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EXECUTIVE SUMMARY

In 1996, USAID awarded a contract to Barents Group of KPMG Consulting (Barents) to support the International Management Institute of Kyiv (IMI-Kyiv) in developing an MBA in Banking program in Ukraine that would meet Western standards. The objective of the program was to create a critical mass of young financial sector professionals in Ukraine with a solid foundation in free market economic principles and market-oriented business operations. Ideally, these young professionals would then have the knowledge and desire to support the transformation to a free market economy in Ukraine.

The goal of the program was twofold: first, to develop an MBA program that would deliver quality training to young Ukrainian professionals in market-oriented business topics from finance to marketing and accounting and, second, to build the institutional capacity of IMI-Kyiv to sustain and develop the MBA in Banking program further.

Since the initial contract award in 1996, Barents has worked steadily with IMI-Kyiv under consecutive USAID contracts to develop an MBA in Banking (newly renamed MBA in Finance) program that has produced six graduating classes totaling 197 MBA graduates during the 1997-2002 period and is acknowledged today as the leading MBA program in Ukraine. The IMI-Kyiv MBA in Banking/Finance program is a success.

Perhaps the best measure of its success is the market response as AVAL Bank has entered into a commercial contract with IMI-Kyiv to offer an MBA in Banking program to 27 of its employees. Following AVAL Bank's lead, three other Ukrainian banks are now negotiating with IMI-Kyiv to deliver similar programs for their staffs. IMI-Kyiv is now well-positioned to sustain the momentum developed with its MBA in Finance program and continue to provide market-oriented, quality business education to financial sector professionals in Ukraine who will support and even lead the transition to a market economy.

The key factors that led to the success of the MBA program were:

- ◆ Targeted recruiting of quality financial sector candidates;
- ◆ Careful selection of faculty and prompt removal of unsatisfactory instructors;
- ◆ Delivery of courses by both Ukrainians and Western instructors, depending on the topic;
- ◆ Emphasis on English instruction to allow all program participants the opportunity to read English-language business texts and materials, and hone business English language skills;
- ◆ Barents' advisors guidance and recommendations for improving the overall curriculum and course content, faculty development and building a vibrant alumni organization to promote networking among IMI-Kyiv MBA graduates, and;
- ◆ Inclusion of a multi-week (initially three-week, then two-week) US study tour at the end of the program.

Under the most recent USAID task order, which covered the period from August 15, 2000 to July 31, 2002, Barents was responsible for providing the following support for the IMI-Kyiv MBA in Finance program:

- ◆ Strengthening training methodologies and curriculum;
- ◆ Establishing a full-service career services and placement office; and
- ◆ Building the capacity of the IMI MBA alumni association to support MBA graduates' active role in the transformation of the Ukrainian financial sector to a market orientation.

Barents accomplished the above tasks by:

- ◆ Providing expatriate instructors for five MBA courses;
- ◆ Transferring new course materials and methodologies to IMI faculty;
- ◆ Consolidating all MBA course materials, complete with translated participant manuals and instructor guides, and disseminating the materials to IMI-Kyiv, CEUME, and the Ternopil Academy of Banking and Finance;
- ◆ Developing and completing a full range of career services for IMI-Kyiv MBA graduates; and
- ◆ Collaborating with the IMI-Kyiv alumni director to strengthen the agendas for the IMI Business Club and increase attendance at its monthly meetings.

Moreover, Barents provided recommendations to IMI-Kyiv on its MBA program recruiting practices that were promptly implemented and resulted in the strongest group of MBA students to date, the class of 2002.

Through building a career services capability that was previously lacking and strengthening the IMI Business Club, Barents has now assisted in laying the final building blocks for IMI-Kyiv to play an increasingly prominent role in business education in Ukraine. IMI now has the infrastructure in place for its graduates to network with each other as never before.

A. Background

Since 1996, Barents Group of KPMG Consulting (Barents) has conducted an MBA in Banking program in conjunction with the International Management Institute of Kyiv (IMI-Kyiv) under a series of USAID contract vehicles. The activity described in this Task Order No. 815, covering the period August 15, 2000 – July 31, 2002, represents a continuation of the work originally begun in 1996. With this task order, the name of the degree program was changed from MBA in Banking to MBA in Finance.

The fundamental objective of this task order was to continue the creation of a critical mass of professionals in the financial sector in Ukraine who understand free market economic principles and business operations, so that they can play a key role in the transformation of the financial sector.

The scope of this task order was twofold:

1. To strengthen the MBA in Finance program as it continues to train a core group of professionals for the financial sector, who would be capable of both leading and managing the transition to free market financial services operations and serving as a training and knowledge resource for their financial sector colleagues; and
2. To develop sustainable IMI-Kyiv institutional capacity and structures to support and increase the effectiveness of its MBA in Finance graduates during the transformation to a free market economy.

To achieve the overall scope of this task, Barents has assisted IMI-Kyiv as follows:

- ◆ Strengthened its curriculum and pedagogical methodologies;
- ◆ Established a full-service Career Services and Placement Office within IMI-Kyiv; and
- ◆ Developed the capacity of the IMI-Kyiv alumni association to play a significant role in the transformation of the financial sector in Ukraine.

B. Summary of Key Results

1. General Results

- ◆ In 2001 and 2002, the IMI-Kyiv MBA in Finance Program graduated a combined total of 60 MBA candidates who met all program requirements.
- ◆ The decision of AVAL Bank to contract with IMI-Kyiv on a commercial basis to offer an MBA in Banking program to 27 of its managers demonstrates the sustainability of the MBA program begun in 1996 with USAID financing. Moreover, Privatbank and First Ukrainian International Bank are currently negotiating with IMI-Kyiv for a similar program for their staffs. These programs are a direct result of the curriculum and faculty development that occurred under the USAID MBA in Banking program.

- ◆ Barents designed, organized and delivered a two-week US study tour in both 2001 and 2002 for IMI-Kyiv MBA students with excellent post-study tour survey results and at substantial per-student cost savings compared with prior year study tours.
- ◆ Barents instructors delivered five courses to MBA in Banking students.
- ◆ Barents transferred three sets of course materials and accompanying training methodologies to IMI-Kyiv faculty with the following results: two of the three courses are being taught in other IMI-Kyiv MBA programs and capable potential instructors are in place to teach the third course.
- ◆ Barents conducted a thorough review of IMI recruiting practices and supported IMI as it implemented recommendations that resulted in a higher-quality group of MBA program candidates. The 2002 MBA in Finance class exhibited outstanding intelligence, excellent maturity and strong dedication.
- ◆ Together, IMI-Kyiv and Barents developed and completed a full range of career services for the 2001 MBA in Banking and 2002 MBA in Finance classes. The technology purchased and skills developed have laid the groundwork for ongoing development of this activity by IMI-Kyiv.
- ◆ Barents Group worked closely with the IMI-Kyiv alumni director to improve the agendas for the IMI Business Club (the paid component of the alumni association). Attendance has increased 100% with over 100 paid members and average monthly attendance of approximately 40 participants.
- ◆ Barents consolidated all MBA in Banking and Finance course materials, complete with participant manuals and instructor guides, and disseminated the materials to IMI-Kyiv, CEUME, and the Ternopil Academy of Banking and Finance. Through CEUME this material is made available to any and all banking and finance programs in Ukraine.
- ◆ Barents collected material and wrote The Road to Success, a collection of success stories of IMI-Kyiv MBA in Banking graduates. These stories provide some insight into the benefit to individuals and to Ukraine of the investment in the MBA in Banking program. (see Attachment 2)
- ◆ Barents surveyed 70 graduates of the IMI-Kyiv MBA in Banking program and analyzed the results of those surveys to provide valuable feedback and learn lessons from the USAID-funded MBA in Banking (now MBA in Finance) program.

2. Summary of Results of MBA in Banking Graduate Survey

Barents conducted an extensive graduate survey to provide USAID and IMI-Kyiv with valuable insight into the overall results of the MBA in Banking project. During the course of the two-year project, Barents interviewed 70 graduates of the MBA in Banking program. The interviews focused on the career progress of the alumni, their evaluation of the program's effectiveness after substantial work experience, their association with other IMI alumni, and their recommendations for future financial and development programs. The detailed results of this survey are included in Attachment 2 to this report.

The survey participants were selected from the first four graduating classes, those who graduated between 1997 and 2000. Post-2000 graduates were not included because of

insufficient post-MBA work experience to give them a different professional perspective. Nevertheless, more than 50% of the graduates from the 1997-2000 period, representing 35% of all the graduates during the six-year life of the MBA program, were surveyed. We can, therefore, state that the survey results are representative of the program.

The survey results include a number of interesting observations. Key results and conclusions from the survey are included below.

Career Path Analysis – What are the graduates doing today?

The current contributions of the MBA in Banking and Finance alumni can be summarized as follows:

- ◆ The vast majority of graduates continue to contribute to the development of the banking and financial services sector in Ukraine.
- ◆ Graduates from the first four years who are working in banking are primarily in middle management bank positions.
- ◆ Over 25% of the graduates have either developed full educational programs in banking and finance, manage bank training centers, or provide part-time instruction in banking and finance topics.
- ◆ Seven graduates are involved in either managing or providing instruction to the National Bank Training Center.
- ◆ At least ten graduates have contributed substantially to accounting and banking reform policy and the expansion of institutions engaged in providing financial services.
- ◆ Academics in the early MBA programs expanded bank training in Ukraine, having founded several significant bank training programs.
- ◆ MBA in Banking graduates have a current and long-term impact on the financial sector in Ukraine as they occupy management positions.

Gender Considerations

Overall, the MBA program did an excellent job of balanced recruitment by gender – 53% men and 47% women. However, the breakdown of survey participants by gender was 55% women and 45% men. According to the survey, 40% of the men had experienced significant post-graduation career advancement, i.e., more than two levels, whereas only 20% of the women had experienced such advancement. Less than 15% of the women surveyed occupied managerial positions. By contrast, nearly 30% of the men occupied managerial positions. A total of 70% of the women surveyed were self-employed, 11% were department heads and only 2 women (less than 3%) occupied executive positions.

Lessons Learned

What Worked:

- ◆ Program participants received an excellent, intensive education in Western banking and finance at much lower cost than an MBA program in the West.
- ◆ Targeted development of financial industry professionals was successful; they remain in their targeted segment; they have experienced significant career advancement
- ◆ Targeted development of academics to expand a particular discipline, banking and finance, was successful. These individuals developed a number of banking and finance programs in universities and training centers.
- ◆ Long-term education in a cohesive group led to a strong professional network among program alumni
- ◆ Finance professionals receiving MBAs have contributed broadly to reform and the development of new financial services products.
- ◆ MBA in Banking graduates are providing instruction and/or managing, at the National Bank Training Center
- ◆ The program has demonstrated strong commercial market sustainability. AVALBank has contracted with IMI-Kyiv to provide MBA in Banking education for 25 managers, while PrivatBank, UkrSotsBank and First Ukrainian International Bank are currently in negotiations with IMI-Kyiv for similar programs.

What Did Not Work:

- ◆ Training academics from the regions to provide bank training in Kyiv was not highly successful.
- ◆ Individuals from the regions who came to the IMI-Kyiv MBA program tended to remain in Kyiv and not return to their regions and their original places of employment
- ◆ While the program recruited a balance between men and women, women have experienced less career advancement than men

Conclusions:

Intensive post-graduate study in a specific discipline held in Ukraine, over a 1-2 year period and in an intact study group, provides a critical core of professionals who remain in Ukraine, network extensively, and contribute over a range of issues in their discipline or segment. This type of educational program develops a sort of small “special force” working from many directions to implement change in a segment of activity. Some continue as educators developing programs and courses to support rapid proliferation of knowledge in Ukraine. Some follow professional industry segment careers preparing to replace the “older” less flexible leadership over time, others contribute significantly to policy reform and standards development in their sector.

And, some set up entrepreneurial organizations presenting new products and entirely new organizational structures in the sector.

Intensive post-graduate study in Ukraine with an intact group also develops a network that remains strongly connected and forceful within its realm of activity long after the educational experience. This result differentiates this type of in-country educational activity from programs that send students abroad to receive post-graduate study.

3. Program Sustainability

Barents worked closely with IMI during the last two years to ensure that the IMI banking/finance MBA program, the career services center and the alumni association were all sustainable. This effort was successful, as outlined below.

In January of 2000, IMI-Kyiv developed a commercial relationship with AVALBank for the delivery of the Banking MBA Program to 25 AVALBank managers. AVALBank held a competitive application process within the bank with IMI

participation and the 25 managers began their MBA education in 2002. The program is a part-time, 2-year MBA program with a 3-week European study tour. The study tour will include both academic and practical components. AVALBank is financing the entire program, at market MBA tuition rates.

In addition, IMI has provided significant executive education to AVALBank across Ukraine in strategic planning, branch management, and marketing strategy. All of these curricula were significantly enhanced, if not totally developed, by Barents instructors. The IMI administrator, hired and developed through the USAID MBA in Banking Program, has managed the AVALBank Program. The study tour for the program has been completely designed and managed by IMI-Kyiv. In addition, in 2002 IMI-Kyiv is in negotiations with PrivatBank, UkrsotsBank, and First Ukrainian International Bank to provide MBA programs for their employees.

Barents has worked with IMI-Kyiv to develop the processes and logical framework for the ongoing delivery of full career services to IMI students and graduates. Materials have been developed and/or purchased to facilitate seminars in a variety of career development activities that are outlined in more detail later in this report. The Career Services Manager worked with a wide variety of US university and college career centers and alumni associations during the US study tour and has developed a strategy and tactical plan for development over the next few years. Barents assisted IMI-Kyiv to expand website capability to enhance both career services and alumni association activities. This web site is up and running and the databases are being developed for final implementation.

Finally, Barents worked to ensure that the curriculum materials developed over the course of this program were made widely available in Ukraine for educational institutions that provide banking and finance training. Hard copy materials were distributed to the

CEUME project for wide distribution, to IMI-Kyiv, and to the Ternopil Banking and Finance Academy. In addition, CD-ROMs of all course materials have been made available for wide distribution.

C. Analysis of Specific Project Objectives

1. Career Services Center Development

IMI-Kyiv and Barents Group collectively made a significant effort to develop sustainable services with processes and materials for a full-service career services center.

The IMI-Kyiv Career Services Manager now offers services in each of the following categories:

- ◆ Personal Assessment
- ◆ Preparing a Winning Curriculum Vitae (CV)
- ◆ Job Search and Company Presentations
- ◆ Business Communications and Presentations
- ◆ Interviewing Skills
- ◆ Career Counseling
- ◆ IMI-Kyiv Career Day

With the assistance of Barents Group, IMI-Kyiv can now offer personal assessment using the globally known Keirsey Temperament Sorter and tools designed to focus individuals on their current skills and knowledge, strengths and goals. Most of these tools originated in the US or Europe and were translated and adapted by Barents Group.

IMI has developed an excellent set of tools for CV preparation development in both Ukrainian and English. The IMI Career Services Manager is particularly adept at coaching Ukrainian students in the development of an excellent CV and several companies have inquired of IMI applicants who coached them in preparing their CV.

In the area of job search, IMI-Kyiv makes use of both its alumni and its connection to industry through faculty consulting projects, executive training and boards of directors. IMI frequently invites guest presenters from outstanding companies in Ukraine to present their business, their hiring processes and their views of the successful candidate. In addition, the IMI Career Services Manager assembles panels of 2-4 people either from a particular functional discipline or from an industry segment to make brief presentations and then answer questions from the students regarding career pursuits and expectations. This approach serves to develop more reasonable participant expectations and understanding of the employment market in Ukraine. The IMI Career Services Manager asks students early and mid-way through their studies what companies are of greatest interest and then aggressively pursues these companies as panelists or individual presenters to IMI classes.

The IMI Career Services Manager also developed excellent relations with such organizations as the HR Committee of the European Business Association and the American Chamber of Commerce HR Committee.

During the development of the services for the Career Service Center, it became clear that business communications, both verbal and written, and presentation skills were closely related and contribute to successful job search for the MBA graduates. As a result, the Career Services Manager developed two seminars devoted to business communications and presentation skills. In addition, Barents Group purchased several presentation videos to enhance this portion of the curriculum.

The IMI Career Services Manager developed a seminar on interviewing skills that is provided to the MBA students. Barents also provided USAID-funded video materials to support the student's development of a clearer understanding of the interview process and successful strategies for interviewing. In addition, IMI-Kyiv has developed a good relationship with a local HR training organization that can provide role-play and video taped interview practice as a component of the regular MBA program.

Career counseling services are available for every IMI MBA graduate. For the 2001 class, the Barents project manager was available on an appointment basis to meet with any student interested in review of their CV by a native English speaker or interested in preparing for a job in a western company. As a result of this policy, the Barents project manager met personally with more than 25 students.

Each year, IMI-Kyiv hosts a Career Day to which it invites interested companies to host tables with information and current IMI students and alumni to attend and bring their CVs. IMI prepares a book of CVs for each participating company. The 2001-2002 event was attended by approximately 20 companies and over 100 IMI students and alumni.

Barents assisted IMI-Kyiv in upgrading its web site to provide current students and alumni with much greater access to career services. Since the project was not funded for web site enhancement, Barents worked through the alumni association to locate an IMI alumnus with a computer services company who was willing to fully donate the effort to the institute. The new enhanced web site has full database capability for IMI alumni to post resumes and companies to post job descriptions. The new web site is released and on the web in both Ukrainian and English. However, the full career placement capability is not fully implemented because procedures, formats and administrative issues must still be addressed. Barents had planned this activity for the final stage of the project manager's work, which was cut due to funding issues. Barents worked with IMI to identify what is needed and develop a plan to provide full functionality.

Collaboration with Barents during the final task order has led to significant improvements in the career services offered. There is now an orderly program of seminars, panel discussions and assistance provided for IMI-Kyiv MBA students to enhance their career prospects once they have graduated. Most importantly, cooperation with Barents has

increased the confidence and the knowledge of the IMI-Kyiv Career Services Manager to deliver and further develop career services.

2. Strengthen the Activity of the IMI Alumni Association

The IMI Association of Alumni graduates was registered as a public organization in 1994 with 170 members. Today, the IMI Alumni Association numbers nearly 1000 members in a wide variety of career fields and throughout Ukraine. Some are running companies or banks, many are middle managers, some are entrepreneurs, some are within government agencies or policy organizations, and some are faculty or administrators of other education institutions. One will meet an IMI MBA graduate at literally any major conference or business event within Kyiv and most major Ukrainian cities.

Having spent a full year working together in an intensive MBA program, these graduates have formed life-long relationships. The survey conducted by Barents Group of over 30% of the Banking MBA alumni indicated that a full 90% of these graduates remain in contact with their IMI alumni colleagues. Most of the 90% indicated fairly frequent contact versus occasional social event contact. The Barents alumni survey further indicates that 80% of all new MBA students are referred to IMI by an alumnus. This is corroborated by the results of the past two years' survey on the incoming applicants to the Banking MBA Program, which also indicates that 80% learned of the program through alumni.

The IMI-Kyiv Alumni Association represents the largest single group in Ukraine of business professionals with a strong understanding and commitment to market economics. Barents and IMI-Kyiv cooperated to enhance the role of the formal IMI-Kyiv Alumni Association in delivering valued career development opportunities to the members and in launching the effort to engage its members to support the institute and take a more active role in political economic development.

The primary forum for this effort was the IMI-Kyiv Business Club. The business club is a dues membership organization that is a subset of the larger IMI-Kyiv Alumni Association. This group has clearly recognized the potential of remaining more closely engaged with the institution and can both set the example for and lead the greater alumni association in realizing its potential impact. The group demonstrates a strong commitment to pursuing development opportunities and in supporting the institute.

Barents worked closely with the IMI-Kyiv Alumni Manager to generate ideas and support meeting development for Business Club meetings with real substance and value. An effort was made to mix topics of interest with respect to personal and professional development with opportunities for the alumni to hear from and interact closely with key governmental figures. The results are significant as the group grew from a paid membership of 25 people to over 100 at the end of the two years. Average attendance at meetings grew by more than 100%.

Barents encouraged IMI Business Club members, as well as IMI Alumni Association members, to recognize their potential impact in supporting the institute through a variety of vehicles. Alumni were encouraged to provide in-kind support from their own companies and then take advantage of joint name recognition with IMI. One alumnus fully contributed the necessary computer science and management resources to completely rebuild the IMI web site, providing for excellent increased interactive capability. In addition, the alumni held a joint fund-raising event on the occasion of the Chairman of the Board's 75th birthday to support the building fund for the new IMI-Kyiv campus building.

Barents promoted the 2001 Annual Alumni meeting as it assisted the IMI-Kyiv Alumni Manager to bring together the American and the European perspectives of Ukraine's present and future. The Barents project manager provided a presentation during this event focusing on the success of the IMI graduates, their place in creating a new business environment in Ukraine and the opportunity to support the institute in continuing to produce graduates that the alumni would welcome in their own companies.

One of the most significant challenges for the alumni association is keeping a current contact list for 1000 alumni. The newly enhanced web site was created to improve the ability of IMI to maintain contact with its alumni and promote networking. The alumni portion of the web site is complete and the registration portion should be implemented in the near future.

3. Strengthen Curriculum and Faculty

One stated objective of USAID Ukraine in extending the Banking MBA program for a final two years was to expand the participants and the curriculum to reach a broader spectrum of the financial services industry. Barents assessed the IMI recruiting strategy and process during the first two months of the task order and made significant recommendations. Barents and IMI-Kyiv clearly accomplished this broader reach as more than 40% of the 2001 class and more than 60% of the 2002 class are from either non-banking financial services or industry finance. This transition significantly affected the content of the study tours as well as the MBA curriculum.

a) Study Tours and Evaluations

In 2001 and 2002, Barents was challenged by USAID to execute the US study tours with much less funding and with less assistance from AED than had been provided in prior years. This resulted in Barents providing study tour orientation and evaluation directly. Although this required the use of more Barents resources, it also allowed Barents to customize the study tour evaluations, in order to gain more useful information for study tour enhancements. Barents met the USAID challenge to reduce the per student cost of the study tours through reduced air fares, lower lodging costs and careful planning of all

aspects of the tour. These efforts saved well over \$100,000 in total costs for the final two US study tours.

Improved evaluations and analysis led to revised study tour content that provided the participants with an even greater understanding of US financial institutions, how they operate and how they support business and economic growth. Participants returned to Ukraine with a substantially deeper and broader understanding of what is possible and what is missing from the Ukrainian financial services landscape.

b) Faculty and Curriculum Development

Barents met with IMI-Kyiv administration early in the program to emphasize the need for faculty to assume instruction of all Barents courses. Barents further recommended several key paths for new curriculum development to IMI and prepared contacts and materials to support these avenues.

New IMI faculty have assumed both the Barents' Marketing of Financial Services course and the Organizational Development Course. Barents introduced IMI administration to two young IMI graduates who are doing an excellent job teaching Risk Management and Strategic Management in such programs as the AVAL Bank restructuring program and the National Bank Training Center. Barents invited these instructors to participate in the Barents Risk Management course and to collaborate with the Barents' instructor. IMI has now begun to work with these two individuals.

It should be noted that IMI-Kyiv has developed an excellent accounting and banking faculty, many of whom received an MBA in Banking from the IMI program. Since one of the primary objectives of the overall project for an MBA in Banking was to develop future faculty to improve the overall level of the financial professionals in Ukraine, this is a significant accomplishment.

In the curriculum area, Barents encouraged IMI to add insurance modules to the curriculum and recommended greater marketing focus in the program. Barents recommended fewer basic computer courses and more internet marketing and internet investment management. All of these activities have been implemented in the program.

Barents also recommended that IMI develop the potential to offer preparation courses in the area of Certified Management Accounting. Barents provided substantial materials and contacts for IMI to pursue this program. While IMI was interested, they were not able to apply the resources to pursue the project. Barents worked with IMI to develop training for insurance agents and insurance firms. This project also was not pursued. Finally, Barents introduced IMI-Kyiv to BIZPRO and hosted several meetings to pursue the opportunity for IMI-Kyiv to provide executive training through the BIZPRO network. While some progress was made, the area of faculty and curriculum development remain significant challenges for IMI-Kyiv.



D. Celebrated Success, Lessons Learned, Opportunities Missed, and Recommendations

Celebrated Success

- ◆ The final two-year phase of the Finance MBA Program produced two excellent groups of graduates to bring the total number of IMI-Kyiv Banking/Finance MBA alumni to 197. They are contributing throughout the sector to the development of professional financial services to support a market economy.
- ◆ IMI-Kyiv developed both curriculum and faculty capacity to deliver the banking MBA program commercially to AVAL Bank. Negotiations are under way with a number of other Ukrainian banks. The program is a clear, sustainable success by pure market measure.
- ◆ The MBA in Banking program provided administration and instructors for the National Bank Training Center.
- ◆ IMI-Kyiv has developed a full-service Career Services Center to enhance the job placement capability for graduates of the future, as well as current alumni.
- ◆ The IMI Business Club has initiated a more substantial, ongoing relationship between IMI and IMI alumni.

Lessons Learned – Opportunities Missed

- ◆ More progress in the development of both faculty and curriculum could have been achieved with a greater focus from the beginning of the program on institutional development, rather than a pure focus on delivering a particular MBA program. IMI-Kyiv was basically required to deliver course hours, not to show substantial institutional development. With no incentive for institutional development in the program, this effort was almost always secondary.
- ◆ Alumni tracking should have been implemented at the outset, not in the final phase.
- ◆ A more incentive-based program to connect the National Bank Training Center and IMI should have been pursued.
- ◆ Development of alumni programs and tracking and measurement require funding of both the process development and implementation, and the systems. These need not be complicated, but must be maintained.

Recommendations:

1. USAID should consider this type of targeted and sustained educational program for sectors of industry or disciplines that can only benefit from the development of a critical mass of young, aggressive professionals armed with new knowledge, skills and attitudes and eager to promote change. Areas such as agricultural economics, environmental resource management and even government policy formulation could benefit from a core group of young professionals intensively trained in new ideas, skills and approaches. Of course, it will take time for the young professionals to penetrate the established hierarchy but without such a group of trained professionals the hierarchy is likely to remain in place with little chance of profound change.

2. Programs of this type should focus on developing professional educational curriculum and faculty capacity, as well as the training of individuals. For this reason, they should focus on one or two institutions with clear requirements for faculty and course development. The programs should be offered throughout Ukraine, but in a modular format such that senior professionals can participate. Success has been achieved through a format that combines one week of intensive group instruction every two months with distance learning activities. Sustainability should be tested from the start of the program, not only at the end, through the use of market-proven techniques.

3. USAID should actively support the concept and purpose of alumni organizations, potential influence, successful management and development techniques, and cross-networking of alumni associations in common fields of interest. Every USAID educational program should be required at the outset to design the processes and the databases to track training participants well into the future, in order to assess program impact. These same tools should be widely disseminated to many educational institutions and improved understanding of the value of these alumni networks for the institutions themselves should be broadly promoted.

4. Across USAID programs, the gender issue should be viewed not only in terms of inclusion but also of career progress. Contractors should be required to track changes/advancement in the careers of women, not only their access to education.

ATTACHMENTS

IMI-Kyiv Banking/Finance MBA Alumni Survey Results and Analysis

During the course of the final two-year phase of the MBA project, Barents conducted personal interviews of 70 graduates of the IMI-Kyiv Banking MBA program. The interviews focused on the career progress of the alumni, their evaluation of the program's effectiveness after substantial work experience, their relationship with other IMI alumni, and their recommendations for future financial and development programs.

The survey participants were selected from the first four graduating classes, graduating between 1997 and 2000. Those graduating in 2001 had provided substantial input during their program but had not yet had substantial time following graduation to add value to the survey from the future professional perspective. The participants could not be completely randomly selected, as it was necessary to have current contact information for anyone who participated in the survey. However, there was a clear effort to interview as many alumni as possible regardless of any preconception about their success or their opinions about the MBA program. With interviews of more than 50% of the alumni from the first four years, who represent 35% of the total Finance MBA graduates, the results should be representative of the entire six-year program.

Program History

In order to understand and draw some conclusions from the survey results it is important to understand how the framework for the Banking MBA program evolved over time. The primary objectives for the MBA in Banking program were:

- ◆ To equip business educators with the new course materials and new teaching methodological tools to expand Ukraine's capacity to develop banking and finance professionals.
- ◆ To develop young Ukrainian banking and finance professionals with substantially new knowledge, expectations and aspirations to lead the transformation of the banking sector and the development of broader financial services in Ukraine.

More specifically in the first few years, however, the MBA in Banking program was intended to be the primary source for instructors in banking topics for the National Bank Training Center. The development of professional bankers and the proliferation of western standard banking and finance academic courses throughout Ukraine were both secondary objectives. With these objectives in mind, and the intent for the MBA in Banking program to become self-sustainable over time, the evolution of the recruiting strategies, remuneration strategies, and formats of the MBA program is shown below:

Year	Recruiting Focus	Recruiting Methods	Remuneration	Daily Format	Student Tuition Req.
1997	Mostly academics; some bankers, over 50% from regions	Direct letter to universities; NBU e-mail	Monthly stipend plus monthly housing allowance for region only	9AM-5PM Mon – Fri	None
1998	Fewer academics; more bankers, 45% from regions;	NBU e-mail	Only monthly housing allowance for region only	2PM-8PM Mon – Fri	None
1999	More bankers; 65% from Kyiv	NBU e-mail	None	2PM-8PM Mon – Fri	None
2000	Mostly bankers 75% Kyiv	NBU e-mail	None	2PM-8PM Mon – Fri	\$1000
2001	55% bankers 45% other finance	Alumni; Advertising	None	2PM-8PM Mon – Fri	\$1200
2002	30% bankers 40% other finance 30% industry finance	Alumni; Advertising	None	2PM-8PM Mon – Fri	\$1600

There were basically six significant strategic shifts in the program.

First, a movement away from regional academics as it became clear that they would not be likely to teach at the National Center in Kyiv. This included the movement to include more bankers who might be likely to combine professional industry work with some banking instruction.

Second, a shift in the fiscal policy to eliminate stipends that resulted in a change to the program format intended to allow for part-time work during the program.

Third, a further shift to the complete elimination of any living allowances, resulting in a significant reduction in participation in the program from the regions.

Fourth, the addition of graduated tuition beginning in 2000 and increasing each year.

Fifth, the impact on the 2001 program recruiting cycle when IMI was not able to use the NBU e-mail system for recruiting, which initiated a significant shift toward non-banking financial services.

Sixth, a focused advertising campaign by IMI to attract financial professionals from industry as well as banking professionals.

The results of the survey of Finance and Banking MBA alumni indicate that the program has substantially met both of the initial objectives. However, the manner in which the objectives were met differed from initial expectations, which led to lessons learned.

Analysis of Survey Results

Survey Population

Barents interviewed 70 MBA in Banking alumni from classes graduating in 1997, 1998, 1999, and 2000. In addition, information gathered during student interviews conducted with the class of 2001 and the class of 2002 with respect to sources of applicants to IMI, class professional distribution, and course evaluations is included in the survey results. The alumni interviewed were randomly chosen; however, some bias may have occurred toward those classes that had the most current contact information for the largest number of alumni.

Of the group interviewed, 30% graduated in 1997, the first year of the Banking MBA program, 21% graduated in 1999 and 17% graduated in both 1998 and 2000. To add a bit more perspective to these numbers, Barents interviewed over 70% of those who graduated in 1997, and 35-45% of those graduating in 1998, 1999, and 2000. The high percentage of 1997 graduates in the survey is primarily due to the fact that the group became very tightly knit and the contact information available for them is excellent. In addition, as academics, many are easier to locate.

Career Path Analysis – What are the graduates doing today?

The MBA in Banking graduates are contributing in Ukraine consistently, though not exactly, as original program goals had intended. Seventy percent of the graduates are working directly in banking or financial services institutions. Another nine percent are working in industry as finance professionals. They represent the shifting goals during the middle years of the program to offer access to the program for participants from a broader spectrum of financial professionals. Twenty-eight percent of the graduates are actively teaching banking and finance courses in academic institutions, national bank training centers, in-house bank training centers, or as freelance consultants. Some are combining professional financial careers with teaching careers.

Analysis of the positions currently held is mixed. Of the total group interviewed, approximately fifteen percent are in executive management positions. Thirty-three percent of those in high level positions are in education, in positions such as directors of training centers or deans of academic programs. Another thirty-three percent are in financial services organizations such as credit unions. The balance of those in higher positions are in industry finance. If extrapolated to the total population of MBA in Banking and Finance alumni, there may be approximately 30 executive level managers who have graduated from the program, probably slightly more weighted to financial services and industry from later graduating classes.

None of those in executive level positions are in banks. Several factors contribute to this outcome. Those in positions approaching executive management could not attend a full time daily MBA program and maintain their work requirements. In addition, Ukrainian banks remain largely dominated by an older generation now between their late 40s and early 50s. Later analysis will indicate that executive management of banks differs in its acceptance and promotion of this new generation of managers. Those who are actively seeking and promoting this group will likely see the fruits of this strategy as the banking sector is pushed to aggressively reform and downsize workforces, and the weaker banks are required to liquidate.

Just over 30% of the alumni interviewed are in middle level management positions, in positions such as department heads. The majority of those working in banks hold these middle management positions. This is consistent with the recruiting strategy of ages 25-40 and consistent with the 2-5 years since these individuals completed their MBA degrees. Approximately 60 MBA graduates with a significantly deeper understanding of bank management issues are preparing to move into executive management as banking reform and consolidation continues.

An interesting way of considering the impact of professionally training managers is to consider the number of employees overall for whom these managers may be directly responsible. Given Ukrainian conditions, if executive level managers have overall responsibility for 100-200 employees and department heads manage 5-15, then the Banking MBA managers may have responsibility for between 3300 and 7000 Ukrainian employees. Given the size of most Ukrainian organizations, this is probably a very modest estimate.

One potential surprise in the survey results may be that just over 50% of the alumni surveyed are not employed as managers. This is partially due to the larger number of educators in the first two years of the program. One third of these alumni are full time educators teaching banking and finance courses. While these individuals do not manage others directly, they certainly have very significant influence on others. Several have started training centers both in Kyiv and in the regions. Several joined the faculty of IMI-Kyiv following their MBA program and several continue to teach for the National Bank Training Center. While the initial objective of providing a substantial number of bank trainers for the National Bank Training Center may not have been fully realized, the program did, in fact, make a broader contribution to bank and finance training in Ukraine by seeding several programs in the regions and in the banks themselves.

Many of these educators and other non-manager alumni have made substantial contributions to accounting and banking reform in Ukraine both through USAID projects and involvement in professional associations.

The number of non-managers can also be attributed to the fact that many banks are not recognizing the increased value of the graduates and not promoting the graduates when they return to the workplace. Approximately 45% of the MBA alumni interviewed had planned to return to their workplaces and did return after graduation. But of those who returned, only half received a promotion within one year. Almost all of those who did not receive promotions left. Many of them chose to work for western organizations who valued their education and provided greater responsibility and development opportunities even in non-manager roles. So, while 90% of those surveyed indicated that management had been supportive of their choice to get an MBA, only about 25% saw results in their career advancement within the firm. The other 75% either changed organizations to gain career advancement, or pursued non-management positions, often in western firms. Those who pursue new positions find them quickly, with almost 80% finding a position in less than 3 months. Eight-five percent of MBA graduates have experienced significant career advancement since graduation, 23% of them through a complete career shift.

The model of MBA graduate to non-manager in a western firm to entrepreneur or manager of a significant local firm emerges from both the Barents interviews and observation of other developing economies. While it is often an objective for Ukrainian MBA students to return and transform Ukrainian organizations, it is possibly more often the case that they create a whole new set of organizations that operate and inter-operate from a different set of assumptions and expectations. These newer organizations ultimately replace the older, resistant organizations. The interviews revealed that about half of the MBA alumni intended to return to their old organizations and about half intended to make a change following their MBA degree, in contradistinction to both what employers expected and with what the applicant interviews indicated. These realities are important considerations for program design and for career placement activities. Rather than attempting to ensure that candidates "return," it may be more useful to encourage them to pursue environments and opportunities where they can make the most difference.

One final note about the current status of the graduates versus expectations. During the first two years, just over 50% of the MBA students came from the regions, supported by a living allowance and stipends. Of those who came from the regions, 65% decided to remain in Kyiv after graduation and are pursuing careers in Kyiv today. Of the 70 people that Barents interviewed, only ten came from the regions and returned to their region. Those individuals have made very significant contributions in proliferation of banking and finance curriculum in the regions of Ukraine, however.

In hindsight, this result is not totally surprising. The difference in the quality of life between Kyiv and most other cities in the mid-90s was significant. Bright, capable individuals who were given one year to develop connections and obtain an MBA degree in Kyiv were also very likely to choose to improve their overall quality of life and move to Kyiv permanently. Those who did not choose to move to Kyiv were primarily academics closely tied to their universities and eager to develop banking programs.

IMI-Kyiv has developed a program model much more suitable for offering MBA degrees to professionals in the regions and retaining them in the regions. This program is a part-time, two-year MBA program that requires one week every two months in Kyiv, combined with long distance learning courses. This program has become extremely popular and successful in providing a suitable combination of in-class MBA course work with distance learning formats. USAID programs in the future should consider such a structure for providing long-term

professional training in the regions to the extent that regional resources are not fully developed to deliver the training.

The current contributions of the MBA in Banking and Finance alumni can be summarized as follows:

- ◆ The vast majority of graduates continue to contribute to the development of the banking and financial services sector in Ukraine.
- ◆ Graduates from the first four years who are working in banking are primarily in middle management bank positions.
- ◆ Over 25% of the graduates have either developed full educational programs in banking and finance, manage bank training centers, or provide part-time instruction in banking and finance topics.
- ◆ Many graduates either manage the National Bank Training Center or continue to provide instruction to the National Bank Training Center.
- ◆ Graduates have contributed substantially to accounting and banking reform policy and the development of broader financial services institutions.
- ◆ Academics in the early MBA programs did proliferate bank training in Ukraine, having founded several significant bank training programs.
- ◆ MBA in Banking graduates impact a substantial number of other Ukrainians through fulfilling management or education roles.

Gender Considerations

The program overall did an excellent job of recruiting a balance of men and women, with 53% men and 47% women. Early subsidized years had a greater balance of men. However, analysis of the career progress by gender tells a different story. The survey population included 55% women and 45% men. Only 2 women, representing less than 3% of the interviewed population, were in executive positions. Only 8 women, or 11%, were department heads. From the interviewed population, less than 15% were women managers. Seventy percent of the women interviewed were non-managers. In comparison, almost 30% of those interviewed were male managers, twice the number of women. Forty percent of the men interviewed had experienced significant career advancement, meaning more than 2 levels of promotion since graduation. Only twenty percent of the women had experienced similar advancement, half the percentage of men.

A variety of considerations can contribute to these results. The need for career enhancement skills training for women and closer follow-up and career support are indicated.

MBA in Banking/Finance Program

One hundred percent of the interviewees were very satisfied with the MBA program that they received. Earlier groups recognized that the program was still developing and commented on some lack of structure. But all participants indicated that the program had made a significant impact on their knowledge and on their view of financial markets. Comments such as, "Excellent program, gave a real push to my career. My life became completely different. Everything I have done since completion of the program was based on what I learned at IMI." ...were the norm during the interviews. Over 95% of those interviewed indicated that the US study tour was excellent and gave them a real context for the system that they had been studying. Educators repeatedly said that they used the information and materials gained from the study tour liberally in their own classrooms. By far the most relevant courses, since this was an MBA with an emphasis in banking and finance, were Managerial Accounting, Financial Analysis, and Investment Management. Also valued very highly were the Barents courses in marketing. Many alumni

indicated that more HR and management courses would have been useful in hindsight, though at the time they considered these subjects "soft".

Alumni Association Contact – The Power of the Network

The MBA graduates maintain substantial contacts, especially within their graduating class. Ninety-one percent of the alumni interviewed maintain contacts with their classmates. Most indicate that this contact is frequent rather than purely casual. The success stories indicate that IMI alumni frequently hire each other and work with each other. Currently, 80% of all IMI

applicants learn about IMI from an IMI alumnus. Sixty percent of the MBA in Banking alumni attend IMI-Kyiv alumni events. Interestingly, this represents a much greater percentage than the IMI-Kyiv alumni population in total. The annual IMI-Kyiv alumni event has approximately 200 participants each year, representing 20% of the total alumni.

While the IMI alumni remain tightly networked, they do not have nearly as close a connection to the IMI institution. This represents a real opportunity for IMI. When asked what services IMI could provide to their organization, many interviewees indicated that they did not believe that IMI offered "banking" programs. Most alumni indicated that they did not know what IMI might be able to offer their organization. IMI has developed a more interactive web site to encourage better information flow. However, there remains huge room for improvement in the processes necessary to support tracking of alumni and maintaining accurate contact information. Accurate contact information could facilitate wide dissemination of all IMI program capabilities to all alumni much more frequently.

The development of close communities during educational pursuits is very typical in Ukraine. These relationships often serve as the foundation for professional and personal endeavors to an even greater degree than in the west. The 2002 MBA in Finance class has already developed its own website to ensure that the class remains in contact. Future program consideration should be given to strengthening and networking alumni associations. Often, attention is paid to developing databases without the attention to the processes that are needed to gather the information and support the information. Within several years, as a result, the databases are useless. In addition, significant progress could be made in assisting institutions in understanding the value of alumni as future clients themselves and as sources of reference for future clients. Alumni might also gain a greater appreciation of the value of networking with each other across class years and across alumni organizations. Alumni associations remain underutilized in Ukraine.

The Future of the IMI-Kyiv Finance MBA

The curriculum and faculty development that was facilitated for IMI-Kyiv through the delivery of the MBA in Banking Program for USAID and Barents Group is truly a success story. In January 2001, IMI-Kyiv launched its first non-USAID supported MBA in Banking program for AVAL Bank. Twenty-five AVAL Bank managers are pursuing a two-year MBA program funded completely by AVAL Bank. AVAL Bank held an internal, competitive application process. The program will include a three-week European study tour. Much of the curriculum for this program came directly from the USAID/Barents MBA in Banking curriculum. IMI-Kyiv is currently discussing the possibility of future "corporate" MBA programs with PrivatBank, First Ukrainian International Bank and Ukrsofs Bank.

In addition to the MBA in Banking programs, IMI-Kyiv also launched a six-month certificate in accounting and finance program in 2000, which was partially based on the curriculum developed from the MBA in Banking program.

Lessons Learned

What Worked:

- ◆ Program participants received an excellent, intensive education in western banking and finance at much lower cost than an MBA program in the west.
- ◆ Targeted development of financial industry professionals was successful; they remain in their targeted segment; they have experienced significant career advancement
- ◆ Targeted development of academics to proliferate a particular discipline, banking and finance, was successful. These individuals developed a number of banking and finance programs in universities and training centers.
- ◆ Longer duration education in an intact group developed very strong long-term working relationships among the program alumni.
- ◆ Finance professionals receiving MBAs have contributed broadly to reform and the development of new financial services products.
- ◆ MBA in Banking graduates are providing instruction, or managing, at the National Bank Training Center.

What Did Not Work:

- ◆ Training academics from the regions to provide bank training in Kyiv was not successful.
- ◆ Bringing individuals from the regions for one year to Kyiv for an MBA program did not result in most returning to their regions or places of employment.
- ◆ The MBA in Banking did not provide a large number of trainers for the National Bank Training Center in Kyiv.
- ◆ While the program recruited a balance between men and women, women have experienced less career advancement than men
- ◆ MBA in Banking alumni are not well informed by IMI regarding programs and products that IMI could provide to their firms

Conclusions:

Intensive post-graduate study in a specific discipline held in Ukraine, over a 1-2 year period and in an intact study group, provides a critical core of professionals who remain in Ukraine, network extensively, and contribute over a range of issues in their discipline or segment. This type of educational program develops a sort of small "special force" working from many directions to implement change in a segment of activity. Some continue as educators developing programs and courses to support rapid proliferation of knowledge in Ukraine. Some follow professional industry segment careers preparing to replace the "older," less flexible leadership over time. Some contribute significantly to policy reform and standards development in their sector. And, some set up entrepreneurial organizations presenting new products in the sector and whole new organizational structures.

This type of education produces a totally different result from skills training, or TOT training, which tends to develop a general or specific skill across a wide range of disciplines and industry segments.

Intensive post-graduate study in Ukraine with an intact group also develops a network that remains strongly connected and forceful within its realm of activity long after the educational experience. This differentiates this type of educational activity from programs that send students abroad to receive post-graduate study.

Finally, programs of this longer term nature serve to develop deep institutional capacity within Ukraine to offer and further develop post-graduate education to continually provide all the benefits previously stated in Ukraine, rather than relying on programs in western countries.

Recommendations:

1. USAID should consider the appropriate use of this more sustained educational program for industry segments or disciplines that can only benefit from a critical mass of professionals with new knowledge and new approaches working from a variety of directions to influence change. Areas such as farm economics, environmental resource management, and even government policy formulation could benefit from an intensively retrained core group of young professionals. While it might take time for them to penetrate the established hierarchy, without a critical mass the hierarchy stands to prevail indefinitely.
2. Programs of this type should be focused on developing educational institutional curriculum and faculty capacity, as well as training individuals. For this reason they should be focused in one or two institutions with clear requirements for faculty and course development. The programs should be offered across Ukraine but in a modular format such that senior professionals can attend. Success has been realized using a format requiring one week every two months of intensive group instruction combined with a distance learning format. Sustainability should be tested by market receptivity on a commercial basis, testing programs and products throughout the program, not only at the end of the program. Institutions not delivering on institutional commitments should be replaced quickly.
3. USAID should actively develop the concept of alumni organizations, their purpose, their potential influence, successful management and development techniques and cross networking of alumni associations in common fields of interest. Every USAID educational program should be required at the onset to design the processes and the databases to track participants well into the future to assess program impacts. These same tools should be proliferated to institutions, along with development in understanding the value of these alumni networks to the institutions.
4. Across USAID programs, the gender issue should focus not only on inclusion, but also on progress. Contractors should be required to track and strive to effect change in the lives of women, not only their access to education.

The Road to Success! The Next Generation

The MBA in Banking program, funded by USAID and implemented through the International Management Institute of Kyiv and Barents Group of KPMG Consulting, was part of a comprehensive program to rapidly develop the banking and finance professionals needed to transform the Ukrainian banking system to support a developing market economy. Between 1997 and 2002 approximately 200 graduates completed an intensive 11 month, full-time, MBA program. The program had two primary objectives:

- ◆ To equip business educators with the new course materials and new teaching methodological tools to expand Ukraine's capacity to develop banking and finance professionals.
- ◆ To directly develop young Ukrainian finance professionals with a substantially new set of expectations and aspirations to lead the transformation of the banking sector and the development of broader financial services in Ukraine.

While not statistically significant or scientific, sharing success stories does provide a glimpse of the winding road to success that is often paved by education. Telling these stories allows us to begin to formulate models regarding the ways in which education contributes and the other external factors that are key to supporting educational development as a critical factor in future personal success and societal transformation.

Here are just a few of the many stories of the young, the bright, the **Future of Ukraine** from the IMI-Kyiv Banking MBA Program.

As the Capital Flows, Civil Society Grows

Dennis S. had a decade long dream to attend the International Management Institute of Kyiv and obtain an MBA degree. He graduated from the Economic Department of the National Shevchenko University with among the highest marks in his class. Since it was clear to him that English is the international business language, he worked hard to refine his English language communication ability.

Though Dennis had the dream to attend IMI-Kyiv, he knew that real world professional experience would enrich his experience in the MBA program. And Dennis could not wait to try his hands in the real world of investment banking. After graduation from Shevchenko University, Dennis took a position as a securities broker in the embryonic investment market of Ukraine. Life in Ukraine is never stagnant and always unpredictable. With the financial crisis in Russia in 1998, many investment firms left the Ukrainian market. Dennis found himself unemployed.

For Dennis, this presented an opportunity, not a problem. In 1998, Dennis pursued his dream of an MBA from IMI Kyiv. Despite being one of the youngest students in his class, Dennis was easily accepted given his prior academic accomplishment, his work experience, and his clear vision of his future. He thrived in the MBA program, continuing to demonstrate both his intelligence and his leadership abilities as an informal class leader.

Upon graduation from IMI in 2000, Dennis had four job offers ranging from state regulatory agencies to the first substantial equity investment fund in Ukraine, the Western NIS Enterprise Fund. Dennis chose WNIS so that he could continue to learn how the real western model of venture capital works from the clear leader in the activity in Ukraine. Dennis now manages a portfolio of Ukrainian companies that have received investment capital from the fund. He provides them with guidance in absolutely every aspect of successful company development, from financial issues through operational issues and HR and management succession issues. Dennis evaluates potential new investments and makes recommendations to fund management on equity and debt investments of every size.

Dennis represents the model of an individual with a clear vision of his future and a willingness to work hard and take risks to achieve. Difficult moments or difficult tasks have never deterred him. As Ukraine attracts more investment capital funds, Dennis S. will run one of those venture capital funds and he will support a wide variety of Small & Medium Sized businesses to flourish in Ukraine.

The Birth of an Institution

The National Center for Training Bank Personnel is a not-for-profit institute of continuing education for Ukrainian bank professionals at middle and upper management levels. Established by an Act of Parliament in late 1993, the Center began its training curriculum in Kyiv in January 1994. The Center's primary founders were the Association of Commercial Banks in Ukraine and the National Bank of Ukraine, both of which contributed statutory capital to the Center. The Center established and serves as President of the NIS Association of Bank Training Institutes, providing links across organizations in the development of new financial services training products and policy formulation. The Center also developed a relationship with the European Bank Training network. Until 2000, instruction was fully or partially funded by USAID through Barents Group of KPMG Consulting.

From the beginning, it was envisioned that the MBA in Banking Program at the International Management Institute of Kyiv would provide for the development of faculty and administrators equipped to sustain the Bank Training Center. The extent to which that approach has been successful is dramatic.

Today, well over half of the administration of the National Bank Training Center are IMI-MBA in Banking graduates. The current Director is an IMI Banking MBA graduate from 1997. In addition, the Finance Director, IMI-MBA 1998, and Deputy Director for Marketing and International Relations, MBA class of 1997. Yevheniya N. served as Deputy Director of the National Center and was responsible for curriculum development. She received an MBA at IMI in 2000. She prepared a thesis on the development of product and training strategy for the National Bank Training Center. Yevheniya gained confidence during her MBA program. After contributing to the National Center for over 8 years she accepted a promotional opportunity to develop an in-house training center for Ukrsofsbank. Her knowledge and experience ranging from bank curriculum through financial and banking practices through executive management requirements equipped her perfectly as the Director of the Ukrsofsbank Training Center. And Ukraine's overall capacity to develop professional banking skills increased.

The free flow of excellent faculty and administrators has been two-way. The Chairman of the Banking Department of the International Management Institute served as one of the early Directors of the National Bank Training Center. Many instructors for the Center are either IMI-Kyiv faculty or IMI Banking MBA graduates, including Halyna Yamborko, Volodymyr Novoderezhkin, Vlad Kartavtsev and Irene Romanenko.

Setting the Standards

Halyna Y. helped to set the standards. She was well on her way as a successful instructor of bank accounting courses when she was selected to participate in the IMI-Kyiv Banking MBA program. Halyna was an instructor of accounting courses at the Aggio College, an in-house bank training college for the Aggio bank of Ukraine. She had also become a regular instructor for the National Bank Training Center sponsored by the National Bank of Ukraine.

The confidence and contacts that she gained from her MBA program rapidly expanded the influence that Halyna could have on the development and implementation of much needed internationally accepted accounting standards in Ukraine. Halyna recognized from her MBA program the critical importance of implementing accounting standards to improve the business environment and enhance capital flow in Ukraine. Her increased understanding shaped her career steps.

Since completing her MBA in Banking, Halyna has become a significant contributor to accounting reform in Ukraine. She has contributed to numerous projects responsible for the development and implementation of International Accounting Standards in Ukraine. She publishes extensively, having contributed both articles and books in International Accounting Standards and Accounting and Financial Statements Presentation. She has prepared case studies based on successful bank implementations of International Accounting Standards in Ukrainian banks.

With the combination of practical experience and significant teaching experience, Halyna joined the accounting faculty of IMI-Kyiv. She teaches financial accounting and auditing courses both in MBA programs and in IMI Executive Training programs. She is a member of the Federation of Professional Accountants, Union of Ukrainian Auditors and is a licensed auditor in Ukraine.

In pursuit of lifelong learning and development, Halyna is currently working on her Ph.D. Her impact on the development and implementation of accounting standards that can fuel capital flow is unquestionable. Halyna's contribution to the education of "the next generation" of Ukrainian business professionals is ongoing.

The Power of the Network – One + Others = Success

Irene R. and Vlad K. joined professional forces during their MBA program at IMI-Kyiv. Both brought excellent analytical skills, Vlad with a degree in Mathematics and Irene with a technical scientific degree from Kyiv Polytechnical Institute. Both held analytic positions before entering IMI-Kyiv. Irene worked for one of the largest Ukrainian banks, AVAL Bank, as a Chief Economist analyzing bank financial statements and setting placement limits for correspondent bank activity. Vlad worked for the Ukrainian InterBank Currency Exchange as a risk manager.

The power of an intensive MBA program is not only found in the development of each individual, but is magnified in the lifelong relationships created among the class members. Vlad hired a high-powered, bright group of his own MBA class colleagues to drive the rapid development of the Ukrainian InterBank Currency Exchange. With Vlad as the head of Monitoring and Regulation, and a Member of the Board of the Exchange, this group of young people laid the framework for a free floating open currency market to follow in the near future. They defined, developed and enforced trading, settlement and risk management policies. Vlad and his group worked closely with the World Bank on the creation of a rating agency in Ukraine.

Having demonstrated the ability to work with large, unstructured problems, Irene and Vlad were invited in 1999 to work on the largest bank restructuring in Ukraine, AVAL Bank. Vlad and Irene developed and implemented advanced risk management procedures and held seminars for over 200 representatives and 35 branches of the bank in risk management and strategic planning.

Irene and Vlad are widely respected in the banking community for their ability as instructors in risk management and strategic management teaching at the National Bank Training Center, AVAL Bank, PrivatBank, and ExImBank. They also thrive as private strategic and risk management consultants to a variety of Ukrainian banks including ExImBank and PrivatBank.

The President-In-Training

"I will be a bank president," Elvira D. stated simply and clearly when asked about her future during her MBA admission interview. This was only a few years after Ukrainian independence in an environment where women very rarely reached executive levels of society, and spoken by one of the youngest MBA applicants. But none of those barriers seemed evident to Elvira. Despite being one of the youngest applicants, Elvira had already demonstrated her capability by becoming the Chief Accountant for GradoBank in Donetsk. GradoBank was one of the first commercial banks to develop a substantial network of commercial branch banks throughout Ukraine. The admissions committee supported Elvira's vision and accepted her into the first IMI-Kyiv Banking MBA class.

Elvira excelled in the banking MBA program, gaining everything she could from each professor. She worked hard to overcome her rudimentary English language skills so that when interviewed in the U.S. for a position integral to implementing IAS accounting reform throughout Ukrainian banks, Elvira succeeded. She spent the next several years assisting in the development and implementation of IAS accounting standards in Ukrainian banks. She participated in developing case studies and delivering courses to Ukrainian banks working to implement the new standards.

Elvira never lost track of her vision of becoming a bank president. She was approached by the Austrian bank, BNP Dresdener to participate in the development of their representative bank office in Ukraine. While Dresdener decided not to proceed with the new office after the Russian financial crisis, they recognized the significant value of Elvira and transferred her to their Vienna bank from which they managed all CIS banking activities. Elvira worked as the Senior Analyst for the Controller, once again gaining invaluable knowledge and experience toward her goal. Still recognizing the contributions Elvira made, Dresdener transferred Elvira to Frankfurt where she worked in Credit and Risk Management.

Elvira's dream of bank president was mostly likely to occur in Ukraine. In 2001, she returned to her native country with her accumulated knowledge and experience. She continues her development at Credit Lyonnais in Kyiv. She networks actively with her colleagues from IMI-Kyiv and watches with interest as the Ukrainian bank market consolidates and the weaker banks are eliminated. She will know when the time is right and she will bring a decade of knowledge and skill to one of Ukraine's leading banks of the future.

One Certainty – Taxes

Iryna K. loves to teach what few people can bear to even think about. Iryna is a leading authority and professor of Ukrainian taxation. She entered the IMI-Kyiv MBA in Banking program in 1997. At that time, she was on the accounting faculty for Poltava State Technical University.

Iryna's capability as an instructor and her knowledge in taxation were both quickly recognized by IMI-Kyiv. Immediately following her graduation she was hired into the Finance faculty at IMI-Kyiv. Since that time she has developed a wide spectrum of courses in Taxation and Tax Planning. She has delivered courses to the State Academy of Tax Inspectors and participated in fiscal reform projects.

Iryna discovered the entire range of experiential teaching methodologies during the MBA program at IMI-Kyiv. She applies them abundantly in her approach to teaching her own courses. Given the fluid state of tax law in Ukraine, Iryna continually updates her courses with practical and relevant case studies and real life Ukrainian examples. She offers course participants a broad understanding of the tax environment, legislation and policy as well as a set of tools for tax planning. Iryna remains committed to lifelong learning, completing her Ph.D. thesis titled "Organizational and Methodological Aspects of Financial Regulation of the Corporate Sector."



Ukrainian taxation absolutely must be developed and taught by Ukrainians. Iryna combines her knowledge of Ukraine with her knowledge of international standards to contribute both to entrepreneur education and policy reformation.

Fueling the Expansion of Financial Services

Rostislav G. is "Mr. Credit Union Ukraine". Rostislav began his involvement with the credit union concept before entering the IMI-Kyiv MBA in Banking program. He was Project Manager for a USAID project called "The World Union of Credit Unions," focused on leveraging the success of the credit union concept from Canada and Poland into Ukraine. Rostislav combined his experience with the credit union idea and his increased understanding

of banking and finance from his MBA studies to become one of the leading proponents of credit unions in Ukraine. Since confidence in the banking system itself remains low, the credit union structure has not been a huge success yet in Ukraine. Nonetheless, this IMI graduate has been key to the progress made to date.

Following the completion of the USAID project, Rostislav organized the Ukrainian Credit Union. This credit union is organized under the State Committee for Entrepreneurship Development and is chartered with serving the Ukrainian credit union industry. The most significant contribution of the small Ukrainian Credit Union organization is to serve as the primary center for advice for credit unions throughout Ukraine. Total Ukrainian credit union members number approximately 100,000 with assets of over \$7M. Rostislav has continued to be a significant contributor to credit union legislation.

Business education provides the foundation for capable individuals to design, develop, and champion the organizational structures and institutions necessary as an economic foundation. Rostislav has both the strong commitment and the knowledge and skills to drive broader financial services in Ukraine.

Putting Knowledge to Work in Place

Often MBA graduates move on to different organizations and apply their newfound knowledge to new business problems. However, many have contributed to the success of the organizations from which they came.

Valentyn S. always knew that his career was in banking. He graduated from the Ternopil Banking and Financial Academy and began work immediately with Prominvestbank as an FX dealer. Valentyn's thirst for more and more knowledge and training was evident. He was the 2000th student at the National Center for Bank training in 1996. Valentyn's real banking experience overcame his young age to make him a successful applicant to the IMI-Kyiv MBA in Banking program in 1997. His banking experience allowed him to contribute actively during his MBA program.

Prominvestbank, one of the largest banks in Ukraine, faced tremendous downsizing and structural reorganization during the late 1990s. Valentyn's management realized that his experience and his education provided them with an invaluable asset to assist in the bank's transformation from a Soviet-era goliath to a successful commercial bank. And Valentyn recognized the opportunity to become successful within a rapidly progressing Ukrainian organization. Shortly after graduation, he was promoted to the head of the Dealing Operations Unit. The unit faced tremendous daily challenges and decisions for which Valentyn's education and tenacity prepared him well. Valentyn's next promotion made him head of the Department for Interbank Market Transactions reporting directly to the Deputy Chairman of the Board for Prominvestbank. Valentyn holds tremendous responsibility and a high degree of management

confidence. He remains committed to the success of his bank and the Ukrainian banking system and looks forward to further opportunities to expand his knowledge and capabilities.

In Pursuit of Life Long Learning

Halyna D. defies all conventional Ukrainian wisdom about women in middle age, for she is a woman who has pursued knowledge, personal growth, success, and family happiness without apology and with ongoing success. She has not yet stopped taking risks to allow her to learn and grow further each year. She exemplifies a willingness to face change as an avenue to improvement and success.

Halyna came to the IMI-Kyiv MBA in Banking program as a professor in economics at Kharkiv State University. For her it was an opportunity to grow professionally and to increase her knowledge about global banking systems and practices. She saw an opportunity to apply some of her theoretical course work by working part-time for two IMI alumni at the Ukrainian Interbank Currency Exchange. Her willingness to take this fork in the road would profoundly change her life from academic to practitioner. The thrill of actually "doing" rather than "teaching" compelled her to seek an opportunity to really test her analytic skills in the burgeoning investment world in Ukraine. She accepted a financial analyst position with Atlantic East Investment Firm. Following the 1998 Russian financial crisis, she once again took the opportunity for positive change by moving into the traditional banking industry and on to her academic roots in pursuing a Fulbright program in California.

Having both an academic economic background and having seen aspects of the practical side of investment and traditional banking, Halyna contributed to the Bank and Accounting Reform Program and now offers direction in the Commercial Law development project.

Halyna has a commitment to learning, to change, to rolling with the changes that are necessary in the Ukraine of today. And Halyna brings all of those around her with her. She is proud of the fact that her family has shown continual support for her choices and they have benefited from all Halyna has learned and experienced. Halyna defies the average middle-aged Ukrainian woman stereotype.

Training the Trainers – Exponential Impact

Oleg V. spreads the word. From Kharkiv, and already holding an advanced university degree (Ukrainian Candidate of Sciences Degree), Oleg was one of the youngest Associate Professors at the Kharkiv State University of Economics. One critical aspect of management education as fuel for societal economic success is the need to develop local academics quickly who can serve to exponentially drive wider access to the needed business knowledge and skills. Oleg provided the Kharkiv region with that access.

Brilliant from the start, Oleg recognized the value of new methodologies and new information. He immediately set aside any hierarchical cultural bias of teacher versus student and participated and contributed actively in the classroom to both learn and offer as much as he could during his MBA program. He returned to Kharkiv State University of Economics and developed the academic banking department, chairing it for a number of years. He has published widely in the field of bank management including "Bank Operations," "Bank Management," and "Contemporary Methods of Managing Bank Resources." He became the youngest Ph.D. of Economics in Ukraine in 1999.

Oleg continued his mission of developing professional bankers in Ukraine when he established the Kharkiv Branch of the Ukrainian Banking Academy within the National Bank of Ukraine system. The Kharkiv Branch of the Ukrainian Banking Academy began in October 2000 and currently has 1500 students studying in the fields of Accounting and Audit, Banking, and Finance.

The power of educating those who educate others is exponential. Oleg has provided the professional development of banking and finance professionals for much of the region surrounding Kharkiv, a region faced with significant industrial restructuring.

Conclusion: And the winner is.....Ukraine!

Intensive post-graduate study in a specific discipline held in Ukraine, over a 1-2 year period and in an intact study group, provides a critical core of professionals who remain in Ukraine, network extensively, and contribute over a range of issues in their discipline or segment. This type of educational program develops a sort of small "special force" working from many directions to implement change in a segment of activity. Some continue as educators developing programs and courses to support rapid proliferation of knowledge in Ukraine. Some follow professional industry segment careers preparing to replace the "older" less flexible leadership over time. Some contribute significantly to policy reform and standards development in their sector. And some set up entrepreneurial organizations presenting new products in the sector and whole new organizational structures.

It has been suggested that the role of IMI-Kyiv and an MBA program in a developing economic context is not only to teach but, more importantly, to open people's eyes, to give them an entirely new context from which to make their life's contributions. These stories represent only a handful of the stories of the 200 IMI MBA in Banking graduates or the almost 1000 total IMI-Kyiv MBA alumni. It is possible to make a few observations from the stories.

Who are the people that shape the future? The people in these stories are adventurers in every sense of the word. While they may have entered the program unsure of the future, they left the program with confidence and a willingness to face adversity and to implement change. They are committed. They did not resist entrance requirements, testing hurdles, language challenges, or the uncertainty of leaving one thing to open the door to something better. And in many cases, these characteristics were not a function of youth, but a function of the very nature of the individuals. The people in these stories are intelligent, not as demonstrated by books read or papers written, or degrees obtained, but as demonstrated by results. The people in these stories are creative and undeterred by moments of difficulty or failure. In short, the people in these stories have the capacity to develop new Ukrainian economic and policy models as the foundation of a new Ukraine.

In addition, these stories, combined with many other individual stories from Ukraine and Russia, suggest that western organizations play a key role in developing the management vision, skills, and the confidence of local developing managers. Many of the young Ukrainians in these stories worked for a time directly in western organizations. Most will substantiate that this experience allowed them to view firsthand a style of management, methods of achieving results, and team processes that changed their own personal methods and their expectations of every organization with which they worked in the future. Many of the currently successful information technology companies in Russia and Ukraine are run by young Russians and Ukrainians who had excellent technical training, spent a few years learning the ropes in a western firm such as Microsoft, Oracle, DEC, or HP, and then chose the path of entrepreneurship and company leadership. The fact that young local talent chooses to work for periods in western firms should not be viewed harshly, but should be viewed as one more step to building the skills and the confidence for these individuals to create and to lead.



**Consulting
Barents Group**

Finally, the power of the network of the individuals who shared a common educational experience very closely for eleven months cannot be underestimated. Over 80% of the IMI MBA applicants are referred by IMI alumni. As indicated in these stories, the alumni partner with each other, hire each other, and launch organizations with each other. A recent survey indicates that over 90% of the alumni remain in close, frequent contact with colleagues they met during their MBA training. Enhancing the collective contributions of this network to the development of Ukraine and connecting the IMI and National Center alumni networks to other professional business alumni networks could play a powerful role in economic transformation in Ukraine.