

# MFM Project

TRIP REPORT  
MANAGEMENT BY OBJECTIVES  
WORKSHOP  
VLADIVOSTOK, RUSSIA

By  
Larry Beyna

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Research Triangle Institute  
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Municipal Finance and Management  
Project No. 5656  
Contract No. CCN-0007-C-00-3110-0

June 28, 1994





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**To:** Eric Chetwynd  
James Alloway

**From:** Larry Beyna *Larry Beyna*

**Date:** June 28, 1994

**Subject:** Trip to Vladivostok, April 13-26, 1994, and  
Workshop, June 3, 1994

As promised (although a little later than promised, for which I apologize), I am submitting with this memo a brief report of my activities with the Vladivostok study tour group, under Task 201 of the Municipal Finance and Management Project, AID Democratic Pluralism Initiatives Program. As indicated on the attached copy of the April 8, 1994, letter from James S. McCullough, this report is the fourth and final task for which I am responsible.

(Please note that the report also covers a four-hour workshop that I facilitated for the study tour group upon completion of their tour in early June. While not part of my initial scope of work, this workshop was done at the request of Eric Chetwynd. I was able to complete that workshop within the 20 days originally allocated for my work on the Vladivostok effort.)

I greatly enjoyed working with the Vladivostok study tour group, Jim Alloway, and the RTI team back here in Washington. I am not exaggerating when I say that the trip to Vladivostok was a very moving experience for me (except for the Aeroflot delays, of course!). I was moved by the earnestness and hopefulness of my new-found friends in Vladivostok as they were beginning their journey through the turbulent, uncharted waters of modernization and democratization. (I think a nautical metaphor an apt one for Vlad.) I was also struck by the enormous sea-walls of protocol requirements, communication problems, and Russian inexperience that Jim appeared to encounter on a daily basis while I was there. But the Russians are strong, and Jim is determined. So, there's hope for reform of the municipal finance system in Vladivostok.

Thank you for giving me the opportunity to participate in the project.

## RESEARCH TRIANGLE INSTITUTE



April 8, 1994

Mr. Lawrence S. Cooley  
MANAGEMENT SYSTEMS INTERNATIONAL, INC.  
600 Water Street  
NBU 7-7  
Washington, DC 20024

Reference: Municipal Finance and Management Project  
AID Democratic Pluralism Initiatives Program

Dear Mr. Cooley:

This is a letter of authorization under Task 201. We request the services of Mr. Larry Beyna to travel to Vladivostok to work with Resident Advisor Jim Allowan and his counterparts on the following:

1. Conduct a team building workshop with the Vladivostok MFM study tour group.
2. Conduct a Management by Objectives workshop with the study tour group, the Vice Mayor for Finance, and the Mayor. Workshop will focus on the Vladivostok work plan and also include a focus on performance indicators and baseline data development.
3. Based on the above, assist Jim Alloway with development and writing of the first draft of the Vladivostok First Year Work Plan.
4. A brief trip report will be filed with RTI/CID/MFM/DC.

This task will involve 20 days, which includes travel time and preparation. Travel is to commence on Sunday, April 10, 1994. Costs will include travel related expenses.

The Task Manager for this task is Dr. Eric Chetwynd who will be in contact you regarding the details of the work.

Sincerely,

James S. McCullough  
Municipal Finance and Management Project Supervisor

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## TRIP REPORT

### **Team Building/Management-by-Objectives Workshop, Vladivostok, Russia, April 13-26, 1994, and Follow-Up Workshop, Washington, D.C., June 3, 1994**

**Larry Beyna, Management Systems International**

I visited Vladivostok for two weeks in April, 1994, to assist James Alloway with two tasks: (1) delivering a workshop to prepare a group of Vladivostok officials for a municipal finance management study tour in the U.S. in late May and early June; and (2) developing a draft work plan for the first year of the Vladivostok project.

The workshop--whose participants included six Vladivostok municipal officials, two interpreters, and James Alloway--focused on two major needs of the group as they were about to begin the study tour: (1) an understanding of the basic principles and tools of management by objectives in the public sector, as an introduction to a program-based approach to municipal financial management; and (2) the development of a cohesive team that would be able to take maximum advantage of the professional, cross-cultural, and social adventure the group was about to undertake.

The workshop was conducted over the course of five days, from 8:30 a.m. to 12:30 p.m. each day. It included lectures, group discussions, and individual and group problem-solving and team building exercises.

During the workshop I introduced and developed the concept of a program management cycle (plan--implement--monitor and evaluate--decide) and explored the pivotal role of information at each stage in the cycle. I also outlined the basics of strategic planning and an input-output-impact objective tree.

The importance of information was also highlighted in the study tour group's identification of major problems confronting them as they try to improve municipal financial management. The group identified lack of data and poor data reliability (especially between data provided by the krai and data provided by the city) as the most significant problems they confront.

The group spent one morning session analyzing a specific problem that they had identified as particularly vexing for municipal government: litter and debris in the streets of Vladivostok. Using various small group process and analytical techniques--including brainstorming, nominal group technique, and force-field analysis--the group clarified the problem and began to develop a strategy for addressing it. During this and other discussions, what was particularly striking to the American facilitator was

how often group members observed that they had very little if any influence over the decisions needed to solve the problem.

The workshop also included discussion of the Vladivostok municipal finance project--its objectives, activities, schedule and organization, to the extent that details were available--and objectives and logistics for the impending study tour.

Among the products of the workshop were lists of individual and group objectives for the study tour, preliminary analyses and objectives relating to Vladivostok problems, and increased personal and professional familiarity among group members.

At the end of the two-week trip, I helped James Alloway conceptualize and outline broad objectives and action steps for the first year or so of the Vladivostok project. It is believed that the ideas generated in this part of the trip were found useful in the eventual drafting of the project workplan.

Very little assistance was given in actually drafting the workplan during the Vladivostok trip. This was due primarily to lack of time at the end of the trip and to my lack of the kind and level of detail that Jim Alloway apparently intended to include in the plan.

At the completion of the Vladivostok group's study tour in the U.S. (June 3, 1994), I also facilitated a three-hour end-of-tour workshop, in which participants identified useful ideas and approaches that they had picked up during the tour and assessed the potential for implementing those ideas and approaches back in Vladivostok.

After identification of the ideas and approaches, group members were asked to choose those that not only were important but also appeared implementable or adaptable back home in the Vladivostok context. Two approaches that met these two criteria were identified by a significant number of group members:

- o Development of a central computer system, with easy access to information throughout the finance department and government at large.
- o Clear definition of the functions of the Mayor and City Council, and guidelines for effective cooperation between them.

(Please see the attached item, "Vladivostok Study Tour Workshop, June 3, 1994" for the list of new ideas and approaches and the group's assessment of importance/feasibility.)

**VLADIVOSTOK STUDY TOUR WORKSHOP**  
**June 3, 1994**

- |                |     |   |
|----------------|-----|---|
| <i>4 votes</i> | 1.  | Corporation for City Development -<br>creating jobs and attracting investments through use of bonds.  |
| <i>2 votes</i> | 2.  | Organization of public works -<br>clean streets; garbage collection. (Tamara)   |
| <i>2 votes</i> | 3.  | Responsiveness to Citizens. (Tamara)  |
| <i>1 vote</i>  | 4.  | Shops! Shops! Shops! -<br>service to the customers, cash registers. (Nadezhda)  |
| <i>3 votes</i> | 5.  | Create an Audit and Control System (Galina Finance)   |
| <i>1 vote</i>  | 6.  | Means of ensuring good working conditions -<br>facilities, regulations, etc.  |
|                | 7.  | Good Records.   |
| <i>3 votes</i> | 8.  | Management System of Municipal Administration.  |
| <i>3 votes</i> | 9.  | Tax Inspection Reporting to the Finance Department.   |
| <i>2 votes</i> | 10. | Zoning and Neighborhood Planning.   |
| <i>1 vote</i>  | 11. | Business (Convention) Center as a base for Economic Development.<br>(Galina Interpreter)  |
| <i>7 votes</i> | 12. | Central Information Computer System -<br>easy access to information throughout the government<br>and finance department. (Olga)   |
| <i>1 vote</i>  | 13. | Public Hearings -<br>citizen participation in problem solving, like crime, and management of<br>city services. (Tamara)   |
| <i>1 vote</i>  | 14. | Planning Department Functions -<br>land use, small business support. (Nadezhda)   |
|                | 15. | System of Appropriations and Centralized Control over Expenditures -<br>Ensure that departments spend according to objectives in line item<br>budget; expenditure accountability; ensure that budget is implemented as<br>planned. (Galina Finance) |

