be used for the specific line items authorized below:

	<u>AID FUNDS</u>
Personnel.....	\$ 6,776
Overhead (Fixed Amount) .....	\$ 6,098
Travel and Per Diem.....	\$12,307
Consultants.....	\$ 4,350
Teaching Materials.....	\$ 2,000
Transparancies.....	\$ 1,000
Communication.....	\$ 1,000
Miscellaneous.....	<u>\$ 1,150</u>
Total Funds Obligated.....	<u>\$34,681</u>

The total estimated cost of the program under this grant is \$34,681.

The overhead amount of \$6,098 is a ceiling amount for purposes of this grant budget. This amount shall include the Grantee's fringe benefits, overhead and G&A expenses. The Grantee will be reimbursed for his expenses associated with overhead in accordance with the provisions of this Grant

ATTACHMENT C

Standard Provisions

The Standard Provisions applicable to this Grant are those contained in the attached for U.S. Grantees and U.S. Subgrantees; Nonprofit Organizations--Other than Educational Institutions. Provisions 1 through 34 are made a part of this grant deleting provisions 5A, 5B, 7A, 7B, 10B, 13B, 13C, as inappropriate under this grant. Add the Alterations in Grant dated July 1982, which is attached hereto and made a part hereof.

-9-