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ECONOMIC DEVELOPMENT PROGRAM

END OF GRANT REPORT



Sergei Kozyrev, advertising executive from Moscow, receives training in Philadelphia through EDP. Sergei has since received national awards for his firm's work. During his last evaluation he indicated that his advertising business is very successful and is diversifying into related business activities.

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EDP—MORE THAN A BUSINESS TRAINING PROGRAM

"I had a new mentality after the EDP program I now understand that I can do something more than I could before It is necessary for there to be contact between Russia and the US, both in business and life "

—Larisa Maslova, St Petersburg

"I learned everything possible about marketing and sales, especially sales strategy "

—Dmitry Dorokhov, St Petersburg

"I saw my future in the US I saw what I would be doing in the future and now three years later I am doing it!"

—Sergei Denisov, St Petersburg

"I was able to use this experience to make some changes to my company's internal structure and culture Now we are working more efficiently "

—Elena Farafanova, Ekaterinburg

"Previously I attended a business school in England but EDP was better because it was a 'living' experience, practical internship with an education "

—Mikhail Demsky, St Petersburg

"When I returned I began to increase the professionalism of my employees as well as our technical processes and methods We have been so successful that last year we hired twelve new employees "

—Sergei Badalian, Rostov-on-Don

"I had an opportunity to look at another country's way of doing things I gained a new opportunity for a different perspective This is more important than any particular idea It's as if I graduated from another school I've learned to be more optimistic and to have a very strong initiative "

—Ludmila Kirillova, St Petersburg

"I was impressed when I heard US managers discussing methods of improving the already thriving business with employees From my point of view the cafe is a perfect business, and yet they are still going to improve This attitude is unusual in Russia "

—Kirill Bakhmetyev, St Petersburg

"This experience was a success because now my employees are more productive "

—Sergei Badalian, Rostov-on-Don

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I. HISTORY

The Economic Development Program (EDP) was in existence from 1990 to 1997. In the first three years funding was provided by American Foundations (Charles Stewart Mott Foundation, a large anonymous foundation), several smaller funds, and ordinary US citizens. Philanthropists, such as Apple Computer co-founder Steve Wozniak, provided seed money to start EDP.

EDP was totally demand-driven. In 1988 Russian entrepreneurs, who registered as "cooperatives" under Gorbachev's initiative, began asking CCI for business training. By 1989 CCI responded to the request by creating the first business management internship training program and brought the first Russian entrepreneurs to the US in early 1990. At that time Soviet entrepreneurs paid for their travel expenses, and American companies contributed \$800 for the privilege of training their Soviet counterparts. Between 1990 and 1993, CCI trained nearly 300 English-speaking Soviet managers in American firms which were parallel to their businesses.

With EDP's privately-funded program experience behind us, we applied to USAID for a grant to continue the work we believed to be vital for Russia. We asked for \$100,000 and received a \$7.3 million grant. In 1993, the EDP internship program was expanded to a four-component program with the determination to massively increase Western-style business training for Russian citizens.

Perhaps the greatest acknowledgment for EDP is that it was used as a model for the development of USIA's *Business for Russia* program. Additionally, EDP built the base for CCI's new, more complex program, the Productivity Enhancement Program (PEP), which trains non-English speaking Russian and Ukrainian business owners in industry-specific delegations through interpreters.

II. SUMMARY OF ACCOMPLISHMENTS/FAILINGS

OF

EDP'S FOUR COMPONENTS:

- **BUSINESS MANAGEMENT INTERNSHIPS IN US COMPANIES**
- **BUSINESS CENTERS IN SIX RUSSIAN CITIES**
- **AMERICAN CONSULTANTS PROVIDING TRAINING IN RUSSIAN FIRMS**
- **MASS MEDIA CAMPAIGN**

In summary it is difficult to say which of the above components was the most important, since each contributed a completely different, yet interactive aspect, of the overall EDP work. None of the components failed.

The four EDP projects were interactive and designed to complement one another. Each was independently successful and each played a vital role in achieving the project goals.

A. BUSINESS MANAGEMENT INTERNSHIP IN US COMPANIES

The EDP Internships in US companies were the most visible and powerful aspect of the program. The original concept worked beautifully and continued to prove itself time and time again. The Russians were eager to learn and their American counterparts were eager to transfer as much knowledge to them as they could absorb.

Without exception the Russian business owners who traveled to the US and worked side by side with their American counterparts, felt that their experience was "life-changing." Evaluation after evaluation we listened to these EDP Fellows struggle to find the words to adequately describe the transformation that happened to them in the US. What they received, from a business standpoint was extraordinary—but even more importantly, from a psychospiritual aspect, the US experience changed their outlooks and their entire mentalities.



Sergei Drugov, owner of a small business service company in Moscow, receives instructions from his training coordinator at Alpha Graphics

Susan Johnson, Ambassador Pickering's appointee to assess which of the US government programs were meeting their stated objectives, reported to Ambassador Pickering that, "CCI's EDP Fellows reflected the most intensive training, were the most articulate about their US experience, and reported more transference of the US experience to their Russian companies, than any other internship trainees." CCI only learned this information in 1997 after the EDP internship program was finished, but we were proud to receive these praises. (For a statistical summary see Attachment A)

Between 1993 and 1996, EDP trained 444 Russian business owners in 650 American firms in 309 US cities in 43 states. We projected bringing 500 Russians to American firms and fell short 56 due to last minute cancellations on the Russian and American sides.

B. BUSINESS CENTERS IN SIX RUSSIAN CITIES

The establishment of six EDP Russian Business Centers may have the broadest long-term impact. There were no failures here, only successes.

The six Russian offices in Dubna, Ekaterinburg, Rostov-on-Don, St. Petersburg, Volgograd and Voronezh have become regional empowerment centers and have emerged from EDP more active than ever, providing many different services for their local business communities. They are an established part of the city's private business sector—the staffs know the grassroots entrepreneurs and their products better than anyone in the cities (including the mayors, city councils and tax collectors!). The staffs have become the small business owners' advocates. The offices have become a one-stop-shop where knowledge about loans, leasing, consulting, business planning, and the "how to" of business development can be found. Each of the Russian offices works closely with the municipal offices in their cities. (For quantitative results see Attachment B)

CCI Russia maintains Russian headquarters in St. Petersburg and relations with the five former affiliate offices. During the last 12 months of the EDP grant, CCI carefully prepared the five Russian affiliate offices for the transition to independent, private, Russian nonprofits. Three of them also became licensed Educational Institutes. Amid much concern and fear of failure, the offices began facing their fate. We at CCI-SF were sure they could make it and continued to communicate that we and others would

purchase services from them. The transition happened as planned, and it has been successful. As of March 1998, the five Russian offices have been independent for one year and are healthier than ever—and we would also add, spunkier and more confident than ever.

C. AMERICAN CONSULTANTS PROVIDE TRAINING IN RUSSIAN FIRMS

EDP's US Consulting Project was most important for non-English speaking Russian small business owners. The only flaw which required problem solving, was helping the Americans realize that their consulting had to be adopted to Russian businesses and that their American consulting methods weren't always relevant in Russia. Nonetheless non-English speaking Russian business owners got much of what they lacked. Up to that point creating businesses without models or information was near to impossible for these small business owners who had no English skills and no access to outside information or consultants.

Eighty-one American consultants, each dedicated to a particular Russian city, went back and forth to consult in Russian companies over a two and one half year period. Perhaps, the most important component of EDP's Consulting Project was the fact that 61 EDP Fellows were selected to co-consult with the Americans, thereby educating US consultants about Russian business reality. Russian co-consultants also provided translation for the American consultants. Through EDP's co-consulting scheme, a new layer of Russian consultants was born. Those EDP Fellows became bonafide consultants after working side by side with the American consultants. Many of them are still consulting in addition to running their own businesses. (For Consulting Project Statistics see Attachment B)

D. MASS MEDIA CAMPAIGN

This component of EDP was given a lower priority than the other three, but the overall goals were accomplished nonetheless. EDP had continuous media exposure in both Russia and the US for the duration of the program. The EDP Fellows took their experience back to Russia, were covered by thousands of newspaper and magazine articles and television cameras. Many were featured in full page articles or a series of articles in Russian newspapers and magazines. They brought home photos which were published showing American companies, homes, churches and civic events. Many brought home video cameras and footage which is still being shown. Hundreds of thousands or millions of Russians received a different glimpse of America as result of EDP.

Under EDP we created a four-part TV series entitled, "There is a Way Out!" The series was filmed while six Volgograd Municipal Leaders were in the Bay Area interning with city governments in San Francisco, San Jose, Berkeley, and Santa Clara, CA. The series is in Russian language. It has been used in all six regions where EDP applicants live. It hasn't been used on Russian National TV which is a disappointment to CCI. We were told that the TV series is "too informative" for the average Russian viewer. However, it is still in use in the regions and used as training films for regional applicants to CCI's business training programs.

We gave less attention to identifying existing US business training films for Russian consumption. The films we viewed weren't suitable for Russia's business reality during 1993-96 (I think some of the US programs would be suitable in 1998 due to rapid evolution of the Russian business environment).

III. DESCRIPTION OF ACTIVITIES:

A. BUSINESS MANAGEMENT INTERNSHIPS IN US COMPANIES:

This component was the core competency of CCI. The other three components were created to expand the number of Internships, to provide a "home base" or a center for them in their Russian regions, to

provide direct management consulting in their Russian companies (and more importantly to provide US consulting to non-English speaking private business owners), and to change Russian mentality regarding business, which at that time (1993-96), had a negative connotation

With six new Russian offices established, identification, screening and selection of candidates for US internships became more intensive and competitive. The quality of candidates improved, partly due to increased capability and also to the fact that more Russians were getting involved in the market economy. Formal education and orientation were possible for the first time.

EDP candidates were matched with US firms parallel to their own, so there would be direct application of knowledge upon their return home. Production and service industry matches were strictly made with no deviations. All accepted candidates were mandated to send a summary of their company, production or service, and a plan of what they wished to learn while in the US. This provided the US host company with information in order to design the training.

Pre-travel training was offered to all Russian applicants for US internships at the six EDP offices. They received business training, English classes, and cross cultural preparation for their anticipated US internships. Unfortunately, there were many who received the training but didn't travel for various reasons. Pre-travel training was extremely important. Most of them had never been abroad and labored under many illusions. The months of classroom instruction and mentoring with CCI-trained personnel was responsible for the success of their training in US companies.

EDP training materials for American business trainers and hosts became the training bible. Americans reported that they felt completely prepared for their experience as EDP trainers.

Seven hundred seventy-four American training coordinators provided pro bono training from their company's origin to its present stage of success. EDP trainees gleaned knowledge of accounting, advertising, computerization, distribution, financial management, marketing and sales, product diversification, quality control, personnel management, labor organization, up to date technology and hundreds of aspects of business development.

We feared that the expanded and nationally visible EDP would attract American "sharks"—that small percentage of the US business community without scruples who might be looking for a fast buck in the new Russia. This fear was completely unfounded. Fortunately, only the most responsible of American business owners were interested in participating in EDP. Their businesses were ethically run, and most owners were volunteer contributors to their local American communities. This fact had enormous impact on the EDP Fellows, since they expected successful Americans to be crass, self-absorbed and only in business for a profit.

B. EDP CONSULTING PROJECT

In 1993, Silicon Valley CEO's created a large committee to provide the consultant base for this component of EDP. They met regularly, took Russian language classes together, held weekend retreats where they brainstormed how they could best provide the wide range of business management training that would be needed in the six Russian cities. They broke into "city teams," with a leader designated for each city.

The first delegation of Silicon Valley consult-



Silicon Valley executives preparing to take their expertise to Russia

ants went to Volgograd in July of 1993. They met with Mayor Chekhov and Volgograd's City Council on the second day and signed protocols. They interviewed private business owners and made site visits. They came away realizing that they had a great deal of knowledge that was urgently needed. From there they held meetings with EDP staff, were oriented and given cross-cultural training to prepare them for the experience. The commitment of this group was astounding. Several have gone back to Russia after their EDP assignment ended. Some have budding business relations with Russian entrepreneurs they met in the process. Most remain in very close contact and are dedicated Russia watchers and supporters to this day.



EDP Fellow, Boris Khersonsky (r), showing Americans a diagram of his organizational structure

Consultants from other US cities learned about the opportunity and applied to be alternates if the original group members couldn't travel. These men and women have also remained intensely interested in the field and still assist CCI in newer programs.

The focus of the consulting was business management including business plan development, financial planning, quality control, customer service, identifying a market niche, marketing strategies, strategic planning, and personnel management. Later industry-specific consultants were requested and sent.

The Consulting Program also offered seminars which were given at the local offices. Each consultant offered two different seminars on key business topics for EDP clients and for the public. Since sessions were open to the public this provided an opportunity to reach out into the community.

The CCI Consulting Program developed a close working relationship with the Citizen's Democracy Corps (CDC) in all six offices. This was a win-win situation because of shared costs and resources. Additionally, CCI collaborated with Deloitte and Touche in sharing costs for Russian consultant training.

Consulting Project Transition

In the summer 1996, the Consulting Program underwent a transition. Rather than sending a variety of American consultants on a regular basis, in-country resources were developed and established. Two full-time American consultants were hired on an interim basis (August 1996-March 1997). One focused on St. Petersburg and another traveled to the five other CCI cities. St. Petersburg EDP Fellows, who were trained by co-consulting, started to offer consulting independently on a range of business topics. They also traveled to other CCI cities if clients paid for their expenses. Collaboration with CDC resulted in an agreement to send consultants to CCI offices through the CDC consulting program. CCI's consulting database was transferred to CDC. Finally, a system of virtual consulting was established.



Volgograd EDP office staff busily at work on USAID-funded computers

in which US consultants donated pro bono consulting via email

C. RUSSIAN BUSINESS CENTERS ESTABLISHED

St Petersburg, Volgograd, Rostov-on-Don, Ekaterinburg and Moscow Oblast offices were established during the first year of the grant. Volgograd and the Moscow Oblast office (in Dubna) were given free rent for two years. The offices became oases of business, moral and psychological support for local entrepreneurs and support people working in local private enterprises. Classes, roundtable discussions, lectures, seminars, workshops, video training and public forums provided stimulating activity and a platform for fostering responsible entrepreneurship.

An American director was selected for the start-up phase of each office to set up operations, select staff, initiate public outreach and coordinate the programs. Equally important, was the task of transferring business management skills to a Russian counterpart. After approximately one year, the US Directors returned to the US and the Russian Directors assumed all aspects of local leadership.

D. EDP MASS MEDIA CAMPAIGN

In America, US companies participating in EDP were given continuous "free ink" in the print media and many were covered by local TV stations in the 309 American cities where interns were hosted. Millions of Americans got a glimpse of Russia's stalwart, courageous young business makers as result of their exposure in US media. All of this subliminally shifted stereotypes and created mountains of goodwill where none previously existed. As one small town, southern Georgian reported in a caption on the front page of the local paper, "I never had any use for Russians before, but I sure like those who've visited my company!"

There were numerous press conferences in each of the six Russian cities on a bi-annual basis. As many as 40 journalists came to the regional Business Offices press conferences to learn the latest happenings in EDP. They published articles as well as TV and radio news shorts during prime time. Upon their return home success stories of Russian internships were carried broadly in print media and on TV. The transformation of EDP Fellows' mentality and business sense made great press for local citizens during 1993 through 1996 at a time when few positive news stories were being generated in Russia.

IV. SIGNIFICANCE OF THESE ACTIVITIES

A. BUILDING A BETTER BUSINESS ENVIRONMENT

All four components of the EDP program were designed to include the long term goal of establishing a more stable business environment by introducing the concept of a civil society. In 1994, six oblast and municipal leaders from Volgograd came to the US for a five-week intensive training program that focused on the way that city, state and federal governmental bodies cooperate with the business and non-profit sectors in the US. The goal of the program was to provide the leaders from such diverse agencies as medicine, health, transportation and city management with an example of how a functioning market economy governs itself. One-year evaluations demonstrated far-reaching results:

- the reduction of the Volgograd city council from 200 to 23 members
- the establishment of neighborhood self-governance committees
- a new oblast law on self-governance
- a new city charter based on the Berkeley, CA model

CCI Russia was the first organization in Russia to register as a "non-commercial" (nonprofit) organiza-

tion CCI found itself with the exciting but somewhat daunting task of creating the precedent for how non-commercial organizations should operate, be taxed, and limited in their activities CCI won numerous battles with registration and tax authorities which have provided benefits for many other non-commercial organizations and will continue to do so for years to come All of our Russian offices contributed hours of free consultation to other nonprofit Russian organizations on registration, tax and legal issues

Local networking and collaboration were fostered and will continue to be fostered through Fellows Clubs, trade fairs, interface with other US government-funded programs, and the Fellows' Directory CCI offices continue to be known for their friendly, comfortable atmosphere where clients receive valuable information and meet with their peers

Business Directory

The Fellows Directory Project was conceived of more than seven years ago (but not realized) It was envisioned as a means to stimulate and facilitate a vibrant support network among participants graduating from CCI's various business training programs (originally the Economic Development Program (EDP) and later the Productivity Enhancement Program (PEP]) With EDP closeout funds CCI has been able to hire a full-time person on a contract basis to develop and complete an EDP business directory The Fellows Directory Project tracks and documents the extensive alumni network of CCI Fellows through the publication of a comprehensive directory, which includes more than 800 detailed (while the number of EDP fellows will remain constant, PEP Fellows grow by the hundreds every year), updated listings on individual Fellows Ultimately, the Directory is a vehicle for successful, reform-minded Russian business people to use the knowledge, skills and perspectives they gained during the CCI training program to make new business contacts, and connect with reliable, US trained, product and service providers throughout Russia The directory will assist the process of decentralizing professional and business contacts, advance economic development, and contribute to building a better business environment

The Directory will be completed in April 1998 A limited run will be published in English Several thousand will be published in Russian and distributed to all Fellows Copies will be made available for interested American companies for a fee which covers the costs of production A final copy of the English version of the Directory will be sent to USAID Future updates of the Directory will be completed through funding from CCI's Productivity Enhancement Program

B. PROVIDING A MODEL FOR SUSTAINABILITY

The final phase of EDP funding supported the following activities post-internship evaluations, the development of Fellows Business Directory, the launch of an education, service-oriented travel program (Next Step Russia), and the graceful transition of the Russian offices from grantees to independent offices/contractors

Through these activities CCI has solidified the foundation of work already laid by the Internship Program, Consulting Program Business Service Centers and Media Campaign which worked collectively to establish a strong business environment in six separate Russian regions and to provide a lasting impact in those regions well beyond the time period of the grant Additionally, in the last phase of the grant, EDP continued to educate the Ameri-



EDP office Directors and Russian staff from six regions join with their American counterparts in St Petersburg for an annual conference

can population about the value of foreign assistance to the region and took the next step in improving Americans and Russians relations

A full year was indispensable for the graceful conclusion of EDP and we are most grateful to USAID for extending funding. The goals which we accomplished were

- Assisted each office with strategic planning to determine what services to provide based on the criteria of (1) addressing a real need, (2) falling within the core competency of the existing staff, (3) possibility of become viable, self-sustaining activity
- Created a realistic budget and plotted the steps necessary to survive
- Created and marketed services which would increase revenue for Russian offices. Key among these was the founding of *Next Step Russia* (see below)
- Provided additional training to key Russian staff
- Closed each CCI affiliate office in full compliance with Russian law which included half a dozen inspections per office
- Provided the financial assistance needed to register independent, non profit organizations and in several cities to become licensed as educational institutes
(For a calendar of transition activity See Attachment C)

Next Step Russia

In the final phase of EDP funding *Next Step Russia*, a travel program designed to further Russian and American relationships initiated by CCI's training programs, was launched. The travel program focuses on educational, cultural and service oriented itineraries and programs. It is a natural outgrowth for American EDP volunteers who desire to travel to Russia to continue their personal, as well as professional relationship with Russian Fellows. *Next Step Russia* is a self-funded program which provides a stream of revenue for the Russian offices.

Development of Program Infrastructure, Materials and Procedures:

Between April and September 1997 two CCI staff members completed the development of all fundamental program infrastructure including a viable business plan, office procedures, orientation materials, marketing materials, travel materials, educational materials, selection of Russian travel company partners and an international air carrier.

On August 29, the first *Next Step Russia* delegation landed in Russia. The itinerary included stays in St Petersburg, Moscow and Ekaterinburg. All participants were former American volunteers who hosted and trained a delegation of Ekaterinburg municipal leaders in Chesterfield County, Virginia. The main objective of the trip was to continue the municipal leader training started in Virginia. Virginia municipal leaders spent five days in Ekaterinburg attending meetings with local officials, including the City Foreign Relations Department, the Economic Committee, the City Property Management Committee, the City Duma, the American Consulate in Ekaterinburg, the Kirovskiy City Administration, the Verkh Isetskoy Rayon Administration, Urals Polytechnical University, and the Interregional Employment Center. All arrangements in Ekaterinburg were coordinated by the Ekaterinburg Center for Citizen Initiatives jointly with CCI Fellows.

First *Next Step Russia* Trip Results in New Agreement

The trip to Ekaterinburg was concluded with an agreement between Chesterfield County representatives and Ekaterinburg municipal leaders. Chesterfield County agreed to provide their expertise in connecting Russian and American businesses, and to organize student and teacher exchanges between the two regions. Consequently, these communities have gone beyond the "next step" and are well on their way to establishing a long lasting, productive partnership.

C. SIGNIFICANCE AS DESCRIBED BY THE FELLOWS THEMSELVES

In June/July 1997 CCI staff and former EDP volunteers traveled to Russia to conduct post-internship evaluations with Fellows in six regions. In the course of four weeks 325 interviews (one hour in length per interview) were conducted with EDP Fellows. This new business class testified to the impact of the Internship Program and the Business Support Centers on their professional and personal lives. Across six separate Russian regions their responses are powerful indications that US internships are extremely effective tools for comprehensive business management information transfer.

Results of the Evaluations

For many the Internship Program was the turning point in their lives, irreversibly changing their mentalities and self-perceptions (see Attachment F and success stories below). Fellows, after US internships, are more positive about their futures and their country's future. Sergei Denisov from St. Petersburg said, "I feel much more stable today than two years ago. Things are now changing in Russia in the right direction." Igor Zhukov from Dmitrov, commented that "the experience of the internship was a great strength. I know one person in Dmitrov who went on this internship and when he came back I did not even recognize him."

The US internship also gave Fellows the confidence to proceed in business, confirmed their intuitions, sparked new business development ideas, and gave them a sneak preview of their futures. Learning was not only restricted to the hours spent on the job in the US work place. Time spent in homes with American families was a complementary "classroom" reinforcing positive change.

EDP Internship Success Stories

Oleg Danilchenko, president of Stanitsa publishing house in Volgograd, completed his internship in 1993. He is most proud of the fact his business has survived for five years. During his internship Danilchenko was able to see the future of his publishing business. When he returned to Volgograd he successfully launched the publication of the first telephone directories in Russia which included yellow pages, blue pages, etc. Stanitsa has just completed the third annual edition of the telephone directory and will publish the Russian version of the CCI business directory.

Viktor Fokin, director of the IRTC Eye Microsurgery Volgograd Branch, completed his internship in 1994. During his internship he learned about new surgical technology in cataract extractions, medical clinic management, medical clinic organization, human resources management and employee incentives. Fokin applied these concepts to his practice. He is now the only profitable medical clinic in Volgograd and pays all of his employees on time. Fokin also has had a continuing relationship with his US training coordinator, who helped his clinic buy new equipment. He returned to California in the summer of 1997 with his family to spend some time with his training coordinator.

Firudin Abdullajev, president of Medservice in Volgograd, completed his internship in 1996. Medservice is a conglomerate of five dental clinics, one of which is completely modernized and upgraded with the latest equipment. He has embraced American dentistry practices and now offers routine teeth cleanings (unheard of in typical Russian dentistry) and teaches preventive dentistry during appointments and through a column in the newspaper. However, the most important thing he learned on his internship was the value of giving back to the community. While in the US he learned about community organizations, such as Rotary and Kiwanis clubs. In 1997 he donated free dental care to 300 people (the equivalent of 20 million rubles) mainly on Russian national holidays. Now his standard policy is to treat two people for free everyday, plus give free consultations and pain relief (Novocain) to all patients who need it. Abdullajev has convinced all of his employees to donate their time on holidays to the poor. In the future he would like to open a "fresh breath center" in Russia and update the equipment in all of his clinics. He is active in Volgograd Fellows' Club and hopes to start a Rotary club there in the future.

Mikhail Demsky, director of Conrad, Limited, in St. Petersburg, completed his internship in 1995. Dur-

ing his internship he learned about organization, accounting, marketing, minimization of expenditures, and making a profit in a high-tech company. Since his return Demsky's revenue has doubled through an increase in sales, the elimination of ineffective areas of his business and the decision to move into two new directions of business activity (x-ray equipment and radiation technology). Demsky continues to work with his US host company via email exchanges once a week. He is also working with his host company to develop new technologies and recently received specialized equipment from his host company on a loan basis. Recently, Demsky's company concluded a trade agreement with both a German and a Chinese company.

Gennady Soldatenko, director of Energiya in St. Petersburg, completed his internship in 1995. After his internship he changed his management structure, organized new departments and the links between existing departments. In particular, Soldatenko set up a special quality department and hired a quality expert. His company produces semi-trailers, axles for trucks and trailers. Recently Energiya received a contract from Coca-Cola and has started to produce several trucks for them.

Alexander Ivanov, deputy director of Istas-Kamen in St. Petersburg, completed his internship in 1994. His internship gave him invaluable experience in the organization of a company, working with people and different technologies of stone production. After his internship Ivanov split his operations into two separate companies, one of them focuses on repair and construction and the second produces stone products. This change has greatly simplified bookkeeping and costs. It has also allowed Ivanov to expand his operations more easily, Istas-Kamen now provides stone flooring for private homes and businesses. In addition, Ivanov changed the way that his company treats the customer and hired younger staff. He now has more customers than his competitors.

Georgiy Churakov, director of Tour Operations for Lenalptours based in St. Petersburg, completed his internship in 1995. Upon return he conducted meetings with all the employees of his company to teach them what he learned. He then changed his advertising strategy, customer relations, and public relations. During his internship Churakov also learned that a business can be greatly improved by sticking to one's strengths rather than being varied in scope. Previously, Churakov was more haphazard and unprofessional but now has a clear focus. These little adjustments have made a big impact on the overall success of his company and, as a result, Lenalptours is now the best tour company operating on Mt. Elbrus.

Nikolai Dubinin, managing director of ABC Auto in St. Petersburg, completed his internship in 1995. Dubinin had several strong impressions from his internship, the most important of which was that success depends on the individual. After his return he reorganized his business using the US host company as his model and developed a business plan that would continually strategize eight months ahead. Since these changes Dubinin's business has doubled and keeps growing. Several of his new clients are the direct result of the regular EDP business club meetings.

Andrey Gouchtchin, director of Rena/VIST St. Petersburg, completed his internship in 1995. During his internship he learned what the possibilities were for his business in Russia. Upon returning home he put into practice the principles he learned in the US and continues to have a phone relationship through which he gets business advice and exchanges ideas with his US host company. Since his internship Gouchtchin's productivity has doubled every year.

Vitaly Latartsev, General Director of Peter Diving Service in Voronezh, completed his internship in 1995. As a direct result of his internship Latartsev signed a joint agreement with his US host company to do business together. The new partners are using American technology to repair pipelines, perform underwater inspection, do construction and complete rescue operations in Russia. Recently Peter Diving Service secured a contract with Gazprom to fix several pipelines in Siberia. They hope to secure a contract with the Russian government to do repair work inside nuclear power plants in the future. In 1996, Latartsev's training coordinator traveled to Russia to visit him and in February 1997, Latartsev was invited to the US to attend a conference on diving technology by his host company. Later several divers

from Peter Diving Service traveled to the US to train at the same host company. Latartsev and his US partner have a dedicated "hot line" through which they exchange information one to two times a week.

Olga Tsitsina, vice-president of Gentek in Ekaterinburg, completed her internship in 1996. During her internship she learned valuable information about organizational and time management. After she returned she rearranged the entire organization of her company. As a result of this change in management practice she now employs eight people rather than 14 to do the same amount of work.

V. COMMENTS AND RECOMMENDATIONS

The Future of Business Training Internships in Russia

After returning from their EDP internships and adapting what they learned to Russian conditions, Fellows are now ready to embark on a new course of study within the internship format. The evaluations demonstrated that Russian entrepreneurs have reached a second stage of business development. Defined more precisely, most Russian business people have graduated from business basics (drafting cover letters, making introductory phone calls, developing business plans, using business cards, etc.). Training programs that emphasize only production or technology fail to focus on Russian entrepreneurs' greatest weakness — management skills. Business internships and other business education resources now would be best focused on advanced management training in marketing, organization, finances, personnel, business culture and ethics.



Gerald Simon (r), EDP consultant to St. Petersburg businesses, celebrates with an EDP Fellow (l) who had just received a \$50,000 line of credit as a result of Simon's consulting advice.

Fellows are keenly aware of what they need to know and how the training should be focused. They now seek high level, industry-specific consulting and internships—a dramatic change since the start of EDP.

One Fellow commented that the "organization of the next program could be more a profound education of Russian business entrepreneurs. The EDP graduates should develop proposals for their next step of training. The Russian business person should develop the basic concepts himself with the aid of American business people." The changing conditions in Russia also demand internships which teach Russian entrepreneurs how to run a business in a competitive market.

The Fellows said that it would be best to visit a spectrum of different companies within their same industry sector. While a month long internship in a single company allows for in-depth, one-on-one study, it lacks practical application if the company is not a perfect match in size and product. By touring a range of companies Russian managers are able to get a more comprehensive view of running a business in that given industry sector. Without visiting several companies there is a temptation to discard some of the internship training as irrelevant and specific to the host company alone.

Russian business people today do not have the time to pursue a formal business education. Business school may be the best option for the future generation of Russian business leaders, but those already managing and directing companies today do not have the luxury of spending several months in a formal education atmosphere, the opportunity cost is simply too high. On the contrary, they need quick, rel-

evant “experience” in the real business world. Business internships are the best compromise because they are *living* experiences, which combine on-the-job, practical business training with an “education.” Several EDP Fellows have attended business schools abroad and noted that they lack the vital experiential component of the EDP internship. For them the one-month internship was more valuable than several months abroad in the classroom.

Russian Domestic Production

EDP Fellows have realized that trade is not the way to survive and make money in Russia today. At the time of their internships many Fellows aimed to make it rich by trading goods and services with foreign countries — the US being at the top of that list. While in America, Fellows understood that the wealth of a nation depends on its domestic production, not on the repeated transfer of the same foreign goods from one region to another. At the same time Russian business and social conditions have begun to normalize and become more predictable. As a result, Fellows are now starting domestic production companies. It is important to note, however, that their incentive to produce is more than just a desire to make money. Fellows are eager for the challenge of domestic production and take pride in producing Russian-made goods. They view the trade of goods and services as activities for those business people who are farther down on the economic evolutionary chain. These new producers are the ones who will create the jobs necessary to solidly build the Russian economy, thereby stabilizing the country. The shift in emphasis from trade to domestic production is probably one of the most positive economic indicators for Russia today.

LESSONS LEARNED

EDP was an extraordinary success! The lessons learned were so numerous it would be impossible to chronicle them. Since it was all new, we were continually having to problem solve, try new solutions, learn new lessons. To sum up the most important:

- Never underestimate American volunteers’ interest in whether Russia makes it or not.
- Never underestimate the competency of American volunteers as technical assistance providers.
- Never underestimate the capabilities of Russian citizens to absorb, digest and implement new information.
- Never wait until you know how to do something to start—the greatest solutions will appear in the middle of implementing. New methods will emerge, new ideas will drop into the mind, old assumptions will fade, exciting innovations will replace them.
- Take risks! If your intention is right—and you have an innovative staff with a committed mentality, nothing is impossible!

Attachment A
Internship Project Statistics
CCI-LDP

	Nov '93	Apr '94	June '94	Sept '94	Nov '94	Feb '95	Apr '95	June '95	Sept '95	Nov '95	Feb '96	Apr '96	May '96	Sept '96	Oct '96	Nov '96	Jan '97	Feb '97	Totals
Total Participants	18	22	26	25	18	26	26	16	39	45	26	1	29	36	3	29	9	50	444
<i>By Gender</i>																			
Male	13	17	21	20	14	14	17	12	30	27	18	1	18	23	0	13	6	35	299
Female	5	6	5	5	4	12	9	4	9	17	8	0	11	13	3	16	3	15	145
Total	18	23	26	25	18	26	26	16	39	44	26	1	29	36	3	29	9	50	444
<i>By City</i>																			
Dubna/Dmitrov/Sergiev Posad	0	0	0	0	0	0	0	1	4	5	2	0	1	0	2	5	0	2	22
Ekaternburg	0	0	0	0	0	0	0	0	4	6	4	1	5	10	0	4	0	19	53
Rostov	0	0	0	0	5	3	5	7	13	9	8	0	7	13	0	3	4	7	84
St Petersburg	15	18	16	16	10	18	17	3	9	14	6	0	8	9	1	5	3	16	184
Volgograd	3	4	10	9	3	5	4	3	6	7	4	0	1	2	0	8	0	4	73
Voronezh	0	0	0	0	0	0	0	2	3	3	2	0	7	2	0	4	2	3	28
Total	18	22	26	25	18	26	26	16	39	44	26	1	30	36	3	29	9	50	444
<i>By Industry</i>																			
Agriculture	1	0	1	0	1	1	0	0	0	19	1	0	2	0	0	0	1	0	27
Arch/Cons/Real Estate	2	3	0	0	1	2	2	3	2	2	0	0	2	2	0	1	0	1	23
Arts/Educations	2	0	1	1	1	1	2	0	2	2	6	0	3	4	0	6	0	1	32
Business Services	2	2	4	4	2	1	5	1	10	10	3	0	7	10	3	6	3	10	83
Banking	1	2	3	3	3	1	4	0	3	3	0	0	0	1	0	1	0	11	36
Communications	1	1	2	0	3	2	1	0	4	1	3	0	1	2	0	0	0	2	23
Computers	0	2	0	3	1	0	4	0	1	1	3	0	4	2	0	3	0	3	27
Engineering	1	0	2	3	0	5	0	0	2	1	0	0	1	1	0	0	0	2	18
Food	1	0	1	6	0	1	2	1	0	0	3	1	1	3	0	1	2	3	26
Manufacturing	3	5	2	2	4	4	2	8	3	3	2	0	5	4	0	3	3	8	61
Medicine	2	0	1	0	1	2	1	0	7	0	0	0	0	1	0	6	0	4	25
Municipal Gov t	0	0	6	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	7
Tourism	1	5	1	0	0	1	0	0	2	1	0	0	1	2	0	0	0	3	17
Transportation	0	0	0	0	0	3	0	0	1	0	0	0	0	2	0	0	0	1	7
Wholesale/Retail	1	3	2	3	1	2	3	3	2	1	5	0	2	1	0	2	0	1	32
Total	18	23	26	25	18	26	26	16	39	44	26	1	29	36	3	29	9	50	444
<i>Total Hours of Internship Training - US</i>																			
Total Hours of Internship Training - US	2,880	3,520	4,160	4,000	2,880	4,160	4,160	2,560	6,240	7,200	4,160	160	4,640	5,760	480	4,640	1,440	8,000	71,040
<i>Total Hours of Internship Training - Russia</i>																			
Total Hours of Internship Training - Russia	54	69	78	75	54	78	78	48	117	132	78	3	87	108	9	87	27	150	1,332

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Attachment B
Consulting Program and Business Support Center Statistics
CCI-EDP

	TOTAL LIFE OF PROJECT							Total
	Dubna	E-burg	St Pete	Rostov	Vgrad	Voron	Moscow	LOP

Consulting Project Statistics

Number of Consultants	17	10	12	12	16	14	0	81
Number of Clients Consulted*	123	102	332	212	244	136	109	1259
Number of Consultations	205	170	554	353	407	227	182	2098
Consulting Hours	933	691	2121	2097	2436	1071	0	9349
Average Time/Consultation	4.6	4.1	3.8	5.9	6.0	4.7	0.0	4.5
Number of Seminars Given	57	23	43	41	57	38	0	259
Total Seminar Attendance	805	592	1015	721	756	845	0	4734
Seminar Participants**	403	296	508	361	378	423	0	2367
Seminar Hours	148	108	121	127	182.5	104	0	790.5

Business Support Center Statistics

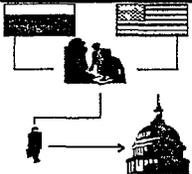
Number of Clients Consulted*	400	110	163	546	212	67	296	1795
Number of Consultations	667	183	271	910	354	112	494	2991
Consulting Hours	869	664	1174	1471.5	448.5	277.5	1081.5	5986
Average Time/Consultation	1.3	3.6	4.3	1.6	1.3	2.5	2.2	2.0
Seminars Given	48	28	5	1	54	104	86	326
Total Seminar Attendance	192	259	95	15	383	214	367	1525
Seminar Participants**	96	130	48	8	192	107	184	763
Seminar Hours	107.0	90.0	21.0	2.0	160.5	209.0	210.5	800.0
Clients Using BSC Materials	45	129	65	156	283	146	130	954
In Country Transition Consultants Hours	158	206	1080	248	278	238	0	2208
Train the trainers	7	5	35	5	8	5	10	75

Total clients receiving one-on-one consulting	3053
Total participants in training programs in Russia (seminar participants)	3130
Total person-hours of consultation	15335
Total person-hours of training in Russia	1590.5

*CCI consistently tracked only the number of actual consultations on a monthly basis. Obviously, some of these consultations are given to repeat clients. CCI has determined that out of the total number of consultations in a given month, approximately 40% were given to repeat clients. Therefore, the estimated number of actual clients receiving consultations was 60% of the number of consultations given.

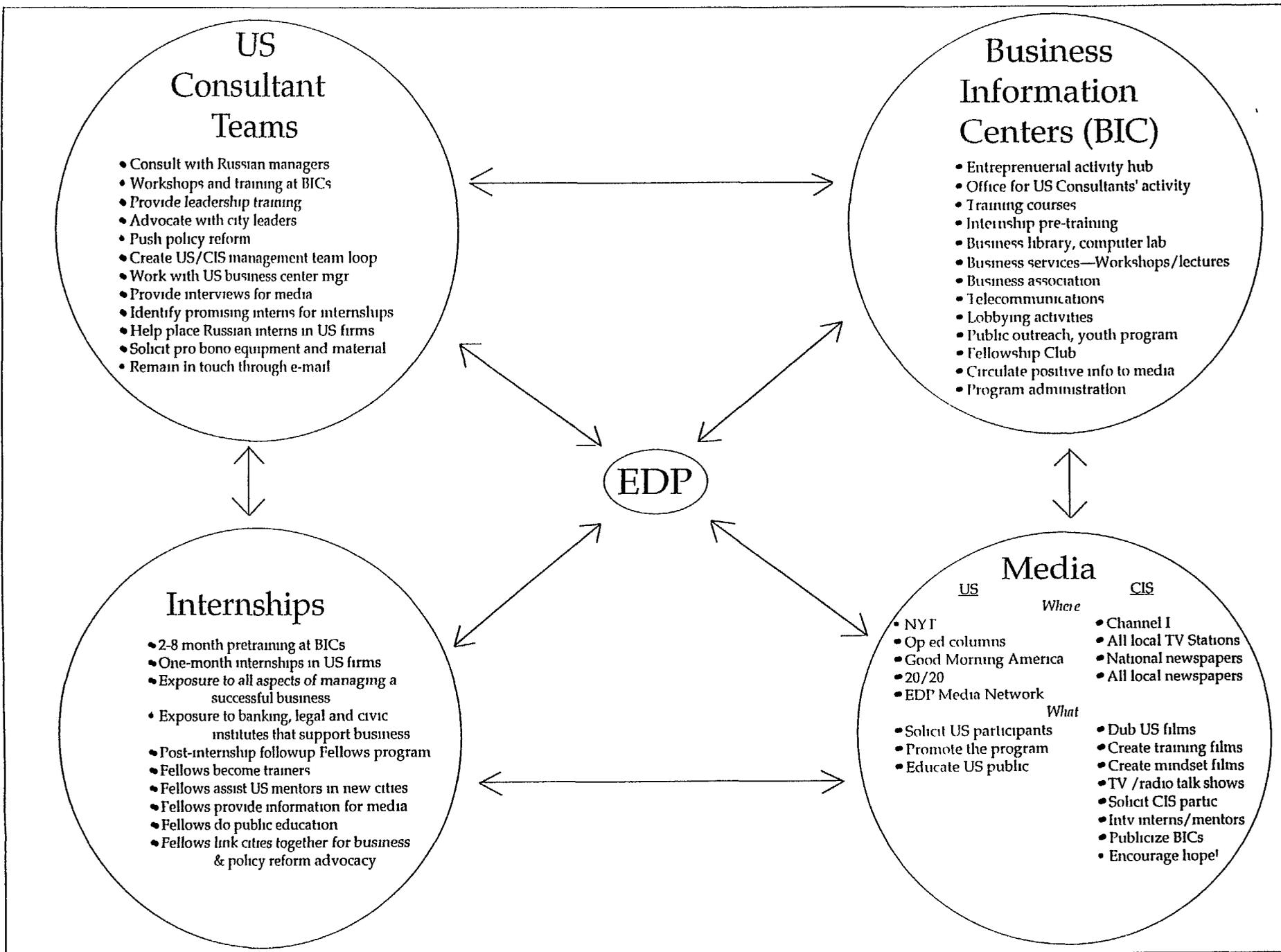
** CCI offices kept track of seminar attendance. It was determined that 50% of those people who attended seminars were repeat participants, and 50% were new. Therefore, the total number of people who attended CCI-sponsored seminars was estimated to be 50% of total seminar attendance. This number was also estimated to be the total number of clients who have received CCI training, since it is assumed that this number includes anyone who received one-on-one consulting or completed a CCI internship.

Economic Development Program

April 1996	May 1996	June 1996	July 1996	August 1996	September 1996
		 Test fee for Service (St. Petersburg) Research on Sources of Funding Consultant Training	 Training for Russian Staff in St. Petersburg	 Business Plan DRAFT	 Internship for Russian Directors in the US
Preparation for Sustainability of Russian Offices					
Sustainability Questionnaire developed in SF and faxed to Russian offices for their input Input received from six Russian offices Input analyzed/summarized and e-mailed back to six offices New Sustainability Model for offices begun	Russian offices received draft of Sustainability Model, and give feedback Training calendar for sustainable offices developed SF begins identifying other US sources of funding or services for Russian offices Plan training in US business centers for Russian office directors	Pilot fees for services being tested in St. Petersburg with Russian clients Russian directors working with US consultants regarding development of grant proposals Details finalized for July training for Russian directors in St. Petersburg	10-day training of Russian directors in St. Petersburg, professional US business trainers, the Reikovskis, and Golubka Russian empowerment facilitators implement training EDP IP and CP directors participate in St. Pete training to oversee all follow-up objectives Russian directors write and present their city's plan for successful transition US IP and CP directors further focus the next 9 months' objectives	US consultant works with Russian offices on their business plans for 1997 Russian offices research potential for fees for services in their regions Russian directors give vision from St. Petersburg training to staff and begin re-orienting offices Russian directors work closely with other USAID grantees in region to augment and not duplicate programs	Phase II of intensive training for Russian directors commences in the US
Internship					
SF office marketing nationally for September/November placements Integrating lessons learned from last two delegations into internship materials Russian offices final prepping and orienting May interns	EDP Russian interns arrive US office continuing marketing for September/November delegations Training for Russian directors under development CEPA test and final interviews in Russian offices for November/February delegations	September internship delegation finalized USAID paperwork completed for September interns US continues marketing for November/February delegations Final CEPA test and interviews for November/February delegations	Final intern CEPA tests & interviews Orientation for September interns in Russia All USAID completed paperwork submitted to AED Moscow All planning for September interns continue November marketing continues	All planning for September delegation finalized Marketing continues for November delegation	EDP interns arrive Marketing for November delegation finalized, complete all AED paperwork for submission
Consulting					
Logistics done for US consultants traveling to Russia in June St. Pete, Rostov, E. burg, Voronezh staff preparing for seminars, advertising in media, getting materials translated for non-English speaking consulting clients US and Russian offices working on new "Fees for Services" plan for US consultants to help implement in third quarter	Orientation and final logistics for US consultants traveling to Russia in June Creating plan for expanding training of Russian consultants	US consultants train Russian staff in market research and marketing their services US consultants work on-site in Russian firms Consultants conduct business/management seminars/workshops US consultants prepare new EDP Fellows to learn industry specific consulting Russian offices research potential local sources of funding	Evaluation of US consulting seminars, training of Russian consultants, training of Russian office directors Evaluation of "fees for services" consulting in St. Petersburg Fees for services model developed for other Russian offices	Russian consultants assist Russian offices in development of business plans	Industry-specific US consultants travel to Ekaterinburg

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The Four Components of the EDP



Economic Development Program

Update

A Program of the Center for Citizen Initiatives

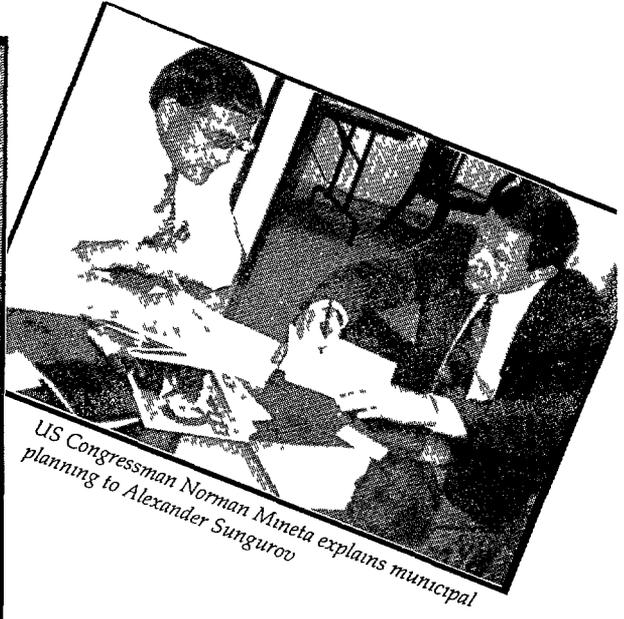
June 1993



Fred Bailard, VP of Bank of the West, shows the versiteller to Bank of Rossiya employeess Irina Repina and Yuri Nikolaeo



Russian women attend a computer class to upgrade their work skills



US Congressman Norman Mineta explains municipal planning to Alexander Sungurov

CCI Receives US AID Grant To Expand EDP!

In keeping with Washington's new effort toward streamlining foreign assistance, the Center for Citizen Initiatives (CCI) has received a US government grant to expand its Economic Development Program (EDP) for Russian entrepreneurs

In November 1992, US AID asked CCI leaders what type of business training program they would recommend for jump-starting private sectors in Russian cities. Based on their three-year experience training ex-Soviet entrepreneurs in US firms, CCI leaders quickly outlined a program to transfer business information to Russians from multiple vantage points. US AID agreed to fund this exciting new approach!

CCI's original EDP, which concentrated on internships in US firms, is now one of four components in the new US AID-funded program. The other components are teams of US business practitioners consulting in Russian enterprises, Business Information Centers in designated cities, and a Russian media campaign aimed at changing public attitudes toward private enterprise

Volgograd (Stalingrad) will be the first Russian city to participate in the CCI-US AID program. Once initial success has been demonstrated in Volgograd, the cities of Nizhny Novgorod, Tomsk, Saratov, Rostov-on-Don and St. Petersburg will be added.

A scout team of US business consultants and Russian EDP Fellows (graduates of the US Internship) will travel to Volgograd in July to assess the local entrepreneurial climate. In September, a consultant team will return there to begin the training process. Team members will visit the city twice yearly over a period of three years in order to develop long-term relationships with the Volgograd business community. When the American consultants are in the US, they will communicate with their Russian counterparts via e-mail through the Business Information Centers.

The US consultants will also assume responsibility for soliciting pro bono library materials, business equipment, and additional business specialists as needed.

This US AID grant marks the first time in CCI's ten-year history that it has worked with government funds. It does so with a great sense of responsibility to American taxpayers.

CCI is personally committed to utilizing as many volunteers as possible, keeping our budgets streamlined, and being judicious in the allocation of expenditures. US business consultants will donate time and expertise, and will keep operating costs to a minimum by using donated office space, residing in Russian homes rather than hotels, and training local residents to staff and run the Business Information Centers. Every dollar EDP saves through contributed services means another dollar put toward bringing promising Russian entrepreneurs to US firms for management training.

With EDP, CCI plans to demonstrate that there are prudent ways American volunteerism and government aid can be coupled to meet our US foreign policy objectives abroad!

CENTER FOR CITIZEN INITIATIVES

ECONOMIC DEVELOPMENT PROGRAM

EVALUATIONS JUNE/JULY 1997

Russia's Emerging Middle Class

The Center for Citizen Initiatives conducted 325 interviews* in June/July 1997 with graduates of its Economic Development Program (EDP), a month long intensive US business training internship for Russian entrepreneurs. Across six Russian regions their responses are powerful indications that Russia is on the road to recovery, revitalization and rebirth.

Business Achievements

- 71% still own or manage the same business in which they completed their US internship
- 97% reported a stronger understanding of international business as a result of their internships
- 51% had an increase in number of employees (*many downsized staff after implementing American management practices*)
- 70% assumed larger business responsibility because of their internships

"I saw my future in the US. I saw what I would be doing in the future and now three years later I am doing it!"

—Sergei Denusov, St. Petersburg

Business Connections

- 67% now have business relations with Americans or Europeans
- 30% have business relations with their American business hosts
- 73% are still in contact with their American hosts
- 25% have hosted the Americans they met on their internships

Are you optimistic about your future?

97% yes

Are you optimistic about Russia's future?

93% yes



Do you think that Russia will make it through the transition to a democracy and market economy?

96% yes

In how many years?

72% 10 years or less

"I learned one thing (in the US) — a person can do anything"

—Dmitry Anuchov, St. Petersburg

"If you work hard and want to do something, anything is possible"

—Elena Borisova, St. Petersburg

"I saw in the US how people need to work if they want to reach their goals"

—Kirill Razumov, St. Petersburg

The Business Environment

- 80% reported the mafia is no longer a problem for their businesses
- 32% said their business uses a security service
- 47% said Russian companies still do business through barter to avoid taxation
- 67% are interested in an equipment leasing program

"Before I thought huge plants were the basis of wealth in a country. Now I see that small businesses can play the most important role in employing people."

—Sergei Bazhenov, Ekaterinburg

The Political Landscape

Who could best lead Russia in the future?

- 40% Nemtsov
- 16% Chubais
- 5% Lebed
- 3% Chernomyrdin
- 1% Zyuganov
- 24% Other

"I got a chance to see how people work in successfully developed countries. I no longer have an unrealistic view. This system works and the people work. I saw it was not a miracle — it was just normal people."

—Mikhail Nazarov, St. Petersburg

*325 interviews were conducted in six regions (Rostov-on-Don 34, Voronezh 17, St. Petersburg 187, Volgograd 36, Dubna 9, Ekaterinburg 27)

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Economic Development Program

Attachment G

Commemorative Issue

CENTER FOR CITIZEN INITIATIVES

FEBRUARY 1997

Six Years of Action!

Light Years of Change!

The Economic Development Program (EDP) is concluding six exciting years of providing business management training to Russian entrepreneurs! It is with both pride and sadness that this publication is written

During the EDP years, we've been privileged to work in an extraordinarily historic transition. From 1989 through 1996, the world has witnessed unbelievable changes in a country once feared and reviled by the Western world

Pride for innumerable reasons pride in the tens of thousands of American citizens who caught the vision of delivering foreign assistance themselves through EDP, pride in the thousands of former Soviet Union (FSU) citizens with whom we've worked and who are creating a market economy against enormous odds, pride that our small organization has earned a stellar reputation with members of Congress as a result of EDP, and pride that we've all been able to assist directly one country's tortuous journey from a monolithic state towards a participatory democracy

And a profound sadness... because the conclusion of EDP brings to an end a rich chapter in our organization's history. EDP has transformed the hearts and minds of both Russian and American citizens. It is difficult to let it go, but funding sources and needs are changing

EDP—Door to the Future



EDP Consultant Gerald Simon (l) receives thanks from the owners of Zenith who received a \$50,000 contract to produce medical equipment as a result of consultations supplied by Simon

1989 The Berlin Wall came down and the "Velvet Revolution" swept Eastern Europe

1990 The Communist Party lost its monopoly on power in the USSR

1991 Yeltsin was elected the first president of Russia, Gorbachev survived a coup and the Soviet Union officially dissolved

1992 Massive price liberation began, and Yeltsin started privatization of state properties

1993 The Parliament attacked government offices and jailed leaders, a referendum on the Constitution and government continued the reforms

1994 The ruble crashed and Russian troops invaded Chechnya

1995 Yeltsin suffered a heart attack, the ruble reached 5,000 to the dollar, but Russia stumbled forward

1996 Yeltsin was reelected in Russia's second democratic elections for President

The above is just a sampling of the dramatic changes which occurred over the last six years!

Time to Celebrate!



(continued on page 4)

(continued on page 4)

Thanks to You, American Business Owners...

for taking precious time from your firm to invest in Russia's entrepreneurs, for freeing up your managers to give detailed presentations while their own work was stacking up, for providing lunches, banking sessions, legal meetings, and for trusting your Russian counterparts with privileged information. Wherever in the 11 time zones of the former USSR your Russian friends are now living, they are no doubt using the information in ways you would never expect! This kind of gift simply cannot be measured. In the future we plan to evaluate the EDP fellows and hope to be able to supply you with an update on their businesses.



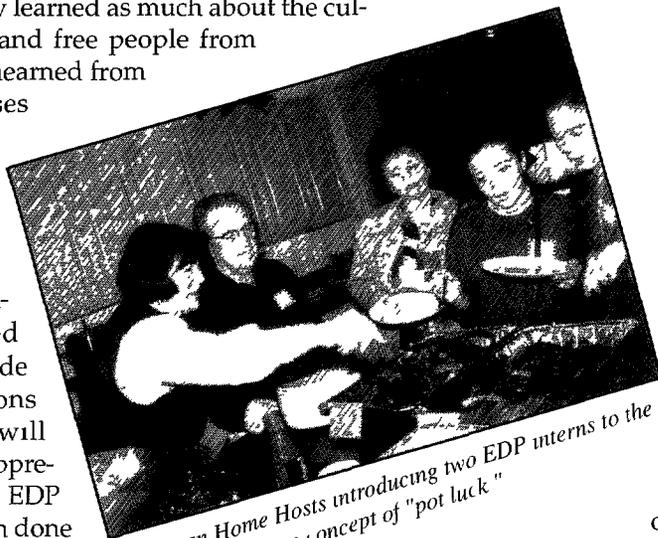
AlphaGraphics (Mill Valley CA) owners explaining the details of their daily work to intern Serget Drugov

The most important thing I got from EDP was a change in mentality some inside transformation which I can't describe. It's not only about business, it's something much deeper than I can speak of.

Alexander Kizin, 1990 EDP Fellow

Thanks to you, American Home Hosts...

for providing what EDP interns found to be the heart of their US experience. They learned as much about the culture of democracy and free people from home hosts as they learned from American businesses. Thank you so very much for taking them in as family, helping with their jet lag, and extending yourselves in numerous unexpected ways. You have made indelible impressions about which you will never know. We so appreciate your help with EDP. It couldn't have been done without you!



American Home Hosts introducing two EDP interns to the uniquely American concept of "pot luck"

Thanks to you, American Consultants...

for committing yourself for three years to one Russian city you had never seen and in some cases hadn't even heard of. You didn't ask about accommodations, available food or what conditions you would encounter. You just said, "Here I am, send me," and you trusted us to schedule your consulting wherever you were most needed. As savvy business people, you understood that if business succeeds in Russia, political stability will result and the whole world will be a safer place. Thanks so much for your pragmatic help with EDP. You have left your mark across six time zones in Russia.

We were shocked to know that nobody is paying Americans to come here to help us. Why should they do this? We can't understand.

Alexander Lubyanoi, 1994 EDP Fellow



CCI-Volgograd Staff receiving US Ambassador Pickering (1) and Mrs. Pickering (2nd from r) in their new office

Thanks to you, CCI-Russia staff...

without you none of EDP could have happened. You have steadfastly represented the best of CCI in your region, you have avoided being co-opted by unsavory types, you have created a ray of hope and confidence for your Russian clients, and you have gained the respect of your local municipal authorities, US officials, and all the Americans who have worked with you. You have a special place in our hearts for the selfless work you have given to EDP throughout the years.

Thanks to you, Dear Russian EDP Fellows...

for teaching us so much. You are building your businesses in conditions which appall us. You struggle with mafias, tax collectors and Soviet-style bureaucrats to create a future for your families. You ignore the political chicanery at the top, preferring to stay focused on what you can change in your community—where you and your colleagues are building democracy and a free market from the grassroots up.

We have learned much about bravery, courage, humor, and patience from you. We have observed your endurance in the face of insurmountable obstacles, which we've all but forgotten in our convenient world. Our contact with you has enriched us.

Let each of us commit to holding the future safe for each other. Let us speak out on behalf of one another anytime naysayers demean our countries or our peoples. Let us understand that we have far more power to create change in the world than we ever imagined before EDP brought us together.



Karl Hawkins (l), former EDP Consulting Director, and Consultant Larry Henninger (r) work with three EDP Fellows in St. Petersburg

Thanks to you, former EDP Directors and staffers...

for building the base that allowed us to continue to refine EDP and bring it to its great conclusion. We greatly appreciate the precision and dedication which you built into the earlier phases of EDP. Special mention to former EDP Directors Kay Anderson, Andrea Freedman, Jamie Sanford, Jody Applebaum, Karl Hawkins, Jill Costello, and Kim Weichel.

This office (CCI-Voronezh) is home to us now. EDP Fellows were strangers, now we are family to each other. We make business links, partnerships. This is a miracle!

Victor Sivak, 1996 EDP Fellow



Americans await their Russian guests at the airport gate

For us Russians, it's a miracle that Americans tell us their business secrets! It's so unbelievable and helpful.

Vladimir Pavlov, 1993 EDP Fellow

Thanks to you USAID...

for taking a chance on a little-known West Coast nonprofit organization and for giving us the chance to write our own program as we knew it should be run. Thank you for helping us wade through the bureaucratic procurement process. And thanks for watching over our work and giving us accolades when appropriate. It's been a great experience working with you! Special mention to Malcolm Butler, former Director of USAID NIS Task Force, Thomas Dine, Assistant Administrator of the Bureau for Europe and the NIS, USAID, Greg Huger, Mission Director, USAID-Kiev, Leslie McCuaig, former Director of Small Business Development Office, USAID-Moscow, Hans Shrader, Program Officer, USAID-Washington, Debra Mosel, Program Officer, USAID-Washington.



Thomas Dine, USAID Assistant Administrator for Europe and the NIS, meets with some of the Russians who are reshaping their country from the bottom upwards.

History

In 1988, Soviet citizens persuaded us that they would soon need a program to teach them business skills

Steve Wozniak, Apple Computer co-founder, provided seed money to start EDP. Soviet entrepreneurs paid for their travel, and American companies contributed \$800 for the privilege of training their Soviet counterpart

In 1993, CCI approached USAID to persuade the US government to fund EDP. We laid out an expanded version of EDP, which included US Consultants traveling to Russia to consult on-site and in Business Support Centers in six Russian cities

In early 1994, CCI received a \$7 million line of credit to implement EDP over three years. We've had excellent help from USAID and together we have set a wonderful example of cooperation between in-kind contributions from thousands of American citizens, US government funds, and the stewardship of a non-profit organization

While many of the changes rocked the top of the Russo/Soviet world, we at CCI were supporting changemakers at the bottom

Through EDP, legions of Americans took valuable time away from their own businesses and concentrated on transferring business "know how" to Russian counterparts training in US firms

Under EDP, successful American business consultants left their comfortable lives time and again to travel to six Russian regions to give on-site consultations to struggling Russian businesses

With EDP funding, CCI offices were established in six Russian regions and they quickly became business support centers. Six American directors moved to the different regions and trained Russians to take over as directors, leaving behind fully functioning offices

Yes, EDP and our collective contributions have changed perhaps hundreds of thousands of minds and lives. The ripple effect of each of those changed minds will continue into the coming generations



EDP Staff January 1997 (from left) Internship Program Manager Jennifer Coglev, Program Associate Lara McCov, Program Associate Lucy Mai, Program Associate Tom Foley, former Consulting Director Kim Weichel, Program Associate Courtney Jones, Internship Director Maura Lane

We at CCI pay special tribute to the extraordinary team in San Francisco which brought EDP to its smashing conclusion! Maura Lane, EDP Internship Director, has developed a vibrant, creative group which is second to none in the field. Working together for the past two years, this group has become a streamlined, highly-organized, dedicated team, which mastered matchmaking between Russian and American business owners. Their daily email communications with six Russian regions kept every program detail accurate and on time. Our greatest admiration and our heartfelt thanks to Maura, Kim, Jennifer, Courtney, Lucy, Lara and Tom for excellence in running the final lap of EDP

- 446 Internships
- 562 Placements
- 774 Training Coordinators
- 572 Home Hosts
- 43 States
- 309 Cities
- \$405,000 of accommodations (13,500 home hosting nights @ \$30/night)
- \$1,890,000 Donated Training (9,000 training days x 7 hours/day x \$30/hour)