

PD-ABF-894
82754

**MANAGEMENT TRAINING AND ECONOMICS EDUCATION PROJECT
(EUR-0029-G-00-1061-00)**

**THIRD QUARTERLY REPORT
Period: January 18 - April 17, 1993**

SUMMARY

This report covers the third quarter of the second year of USAID support for a private sector development program in Hungary. The project is managed by the State University of New York's Office of International Programs (SUNY/OIP) in Albany, NY, and based at SUNY's Center for Private Enterprise Development in Budapest, Hungary. During this quarter, the following major activities took place:

- ◆ Marketing of the Center's 15-part video series on basic accounting began. It is being jointly marketed with three other related video series, and initial ordering has been brisk.
- ◆ SUNY submitted to AID a proposal to help create a Center for Excellence in the field of total quality management (TQM) at the Technical University of Budapest, as well as a program revision memorandum for a third year of the current project.
- ◆ Some 407 Hungarians received training through Center programs during this quarter in total quality management, a variety of business concepts for executives, and regional marketing.
- ◆ SUNY Buffalo and the Center developed and translated a handbook on TQM for use by participants in Center-sponsored TQM activities.
- ◆ SUNY experts participated in a business conference sponsored by the University of Miskolc and helped plan a food industry conference in Szeged.
- ◆ Senior business and engineering faculty members of universities in Miskolc and Pecs finished preparations for their five-week study of SUNY Buffalo's Center for Industrial Effectiveness this summer.
- ◆ The Center's small business assistance program provided individualized counseling to entrepreneurs and helped Hungarian partner organizations develop their own small business support programs.
- ◆ SUNY/OIP and the Center prepared a handbook on food exports to the US for use by small business clients and participants in a food industry conference cosponsored by the Center.

ORGANIZATION

Jan Pisanczyn completed his six-month assignment as the Center's first full-time small business counselor in April. He has returned to his position in the Small Business Development Center at SUNY's Buffalo State College. During his assignment, Mr. Pisanczyn established a counseling program for Hungarian entrepreneurs and small business managers, many of whom were referred to the Center by Hungarian bank loan officers. He also helped staff of the Center's partner organizations in Győr, Gyöngyös, and Nyiregyhaza to begin their own small business counseling services.

Irene Dobies, director of the SBDC at SUNY's Jamestown Community College, has assumed Mr. Pisanczyn's duties. She arrived in Budapest in January for a six-month assignment. Their extended overlap permitted the Center to begin actual small business counseling while it continued building its overall small business program.

NEW ACTIVITIES

- During this quarter, the Center and the Economic Literacy Project (ELP) began joint marketing and distribution of their business education video series as individual units and as an integrated product line called "Business az Biznisz." This activity is thus on schedule as projected in the Implementation Plan. The Center's video series teaches basic accounting. ELP, a US-based video production firm, recently completed three similar series: How to succeed in a market economy; Marketing; and How to start a small business. Formal licensing arrangements are being negotiated. Orders for some 50 sets have already been received. The US Information Agency has ordered a set for broadcast on Worldnet.
- SUNY Buffalo business professor Arun Jain and two graduate students provided in-depth marketing advice to several Hungarian firms during a three-week visit to Budapest, Gyöngyös, and Győr in January. The schedule was arranged by the Center and its partner organizations in Gyöngyös and Győr. (Attachment A shows their itinerary.)
- SUNY Buffalo business professor Philip Perry has begun working with a faculty member at Janos Pannonius University in Pecs and a Hungarian management consulting firm to develop Hungarian cases that illustrate real-life management problems in the Hungarian business environment. These cases will supplement the existing inventory of published cases which have Western cultural settings.
- Based on a needs assessment commissioned by the Center and completed last November, business managers of recently privatized artisan and handicraft associations have been invited to attend Center seminars. The first artisan managers participated

during this quarter. This is somewhat later than expected in the Project Implementation Plan, since managers were occupied with their legal transition to the private sector before the January 1 deadline. As demand increases, the Center is ready to offer courses specially tailored for this sector.

- As outlined in our original program proposal, Hungarian Fellows, trained by SUNY in the US through a Pew grant, are beginning to assume responsibilities in Center-sponsored activities. Two Fellows helped teach seminars in regional marketing and executive development. Others are active in small business counseling for their Center partner organization. Still others are helping SUNY and the Center plan TQM programs in their universities and cities, such as a conference on food exporting in Szeged in May which will stress quality concerns.
- Center director Arpad Kezdi and visiting project director Ronald Oppen met with a team from SUNY's Broome Community College in April. The team was en route to Romania to provide technical assistance under a USIA grant. Part of that contract calls on the Center to give periodic briefings on the Eastern European economic environment and provide regional administrative support.
- Three OIP Hungary Project staff visited the Center during the quarter. Project director Ronald Oppen met with AID evaluators in January. In April he followed up the Center for Excellence proposal and Center program revision memo (see below), and also met with a group of Hungarian Fellows gathered in Szeged. In January, Rosemary Pruyn reviewed the Center's financial management procedures and provided training to Center staff and subcontractors on SUNY and sponsor agency financial requirements. Donald Ellson monitored the new Regional Marketing seminar, including Fellows teaching, in February.
- On March 19, SUNY/OIP proposed a major project to help the Technical University of Budapest become a Center for Excellence in the field of total quality management. It also submitted a related program revision memorandum to USAID for a third year of the current project grant. The proposals were the result of weeks of intense consultation within the SUNY system, with the Center's partner organizations and other Hungarian resources, with the administration and faculty of the Technical University of Budapest and other universities involved in the Center's TQM and industrial effectiveness programs, and with USAID, USIS, and Peace Corps.

The Center for Excellence proposal entails providing facilities and training for the Technical University's departments of industrial management and business economics. With SUNY support, the University would become Hungary's pre-eminent center for TQM, providing guidance and assistance to businesses and other universities.

At the same time, regular Center activities would be reduced, and the budget would be cut to about half the current level. Among a host of expected changes, a Peace Corps Volunteer would replace the SBDC adviser, and recently-trained Hungarian Fellows would increasingly replace American professors as instructors and consultants.

PROGRAMS

Training: During this quarter, a total of 407 people participated in the Center's training activities. Of these, about 75 percent were male and 25 percent female. Nineteen percent said they had previously taken Center courses; the return rate continues to increase over previous quarters. In terms of employment, 65 percent work for state-owned corporations (most of which are being privatized), 27 percent are academics, two percent work in private business, and four percent are "others."

Total Quality Management: TQM Awareness seminars were presented in Budapest (to 29 participants), Gyöngyös (17), Győr (27), and Szekesfehervar (21). A more advanced TQM training program, to assist Hungarian colleges and universities in developing their own TQM curricula, was also presented. These were the first and second in a four-part series offered in Budapest in March and April. They were particularly well-attended, with 65 attending the first program and 51 attending the second. (Attachment B provides the course outlines.) This is a significantly higher level of activity than the two presentations projected in the Implementation Plan.

Executive Development: Integrated executive development training was presented in March to mid- and entry-level managers of the state-owned Ikarus vehicle plant in Szekesfehervar and MOL oil corporation in Füzesgyarmat. SUNY faculty members taught seminars in marketing, strategic management, human resources, and finance for non-financial managers. Hungarian experts, including one of the Center's US-trained Fellows, helped teach the courses in Füzesgyarmat. There were about 20 participants at each location. With these two programs, all planned executive development and finance for non-financial managers training has been completed.

Short Course Seminars: A short course in regional marketing was offered in February in Győr and Szekszard. These two cities were paired with Buffalo and Binghamton, NY, in 1991-92 through the USIA-funded Citizens Network Initiatives project; it promoted citizen-based cooperation in civic development. A Hungarian Fellow helped instruct in Szekszard. In addition, a short course in marketing in a market economy was presented to leaders of an agricultural center near Győr in March. To date eight of the planned 20 short courses have been completed. Fifteen more have already been scheduled for the fourth quarter, for a total of 23.

Other Program Activities:

Quality Management Handbook: SUNY Buffalo's School of Management developed a handbook on quality management, and the Center translated it into Hungarian. It was completed in March, slightly behind the Implementation Plan's projection. In response to instructor and participant requests, copies are being given to all participants as background reading in advance of Center-sponsored TQM activities. (Attachment C shows the Table of Contents.)

Miskolc Management and Business Conference: The University of Miskolc organized a conference in March to present a variety of business and management issues. They invited three of SUNY Buffalo's School of Management faculty to make presentations. (The conference schedule is Attachment D.) Much of the SUNY Buffalo participation dealt with the work of its Center for Industrial Effectiveness (TCIE), a joint consulting service to the Buffalo-area private sector of SUNY Buffalo's management and engineering schools. The University of Miskolc has decided to create its own TCIE, based on the Buffalo model, at an industrial park recently opened by the university. SUNY faculty advisers remained after the conference to advise the industrial park managers on TCIE details and options, as indicated in the Implementation Plan.

Szeged Food Industry Conference: The University of Horticulture and Food Industry in Szeged has invited three food experts from SUNY Buffalo and the Buffalo private sector to make presentations at its Food Industry Conference in May. The Center is a co-sponsor of the conference. The dean of the Food Industry College and one faculty member are Hungarian Fellows who were trained in Buffalo. The three experts from Buffalo will remain after the conference to provide detailed advice on the university's planned Food Quality Assurance Center, which will be based on the SUNY Buffalo TCIE model.

Miskolc and Pecs Study Tour of Buffalo TCIE: The Center will sponsor a visit of senior administrators of the management and engineering schools of the University of Miskolc and Janos Pannonius University in Pecs to Buffalo for five weeks beginning in June. They will study SUNY Buffalo's TCIE in detail, and they will look into New York State's economic development programs, other SUNY-sponsored advanced management programs, SUNY Buffalo's Technology Center and business incubator, and the academic programs of the School of Management. Although projected for the third quarter in the Implementation Plan, the participants could not travel during the school year, so the training was postponed until they were available.

TRADE DEVELOPMENT/SMALL BUSINESS ASSISTANCE

- The Center's small business assistance program, staffed by advisers from SUNY's Small Business Development Centers (SBDC), provided both individualized counseling

to Hungarian entrepreneurs and institutional assistance to the Center's partner organizations throughout Hungary to help them assist local small businesses and entrepreneurs.

Its counseling program, which began last quarter as planned, evolved further through close cooperation with Hungarian banks. OTP Bank, for example, informed loan officers in 300 branches about the Center's services. Most of the Center's 27 small business counseling clients this quarter had applied to banks for financing but needed help to prepare necessary materials and to communicate effectively with the banks. The Center's counselors helped them develop business plans and financial projections. The counseling program's clients included entrepreneurs establishing a clothing export factory, an auto repair shop, an English-language newspaper, and a dehydrated food processor.

In many cases the counselors concluded that their clients were overwhelmed and needed basic classroom training before coming for individualized counseling. A pilot program was scheduled in Győr for late April, with two-day seminars in *Banking and Small Business* for bank staff and small business advisors and *How to Finance Your Business* for beginning entrepreneurs. Partners in this local program are the New York State-Győr Foundation (which hosts most of the Center's programs in Győr), Business Assistance (an entrepreneurship support organization in Győr), the regional Chamber of Commerce, OKFI (the Hungarian government's small business agency), the Szechenyi Technical College in Győr, and the SEED Foundation.

The Center's SBDC advisers also provided advice and assistance to various Hungarian entrepreneurial assistance organizations, such as B'nai B'rith, Business Assistance of Győr, the SEED Foundation, and Euromanager.

- The staffs of the OIP Hungary Project and the Center jointly prepared a detailed handbook in English and Hungarian titled *How to Export Food to the US*. (The Table of Contents is at Attachment E.) The Center is using it to advise interested small business clients, and copies will be made available at the Center-supported food industry conference in Szeged in May. SUNY Buffalo plans to write a similar guide for Buffalo-area food companies interested in exporting to Hungary.
- The Center's American MBA intern is helping an American firm work with a Hungarian supplier in arranging large-scale meat exports to Russia.
- The Center was a co-sponsor of the now-cancelled Danube Basin III conference which was to be held in Budapest June 20-22 with the theme "Business Opportunities in Central and East Central Europe." Both OIP and the Center approached all their contacts to encourage them to attend.

OTHER CENTER PROGRAMS

- SUNY/OIP's Hungarian Fellows project, with funding from The Pew Charitable Trusts, provided intensive TQM and small business training to a group of eleven Fellows at SUNY Buffalo during the quarter. The training included meeting potential US traders with Hungary through the Greater Buffalo Chamber of Commerce (see Attachment F.) The two-year Fellows project has trained 18 Hungarian professionals in the US in a wide range of fields. They will serve as part-time instructors and consultants for the Center.
- Among these eleven Fellows are two "artisan" Fellows who received special additional training. These experts in handicraft development visited SUNY's School of Ceramics at Alfred University and SUNY's Fashion Institute of Technology, and they toured handicraft centers in Vermont and New York City. They plan to establish an artisan training center in Eger, Hungary, which will sponsor Center courses in business management for artisans.
- While OIP and the Center's USIA-funded Citizens Network Initiative (CNI) project ended last September, we continue to receive reports of project-related successes. The project encouraged the involvement of volunteer private sector organizations in civic development. In October, Győr was ranked by the German business magazine *WirtschaftsWoche* as the best regional center for foreign investment in all of Eastern Europe, and Audi announced plans to establish a major auto parts plant in Győr. In Szekszard, the CNI-fostered organization "Szekszard-2000" has undertaken projects of its own in local tourism promotion and real estate development. The Center presented Regional Marketing short courses in both Győr and Szekszard during this quarter.
- OIP has submitted proposals for two additional USIA-funded projects involving the Center. Through USIA's Central and Eastern Europe Training Programs (CEETP-3), we would continue last year's CNI pairings of Győr-Buffalo and Szekszard-Binghamton to train city officials to support local private sector development. For a second CNI project, we would establish two new city pairings of Gyöngyös-Rochester (through SUNY Brockport) and Kaposvar-Plattsburgh to expand the capability of the Center's partner organizations to support local small business development.

FINANCIAL REPORT

Appendix 1 contains the financial summary for the third quarter. Overall project expenditures were close to the projected amounts with non-AID funds accounting for more than projected. Cost-sharing, including in-kind contributions from SUNY and the Hungarian partner organizations, and grants from The Pew Charitable Trusts and Andrew Mellon Foundation accounted for 35% of the expenditures.

During the third quarter, some adjustments were made to the AID account, resulting in negative expenditures on the financial summary. Specifically, one of the other grants agreed to pick up the payment for the consultants of one of the short courses. There was also a \$308 refund on insurance for the MBA student once proof of her enrollment in HAC was received from AID.

It is anticipated that most of the second year funding will be spent by the end of the fourth quarter. We also expect the cost-sharing rate to decrease in the fourth quarter due to the expiration of the Hungarian Fellows grant from The Pew Charitable Trusts. However, the rate for the year will be above the 25% cost-sharing requirement.

APPENDIX 1: FINANCIAL SUMMARY

APPENDIX 2: PROGRAM SUMMARY

ATTACHMENTS A - F (SEE TEXT OF REPORT)

Appendix 1

OIP THIRD QUARTER AID REPORT

Project Expenditures	AID FUNDS		Cost Share		Other Sources Mellon		Other Sources Pew		ACCRUED	AID FUNDS REMAINING	PROJ. NEXT QUARTER
	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.			
Instructor - US Salary (Buf. only - 1001-3)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$7,273	(\$7,273)	\$0
Staff - US Salary (1901,1003)	\$36,149.36	\$57,221	\$5,825.00	\$5,825	\$2,609.50	\$2,243	\$9,090.38	\$0	\$428,625	\$179,205	\$62,426
Fringe Benefits (1501,1502)	\$11,736.18	\$22,210	\$1,718.00	\$1,718	\$0.00	\$0	\$2,681.66	\$0	\$123,176	\$58,023	\$38,639
Salaries Local (1001,2001)	\$38,259.15	\$38,163	\$0.00	\$0	\$0.00	\$0	\$8,118.63	\$1,955	\$154,530	(\$2,910)	\$38,924
Consultants (2001)	(\$675.00)	\$12,000	\$362.08	\$0	\$0.00	\$0	\$0.00	\$3,045	\$125,284	\$116,557	\$71,860
Travel (3501,3502)	\$15,989.52	\$10,000	\$160.00	\$2,400	\$0.00	\$0	\$14,766.37	\$1,035	\$218,008	\$28,755	\$39,871
Equipment (2501)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$88,042	\$6,208	\$0
Supplies (3001,3006)	\$769.20	\$500	\$2,150.00	\$2,500	\$128.73	\$0	\$0.00	\$1,000	\$27,481	\$22,172	\$24,757
Indirect Cost (7501)	\$20,329.20	\$37,594	\$3,930.68	\$3,235	\$0.00	\$0	\$1,425.64	\$0	\$182,183	\$123,992	\$71,884
Participant Costs (6503,7001,7003)	\$11,204.79	\$3,700	\$1,980.00	\$0	\$0.00	\$0	\$3,089.00	\$0	\$115,899	(\$5,689)	\$9,078
Workshops, Conf. (6510)	\$0.00	\$500	\$961.54	\$200	\$0.00	\$972	\$0.00	\$0	\$67,778	\$29,283	\$0
Video/TV Production (6508)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$8,000	\$0.00	\$0	\$356,650	\$0	\$0
Translation (6506)	\$5,621.40	\$1,000	\$0.00	\$0	\$100.00	\$1,740	\$0.00	\$0	\$45,341	(\$27,100)	\$5,000
Scholarships (6501,6502)	(\$308.00)	\$3,700	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$36,918	\$5,303	\$0
Curriculum Development (2001,1001)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0	\$0
Other Direct (6507,6510)	\$5,226.56	\$25,000	\$5,502.05	\$0	\$83.26	\$5,000	\$97.56	\$0	\$155,567	\$100,012	\$97,008
Other (6510)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$11,726	(\$4,000)	\$0
Totals	\$148,502.36	\$211,588	\$22,589.35	\$15,878	\$2,921.49	\$17,955	\$39,269.24	\$7,035	\$2,144,481	\$622,536	\$459,447

BUFFALO 3RD QUARTER AID REPORT

Project Expenditures	AID FUNDS		Cost Share		Other Sources Mellon		Other Sources Pew		ACCRUED	AID FUNDS REMAINING	PROJ. NEXT QUARTER
	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.			
Instructor - US Salary (Buf. only - 1001-3)	\$18,428.41	\$15,000	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$81,599	\$12,188	\$19,280
Staff - US Salary (1001,1003)	\$0.00	\$5,750	\$4,000.00	\$2,000	\$0.00	\$0	\$0.00	\$0	\$16,027	\$18,973	\$0
Fringe Benefits (1501,1502)	\$4,786.26	\$6,121	\$1,180.00	\$590	\$0.00	\$0	\$0.00	\$0	\$25,816	\$10,120	\$0
Salaries Local (1001,200i)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0	\$0
Consultants (2001)	\$0.00	\$4,500	\$3,303.98	\$0	\$0.00	\$0	\$0.00	\$0	\$31,929	\$9,200	\$0
Travel (3501,3502)	\$21,513.77	\$13,541	\$4,254.00	\$0	\$0.00	\$0	\$0.00	\$0	\$86,992	\$44,479	\$45,248
Equipment (2501)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0	\$0
Supplies (3001,3006)	\$19.88	\$4,000	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$1,093	\$4,477	\$3,881
Indirect Cost (7501)	\$12,301.66	\$12,717	\$3,502.94	\$0	\$0.00	\$0	\$0.00	\$0	\$62,576	\$15,517	\$0
Participant Costs (6503,7001,7003)	\$0.00	\$0	\$18,860.00	\$0	\$0.00	\$0	\$0.00	\$0	\$44,555	\$32,588	\$44,292
Workshops, Conf. (6510)	\$0.00	\$6,000	\$11,698.90	\$0	\$0.00	\$0	\$0.00	\$0	\$13,820	\$3,531	\$0
Video/TV Production (6508)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0	\$0
Translation (6506)	\$81.32	\$8,000	\$1,400.00	\$0	\$0.00	\$0	\$0.00	\$0	\$20,634	(\$13,976)	\$11,527
Scholarships (6501,6502)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$10,255	\$29,300	\$29,300
Curriculum Development (2001,1001)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0	\$4,500
Other Direct (6507,6510)	\$3,329.76	\$4,500	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$9,475	(\$985)	\$0
Other (6510)	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0	\$0
Totals	\$60,461.06	\$80,129	\$48,199.82	\$2,590.00	\$0.00	\$0	\$0.00	\$0	\$404,770	\$165,413	\$158,028

PROGRAM SUMMARY

May 17, 1993

NR	LECTURER	PROG. #	SEMINAR NAME	PLACE	BEGIN DATE	# PART.
1	Kennett	10	Total Quality Management	Budapest	01/25/1993	65
2	Kennett	10	TQM Awareness	Gyor	01/28/1993	27
3	Mariani	1	Regional Marketing	Szekszard	02/05/1993	9
4	Mariani	1	Regional Marketing	Gyor	02/08/1993	24
5	Markulis	2	Marketing	Fuzesgyarmat	03/01/1993	20
6	Frase	2	Strategic Management	Szokesfehervar	03/01/1993	19
7	Markulis	2	Marketing	Szokesfehervar	03/04/1993	18
8	Frase	2	Strategic Management	Fuzesgyarmat	03/04/1993	19
9	Desfosses	10	TQM Awareness	Szokesfehervar	03/08/1993	21
10	Desfosses	10	Total Quality Management	Budapest	03/11/1993	29
11	Kennett/Roodman	10	Total Quality Management	Budapest	03/22/1993	51
12	Roodman	10	TQM Awareness	Gyongyos	03/25/1993	17
13	Gueutal	2	Human Resources	Szokesfehervar	03/29/1993	21
14	Weintrop/Trzcinka	6	Finance for Non-Financial Mgrs	Fuzesgyarmat	03/29/1993	19
15	Gueutal	2	Human Resources	Fuzecgyarmat	04/01/1993	19
16	Weintrop/Trzcinka	6	Finance for Non-Financial Mgrs	Szokesfehervar	04/01/1993	14
17	Jain	2	Marketing in Market Economy	Gyor (Babolna)	04/05/1993	15
					Total Number of Participants:	407

Program Key:

1 - Short Course Seminars

2 - Executive Development

6 - Finance for Non-Financial Managers

10 - Total Quality Management Training

Gyor

January 10	Free day (Sunday)
January 11	Meeting - Rekard
January 12	Meeting - Rekard
January 13	Meeting - Ringa Meat Industrial Co.
January 14	Meeting - Ringa Meat Industrial Co.
January 15	Meeting - Ringa Meat Industrial Co. - Babolna
January 16	Free day (Saturday)
January 17	Free day (Sunday)
January 18	Meeting - Raba Tex
January 19	Meeting - Raba Tex - Military Hospital - Babolna

Budapest

January 20	Arrival Meeting - Budapest Economic University
January 21	Meeting - Ikarus ¹
January 22	Meeting - Ikarus ¹
January 23	Departure

Buffalo

January 23	Arrival
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¹Cancelled by Mr. Balint Lacsny, Director of Ikarus, due to his emergency trip to Germany to visit with a customer.

**TQM Seminar Part I
Budapest
January 25-26, 1993**

I. Introduction

- A. Brief discussion of Who, What, Why, How, and When
- B. Relationship between quality and productivity
 - 1. What people believe
 - 2. What actually occurs
- C. Discussion of customers, product, and what's important to both

II. Problems

- A. Sporadic vs. Chronic
 - 1. Example with colored balls
 - 2. Deming's chain reaction
- B. Excelsior Award in New York State
 - 1. Explanation of categories
 - 2. Emphasis on constituent satisfaction
 - 3. How most companies use standards to improve overall quality in their organization, not to win the award

III. Using TQM

- A. Explanation of tools
 - 1. Fishbone
 - 2. Control charts
 - 3. Flow charts
 - 4. Force field diagram
- B. Examples
 - 1. Questionnaire of class
 - a. Too long vs. too short
 - b. Too much homework vs. too little
 - 2. Fishbone approach to problems arising in meetings
 - 3. Example of the use of TQM at Binghamton

IV. Quality Improvement Process

- A. Define problems
 - 1. Recurring
 - 2. New or sporadic
- B. Proactive vs. reactive
- C. Quality Council
 - 1. Defines and tracks improvement process
 - 2. Gathers data and disseminates information
 - 3. Quality Improvement Teams
 - a. Determine problems and solutions
 - b. Set up by Quality Council
 - c. Initiate improvements and change
 - d. Look at cost/benefit
 - 4. Make results public and reward achievements
 - 5. Coordinate QIT
 - 6. Successful council and teams
 - a. Committed and involved

- b. Establish trust and respect between workers and management
 - 7. Tools
 - a. Brainstorming
 - b. Fishbone
- D. Steps
1. Problem recognition
 - a. Signs
 - b. Review information
 - (1) Emphasis on retrieving and analyzing data
 - (2) Make data and information accessible
 2. Selection of improvement project
 - a. Cost/benefit
 - b. Level of importance
 - c. Input from management and teams
 3. Diagnosis
 4. Prepare people for change
 - a. Involve area of change in process
 - b. Help to eliminate resistance
 - c. Keep area of change informed
 - d. Start small
 - e. Allow time for change to take effect and be accepted
 5. Maintain the level of improvement
 - a. Explanation of continuous improvement
 - b. Measure effects
 - c. Publicize results
 6. Start again
 7. Examples of where quality has improved
- V. Courses in TQM at Binghamton University
- A. QMMG 111: Statistics for Management
 - B. MGMT 503: Statistics for Management
 - C. Description of projects for each class
 1. 111 - Individual
 2. 503 - Group
- VI. Video on Ford and Globe Metallurgical
- A. Description of Globe (handout)
 - B. Discussion

CLOSE

TQM Seminar Part II
Budapest
March 22, 23

I. Introduction

- A. Overview of seminar
- B. Review of relationship between productivity and quality

II. Professor Roodman

- A. TQM in business and engineering schools - working together
- B. TQM in elementary and high schools
- C. Need for industry and schools to work together
- D. Excelsior award

III. Kenett review

- A. Organization tree
- B. Review of Who and What
- C. Group activity
 - 1. Broke into eight groups
 - 2. Who is customer, why, what do you supply

IV. Designing a TQM Course

- A. Groups design flowchart - Process of design
- B. Groups design Fishbone - Problems
- C. Discussion

V. Product Development Process

- A. Customer driven product
- B. QFD approach
 - 1. Customer approach
 - 2. Design requirements
 - 3. Part requirements
 - 4. Manufacturing requirements
 - 5. Production requirements
- C. Auto Example of QFD
- D. L-Chart - Relationship between What and How
- E. Include competition assessments - Bench marking
- F. House of Quality - Link 4 houses
- G. Example of Primary, Secondary, Tertiary Wants
- H. Conclusion

VI. Recommendations

- A. Program should end at 3:30 because many participants have to leave at this time to catch trains.

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QUALITY MANAGEMENT HANDBOOK

I. Introduction

This document is neither a quality management textbook nor a procedures manual. It is a selection of documents that are intended to provide, first, a general overview of basic concepts of quality management, with special emphasis on its practice in America, and, second, some ideas, exercises, and tools for quality management self-assessment.

II. Contents

Forward

The Essentials of Quality: The TCIE Experience

Total Quality Management and the Service Quality Culture

Imperatives for Productivity: Strategies for Industry (and Self-Assessment)

Quality Made in the USA: The Malcolm Baldrige National Quality Award

How the Baldrige Award Really Works

Quality and Delta Dental Plan of Massachusetts

Baldrige/Excelsior-based QUALITY SCREEN

New York State Governor's Excelsior Award: A Framework for Detailed Self-Assessment

Training and Development: Understanding Your Organization's Training Needs

MANAGEMENT AND BUSINESS CONFERENCE
Change Management Section

Chairman: Dr. Istvan Szintay
 Head of Dept. of Management and Organization

3rd March 1993.

1. **Istvan Szintay:** The fields and the relationships of change management in companies
2. **Stuart Sanderson:** The significance and the application experiences of company strategies
3. **Imre Piskoti:** Innovation oriented competition strategies for small businesses in a crisis region
4. **Dezso Szakaly:** The relationship of management improvement and revitalization with special respect to the application of out-door training
5. **Gyaszarne-Sandor Bozsik:** Comparative analysis of East European privatization technics with special respect to the Hungarian process

Lunch break

Work-shop
 The relationship of industrial effectiveness improvement and change management
 The Center for Industrial Effectiveness
 University at Buffalo
 State University of New York

MANAGEMENT AND BUSINESS CONFERENCE
Enterprise Section

Chairman: dr. János Czabán
Head of Dept. of Microeconomics

3rd March 1993.

1. **János Czabán-Gyula Fulöp:** The role of small business in the economy
2. **György Kocziszký:** Some additional information related to the Life Cycle Theory of enterprises
3. **János Hoós:** Medium and short term prognostical analysis of enterprises
4. **Erzsébet Nováky:** Enterprise Prognostics as a new area of the Future Research
5. **Aladár Nagy:** Economical decisions under uncertain circumstances
6. **Szilágyiné:** Characteristics and influences of the changing Customer Behavior

1993.03.14 14:10:00

MANAGEMENT AND BUSINESS CONFERENCE
Possibilities of Regional Renewal Section

Chairman: dr. Gizella Sikora
Head of Dept. of Applied Economics

3rd March 1993.

- 1. Inre Barta: Miskolc is the gate of East**
- 2. László Dankó: Business opportunities of north-east Hungarian companies in the region of the Carpathians**
- 3. Gizella Sikora: The change of the allocation mechanism in the regional labour market**

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MANAGEMENT AND BUSINESS CONFERENCE
Accounting and Statistical Information Systems for
Enterpreneurships (Analysis and Forecasting)

Chairman: Dr. Lajos Bessenyei
Head of Dept.

31st March 1993.

1. Lajos Bessenyei: Requirements in Market Economic Considering the Future Oriented Statistical Information System for Enterpreneurships
2. Ferencé Nyitrai: Statistical Foundation of Managerial Decisions
3. János Gál: Managerial Decisions Based on Accounting Informations (Analysis and Forecasting)
4. Tibor Pál: The Role and Importance of Accounting in the Successful Enterpreneurships
5. Anzsló Nagy: The Connection between Taxcontrol and Auditing
6. Pál Erős: Problems in Practice Regarding the Information Foundation of the Managerial Decisions

How To Export Food to the US

Prepared by:

**Office of International Programs
State University of New York
Albany, NY**

**The Center for Private Enterprise Development
Vörösmarty tér 1. IX. em.
H-1051 Budapest, Hungary
1364 pf. 108**

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Appendices:

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Appendix C	American Food Associations
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Businesses Interested in Trade with Hungary

You are invited to attend an
informal small group meeting with

Visiting Hungarian Fellows

DATE: Thursday, 4 February 1993

TIME: 2:30p.m.- 3:30 p.m.

PLACE: Greater Buffalo Chamber of Commerce
Statler Towers, 107 Delaware Avenue

RSVP: ITC 852-7160

A group of Hungarian academics and business people (see attached listing) sponsored by the University at Buffalo's School of Management are visiting Western New York from 10 January to 13 February. The Greater Buffalo Chamber of Commerce and the Western New York International Trade are sponsoring an opportunity for local businesses who are interested in trade with Hungary and Eastern Europe to meet individually with these distinguished visitors.

SPONSORS:

State University of NY at Buffalo, School of Management
Greater Buffalo Chamber of Commerce
Western New York International Trade Council

..... return attached form

NAME/TITLE: _____

COMPANY: _____

PHONE: _____ **FAX:** _____

I am interested in meeting with the following individuals on the attached list:

name: _____ **list number:** _____

name: _____ **list number:** _____

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