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**ASSISTANCE TO PRIVATE FIRMS
IN THE CONSTRUCTION SECTOR:
PROGRAM FOR REGIONAL CONSULTING CENTERS**

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INTRODUCTION

Social, political and economic change continues in Czechoslovakia. As systems have shifted from the command economy controlled by the state and featuring large state operated enterprises of just a few years ago toward a free market economy a major portion of the economic burden has landed directly onto the shoulders of fledgling private companies in open competition for the first time in recent memory.

The private company lead by the Czechoslovakian entrepreneur does not have the necessary business skills nor the experience to start a business, influence legislation, raise capital, create jobs, train workers, retool factories, understand new technology and stimulate a confused and sluggish economy. This lack of skill, training and experience has not dampened the spirit of the many who have created companies in Czechoslovakia over the past 2 1/2 years.

The role of an entrepreneur has always been to navigate in uncharted waters. The situation in Czechoslovakia is an enormous challenge even for the boldest and brightest of entrepreneurs. The number of obstacles and the length of the learning curve normally would indicate a tremendous failure rate of businesses and a very slow transition to a healthy free market.

The transition toward a strong business environment can be made significantly easier (which by no means indicates that it will be easy) and the learning curve reduced to a more humanly manageable level with strong assistance directed at the fundamental workings of a free market economy.

- * Involvement in the legislative process.
- * The free exchange of information.
- * Access to innovation, goods, materials and equipment.
- * Command of financial tools.
- * Training in business management, accounting, marketing.

The role of training, teaching, sharing information and organizing opinion in order to positively affect political change has often gone to the non-profit; trade, industry or interest group association in the United States. Individual businessmen have recognized that an association can support the growth and health of an industry in many ways.

CONTEXT

This report is based on investigation, personal experience, a series of interviews and discussions and the previous findings of the Urban Institute and others. The directed consultation work (field work), in Czechoslovakia (October 1991), and in Las Vegas in January of 1992 was supplemented by several visits to Czechoslovakia over the past two years on private business and meetings with members of the Urban Institute team; Tom Kingsley, Miriam Maxian, Otto Dvorak, Elspeth Taylor and Petr Tajcman.

The consultation visit to Czechoslovakia was coordinated by Miriam Maxian and assisted by Petr Tajcman and his staff in Prague. The visit included a series of meetings with state construction firms, private contractors and with the Associations of Entrepreneurs in both the Czech and Slovak Republics. In addition to these meetings a preliminary review was conducted of the housing stock, the material supply lines and construction site technique in order to assess the basic needs of the housing industry.

Understanding of the American association was developed from years of personal experience as a member and director of several associations. This experience was supplemented by many interviews with members, directors and staff personnel of various associations. Many of these interviews were conducted at the National Association of Home Builders Annual Convention in January 1992. A majority of the associations in the construction industry attend this annual conference. The review and findings regarding American associations appears in the section entitled "Structure of Professional Organizations in the U.S."

GENERAL OBSERVATIONS

Housing

Privatization in Czechoslovakia has created a tremendous need to restructure or rebuild the housing industry (as well as most related industries, banking etc.). Several major factors have combined to create a housing vacuum which if not addressed soon will have major economic and political impact which will threaten Czechoslovakia's move toward a free market economy. The factors creating the housing production paralysis are.

- * The slow break up of State run construction companies.
- * The public resistance to inadequate concrete panel construction. (predominant technology)
- * Access for private firms to all projects.
- * Absence of a mortgage system.
- * Project & Construction Management skills. (lack of)
- * Availability of suitable materials & equipment.
- * Access to current technology, especially energy related.

It is accepted that there has been a housing shortage for some time in Czechoslovakia. The current paralysis combined with the rapid deterioration of a large segment of the building stock creates an urgent situation. The housing industry and the greater body of construction activity are critical to economic stability and growth.

Action must be taken immediately to affect legislation so that private firms can have access to work under competitive conditions. Information on new technology and materials must be readily available. Construction management and financial management must be taught.

Technology

Technology, in almost all business sectors in Czechoslovakia, needs to be upgraded. New products, new materials, new techniques, innovation, new management all need to be introduced, made available and practiced by the business community. It was very clear that members of the Entrepreneur Associations and individual contractors were well aware that the material that they had access to and the methods that they were employing were out of date. We were repeatedly asked for the newest technology and for brochures on new material or equipment.

The Czechoslovakian construction sector does not yet take advantage of a vast array of construction systems which are being used throughout the world. There are products, materials and equipment readily available on the world market that the Czechoslovakian contractor does not either have knowledge of or access to. The greatest impact could be made by introducing light weight, energy efficient building systems as well as labor saving equipment and any number of energy saving products and techniques.

Management

Construction management both at the large project level and at the small residential scale needs to be introduced and assimilated. The only management system is that which was left over from the command economy, state run monopolies. This training will prove almost useless in a highly competitive industry like construction. There is not even a bad model for the small sized construction company of which there are many. Small contracting firms will contribute a very high percentage of the work completed in a competitive market and be a major market stimulus. It is important that small business management skills are taught.

Conversations with the Entrepreneur Associations indicates that business management and information management training is necessary in all sectors of business. The introduction of business management and information training needs to occur immediately within the Associations themselves. Training here will dramatically affect subsequent programs run through these organization, serve as a model for other associations and have a multiplying affect by introducing management training to the association membership.

Information

Information is difficult to come by in Czechoslovakia. The former centralized government gathered and kept information in a different way, a way that is not useful in a modern free market economy. Under the old system information was often manipulated by both sides and not typically used as a productive resource for the economy.

Information systems need to be introduced, then modified so that they will become more reliable and useful tools of the economy. The lack of reliable information occurs and affects all levels of business and society. At the national level information reliability and management limit the ability to create policy. At the small business level the lack of information and information flow prevent the businessman from taking advantage of opportunities and making informed business decisions.

Education & Training

New techniques, new materials, management systems, international trade, free market economy, financing, project management, all need to be taught. Business owners, managers, government officials all need to be trained. The Czechoslovakian people have chosen a new form of government and they are anxious to get on with it. They have shown every indication that they are willing and very able to learn new systems and apply new skills.

It is very clear that the contractors affiliated with the Associations are not interested in lectures on economic theory or presentations about mature free market practices, (which they have already heard plenty of). They are strongly in support of demonstrations of substance, of information that they could take home and put into practice the next day. They requested hands-on experience and suggested exchange programs which would allow exposure to products, equipment and technique over an extended period.

Czechoslovakian Associations

The association is seen as a vehicle through which to address many of the problems which face the individ-

ual or business. Members of the Czechoslovakian Associations understand that their collective presence as an Association can affect legislation. They also realize that there are many things, like training, that they are not going to receive from their struggling government. The activity within the association is clearly an indication that these businessmen understand that change will come from them and not the government and that they have the power to implement change.

The Associations are a microcosm of the society. They suffer from the same lack of management skills and lack of experience in the new system. Their efforts to affect change have not been well organized nor effective. The Associations have had difficulty developing consensus within their own ranks. The primary agenda and even the organizational structure changes from region to region. Information is not shared between regional groups.

A decision has been made to create large Entrepreneur Associations which include members with diverse interests. The experience of the American association indicates that this may not prove to be the most effective form of representation. It is difficult to move forward when the membership can not come to a consensus. This diversity within the membership will require highly skilled management.

American Associations

The collective experience of the American association has a great deal to share and contribute to the emerging private business community in Czechoslovakia. Using a composite of American association information and experience together with the present conditions in Czechoslovakia will support and advance the work that has already been done. American associations have indicated an interest to share their experience and to assist in ways that might be mutually beneficial.

The support of and direct involvement in the creation and fostering of independent associations will provide a strong base from which to continue to gather information as well as to become a visible presence in Czechoslovakia. In addition, involvement in the activities of the associations may produce opportunities for American companies.

Direct involvement association to association, industry to industry and company to company would be the most effective way to transfer information and teach the Czechoslovakian business man the inner workings of the free market system. This collaboration would clearly create opportunities for American companies and strengthen the relations between our two countries.

Urgency

The time is now. The time to affect legislation is while legislation is being written. The time to teach good business management is when the business is getting started. The time to assist in the transitions toward a Democratic Free Market is yesterday. An American presence is desired and embraced but the pressures during transition dictate that decisions will not wait. Decisions will be made based on the information and support available. Decisions are being made daily which are reshaping Czechoslovakia for today and for years to come.

PROGRAM OBJECTIVES

The objectives that emerge from this work are straight forward and should have a positive short-term impact while at the same time influencing long term policy. All of these objectives match an American area of strength with a Czechoslovakian area of need. These objectives coincide with the major objectives of the Entrepreneurs Associations and the independent business people that we engaged in Czechoslovakia.

1. Support of Regional Centers. Help to establish centers in all of the geographical regions of both the Czech and Slovak republics. Provide management training for association managers. Create a comprehensive information network for the stimulation of private enterprise. Establish the centers as vehicles through which to organize and run training seminars.
2. Impact Legislation. Provide support for understanding, (information) and for training. Provide legal experts for both interpretation and training during transition. Provide seminar training for association organizers and lobbyists. Sponsor conventions designed to mobilize and reach consensus.
3. Seminar Program. Sponsor an extensive series of seminars through the regional centers and in conjunction with, but not limited to the Associations. The program of seminars will concentrate on business operation, legal issues and technology/products. The intent of this body of work is to better prepare the private company for successful business operation and to stimulate the economy.

PROGRAM ACTIVITIES

Overview

The following activities address the objectives indicated above. Although each activity is presented separately and could be presented independently the activities are designed to work collectively and reinforce one another. All of the activities delineated below are design to provide immediate assistance and exposure as well as generating feedback which will prove valuable to future assistance programs.

All of the activities involve the regional centers as an organizational element. Utilizing the centers as the coordinating body will allow the program to realize some managerial and manpower efficiencies. Also, using the center to present seminars and to organize trainings provides on the director job management training and goes a long way to providing the exposure and credibility that we are looking to establish for the Centers.

The activities are grouped around the three major objectives of the program; Regional Centers, Legal & Legislation and Training Seminars.

Regional Centers

Five activities are aimed at establishing the regional centers and providing them with the necessary management tools to operate and grow the regional centers. These activities address; 1. Staffing, 2. Training of center managers, 3. Office equipment, 4. Newsletter, and 5. Association to Association exchange.

Legal & Legislation

Assistance is needed on two levels of law. Three activities are recommended for providing direction on Law as it impacts an individual business and how the Associations can contribute to the Legislative process.

1. Support for a staff position at the national level for a legal advisor.
2. Sponsorship of a series of membership meetings

moderated by the legal advisor for the purpose of developing an Association Legislative Agenda. 3. Support of seminars for membership on Business Law and Lobbying.

Seminar Program

The seminar program has many elements and topics. Although they are listed under Regional Centers and Legal & Legislative the seminars on Management Training for association directors and the seminars on Business Law and Lobbying will be coordinated in conjunction with the entire seminar program. There are five additional seminar activities which are to be supported: 1. Energy Efficiency & Energy Products, 2. Business Management, 3. Financial Planning, 4. Construction Management and 5. Small Business Construction Management.

Time Frame

Changes are occurring at a rapid pace in Czechoslovakia. The time for maximum impact is now. The return on investment for this program if implemented now is significantly more (several orders of magnitude), than sitting on the side lines now and attempting to implement the program tomorrow. The changes in the political, social and economic landscape have created an open canvas on which to contribute. Strokes are added daily and soon influencing the message of the work will become far more difficult. Not only will it become more difficult to contribute, it will become more costly both in dollars today and in relations and trade tomorrow.

ACTIVITIES-REGIONAL CENTERS

STAFFING OF REGIONAL CENTERS

Objectives

To provide representation for each of 11 regions through a regional director. To provide a human resource working on behalf of the Center's clients. To create a continuity between the regional centers. To provide a contact for the gathering of regional information, the dissemination of information and the organization of the regional membership for educational and political purposes.

Background

Czechoslovakia is naturally divided into geographic and political regions. It is important that private businesses from each of these regions is ultimately affected by our assistance. It is quite clear that each region has its distinct personality and problems. Our experience was that some regions were very organized and that others had no visible organization. It is important to have contribution from each of the regions and to provide services to each of the region. The support of an office and a staff person who will be responsible both to the regional and the national Administrative Director.

The position of Regional Director would have the responsibility of seeing to the needs of the local clients. The primary function of the director would be administrative; gathering information, answering membership questions and organizing seminars and other educational activities.

Recommended Action

Phase One (four months)

- * Identify and hire a director for each of the two central offices (Prague & Bratislava).
- * Train the directors Management Training
- * Develop Database of member firms.
- * Prepare Newsletter
- * Organize first series of seminars

Phase Two (eight months)

- * Identify, hire & train six regional directors
- * Organize second round of seminars
- * Organize and conduct national seminars on Legislative issues.
- * Expand and link Database to all regional centers.

ACTIVITIES-REGIONAL CENTERS

TRAINING CENTER MANAGERS

Objective

To introduce good management practices immediately. To provide the regional centers and its managers with the organization tools necessary to effectively handle a wide range of tasks and a large amount of unorganized information. To teach management skills that will allow the regional centers to grow (hiring additional staff) and to effectively serve their membership. The director can train others in management. For the centers to become self-sufficient.

Background

The efficient management of information and organizational skills are clearly necessary to move the associations forward. At present the association management is inconsistent from region to region. In most areas the organization and information control is being handled by a dedicated association member on a part time basis with an individual management style.

The implementation of a management system for the regional centers will be built upon consistent management ideas and training. The process begins with the regional directors.

Recommended Action

- * Identify management tasks for the regional director.
- * Modification of management training curriculum by American association management consultant. (one week)
- * Three day Management Training with focus on Association Management. (one week)

Trainings to occur in groups as the regional directors are identified.

ACTIVITIES-REGIONAL CENTERS

OFFICE EQUIPMENT

Objective

To provide the necessary office equipment to operate in today's world. To make a successful and positive impact immediately with the local clients. To begin to collect the valuable data and begin the networking process.

Background

It is necessary and wise to provide office equipment capable of handling and processing information quickly. The most important function the regional centers will serve over the next few years will be the management of information and the organization of its membership. Both are these operations are executed infinitely better and cheaper with the help of good electronic equipment.

As a part of the overall plan it is necessary that the computer hardware and software are capable of handling a vast amount of varied information with speed. Given the changing conditions it is imperative that the Database can be updated regularly.

Recommended Action

- * Research for selection of computer system (Hardware & Software).
- * Sponsor computer system for each Center as they come on line.
- * Computer system consultant for installation and start up. (two weeks)
- * Sponsor Fax machine for each center as they come on line.

ACTIVITIES-REGIONAL CENTERS

NEWSLETTER

Objective

To raise awareness for the regional centers. To disseminate information. To encourage cooperation between centers. To stimulate discussion and action. To offer a forum for clients of the centers. To provide legal, business and technical advice. To inform both clients of the center and the general public. To mobilize private business on relevant issues (legal, accounting, environmental). To provide a vehicle to introduce new products and technologies. To assist in accomplishing all of the Activities herein.

Background

A newsletter is an inexpensive, highly effective method of sharing information, creating awareness and organizing people. There is no shortage of material for the Newsletter. All of the activities occurring in conjunction with the centers will provide material. Letters from the clients of the centers and articles reprinted from other organizations as well as legal and business updates.

The American associations thought that it would be very possible to share segments of their newsletters with the regional centers.

Recommended Action

- * Identify and hire a 2 newsletter editors (who will work out of the centers in Prague and Bratislava).
- * Decide on format and regularity.
- * Assistance for printing, postage and the editors for one year.
- * Make arrangements with American associations for article exchange.

ACTIVITIES-REGIONAL CENTERS

ASSOCIATION TO ASSOCIATION EXCHANGE

Objective

To share the experience of American associations with the Czechoslovakian associations. To tap into a very valuable source of rather specific knowledge (association management). To create more opportunities for American and Czechoslovakian associations and businesses to work together. To stimulate cooperative business ventures and increase trade between the two countries.

Background

Both the United States and Czechoslovakia have long histories of association and guild activity. The American experience has been within a free market economy the recent Czechoslovakian experience has not. American associations have become highly skilled at information management and organization, two clear areas of need for the Czechoslovakian Associations.

American associations have a wealth of knowledge beyond association and information management which would be of interest to businesses in Czechoslovakia. The active association in the United States has knowledge of the latest materials, techniques and equipment because the manufacturers and suppliers of these items are typically members of the association which uses their product.

Many American associations have training programs and internships which might be extended to Czechoslovakian contractors. The American associations have expressed an interest in an exchange. In return for information and advice the American association would like to know of business opportunities in Czechoslovakia. benefit to their membership. This concept has not been pursued to its full potential value.

Recommended Action

- * A plan be developed (two weeks).
- * Focus group meeting with a group of American associations which have expressed interest.
- * Hire a qualified association manager to train the regional directors. (three weeks)

ACTIVITIES-LEGAL & LEGISLATIVE

LEGAL ADVISOR

Objective

To advise private business about changes in legislation. To offer general legal advice through the regional centers. To assist in the setting up of the regional network. To educate private businesses as to the legislative process so that these businesses can participate in the development of legislation which works.

Background

There are many examples of well intended legislation which have placed a major restriction on businesses. Import and export rulings which have the opposite effect than intended and tax laws designed to help that only prohibit certain sectors from being competitive. It is important that businessmen individually or more effectively as a part of a representative body become a part of the legislative process. The lack of experience and understanding of the workings of a free market economy leave elected officials at a tremendous disadvantage. Those active in private business have much to contribute to the process.

Legal advice is also essential to private companies who now, whether they realize it or not, have assumed significantly more liability. Along with the free market comes liabilities heretofore unknown. Simple advice about contracts, about liability and about corporate structure early will save many businesses from significant loss or ruin.

Recommended Action

- * Legal advisor(s) be retained for a period of one year (Client the regional centers).
- * Legal advisor to prepare three guidebooks with the interests of the private business in mind
 1. Incorporation
 2. The Legislative Process
 3. Legal Parameters for Associations
- * Conduct a series of seminars on legal issues.
- * Advise the regional centers and their clientele

ACTIVITIES-LEGAL & LEGISLATIVE

ASSOCIATION LEGISLATIVE AGENDA

Objective

To stimulate discussion and to raise awareness of the Legislative Process. To bring diverse groups together so as to better understand the needs across a broader spectrum. To develop a consensus regarding legislative priorities. To take action and become involved in the legislative process.

Background

The ongoing transition creates a significant opportunity to affect change. Many of the decisions that have been made and that will be made will adversely affect the struggling private business. The damages done to the economy due to business losses may far outweigh the benefit for which legislation was enacted. The Legislative Body does not always realize the downside effect of their actions. It is important for all sectors of the economy to have voice.

Representative groups can be extremely powerful if they are clear about their objective and they understand and respect the Legislative process. This series of seminars will educate many to the process and determine what if any common ground there is. From this could come significant participation and changes which may nurture the move toward a healthy, competitive economy.

Recommended Action

- * Legal Advisor creates course material and an agenda for a series of interactive seminars.
- * Interactive seminars held throughout the country (minimum of six).
- * A Legislative Action Agenda is created as a result of these seminars.
- * Lobbying efforts are initiated.

ACTIVITIES-LEGAL & LEGISLATIVE

LEGAL SEMINARS

Objective

To inform individuals and businesses about Legislation and about business law. To stimulate to action and business interest regarding Legislation. To prepare individuals and businesses for effective lobbying. To prevent downstream business failure due to legal ignorance.

Background

In the past there was little need to understand business law and the legislative process. Businesses were run by the State and there was no legislative process, only the rules and directives of the State. Now, private businesses are starting everyday. Laws and governmental action is evolving at a rapid pace.

It is essential for the private businessman to understand those laws which could dramatically affect him and his business. Understanding the legislative process so that businesses can effectively contribute to the process is important for the business community and the Czechoslovakian economy as a whole.

Recommended Action

- * Legal advisor is responsible for writing curriculum (two weeks).
- * Series of one day seminars on each subject. (one week)

ACTIVITIES-SEMINAR PROGRAM

ENERGY EFFICIENCY & ENERGY PRODUCTS

Objectives

Fulfill the most requested demand from the contractors in Czechoslovakia. To provide answers to questions. To display state-of-the-art products. To encourage all contractors to use energy saving measures. To educate in order to save both money and the environment.

Background

Energy is a very powerful economic force. The recent independence of Czechoslovakia from the extended network of the former Soviet Union has made the cost of energy and energy saving critical issues. For many years energy products, especially oil from the Soviet Union, was subsidized to the State (Czechoslovakia) and subsidized further by the State. Now that people are beginning to pay for their own fuel consumption energy savings is on everyone's mind.

The Czechoslovakian public is sensitive to environmental issues and they are acutely aware of the cost and problems of energy waste. The contractors are also very aware that a great deal of work has been done in the development of both product and technique in other parts of the world and especially in the United States.

Recommended Action

- * Identify Energy Expert
- * Develop Curriculum (one week)
- * Present series of seminars (one week)

ACTIVITIES-SEMINAR PROGRAM

BUSINESS MANAGEMENT

Objective

To share knowledge and technique learned from free market experience. To train private business people to manage their businesses well. To assist in the creation of a competitive business environment. To introduce internationally accepted business practices.

Background

The Czechoslovakians look to the United States for direction in business matters. There is great respect for the American entrepreneur. The Czechoslovakian Entrepreneur is looking for a map or a model after years of not being able to make decisions he is now required to make decisions about issues he's never even heard of. There is a great desire on the part of the Czechoslovakian to adopt good business practice. This is an area where there is clearly a need on the Czechoslovakian side and a strength on the American side.

Recommended Action

- * Identify Business Manager familiar with the business conditions in Czechoslovakia.
- * Develop Czechoslovakian specific management training program. (two weeks).
- * Deliver series of two-day seminars (two weeks)

ACTIVITIES-SEMINAR PROGRAM

FINANCIAL PLANNING

Objective

Introduce financial planning as a business tool. Create a better understanding of financial planning within the business community. Build some bridges between the business community and the commercial lending institutions.

Background

Financial planning like so many free market activities was not a part of most peoples lives. Now it must become one. It is necessary that businesses begin to understand the value and risks involved with financial planning. American financial planners are very much in evidence in Czechoslovakia and throughout the world. Here again we have a Czechoslovakian and an American strength.

Recommended Action

- * Identify a Financial Planner familiar with the present conditions in Czechoslovakia.
- * Develop a curriculum (one week).
- * Deliver a series of Seminars (one week).

ACTIVITIES-SEMINAR PROGRAM

CONSTRUCTION MANAGEMENT

Objective

To share the wealth of knowledge about construction management. To insure that Czechoslovakian companies have the management tools necessary to compete. To introduce the Czechoslovakian construction company to the incredible management tools now available. To present estimating, project financing and labor efficiency. To introduce concepts such as Just-in-time management and material procurement.

Background

Construction management expertise is a very strong American resource. World wide construction management experience and many world class universities prepare the American construction manager with great skills, training and the latest management tools. Construction management was controlled by the monopolistic state construction companies. Not good training in a competitive and risky field. Construction managers are particularly well suited to training and teaching in foreign countries due to their international experience.

Recommended Action

- * Identify construction manager familiar with Czechoslovakia
- * Develop curriculum (two weeks)
- * Present a series of three day seminars (three weeks)

ACTIVITIES-SEMINAR PROGRAM

SMALL BUSINESS CONSTRUCTION MANAGEMENT

Objective

Provide fundamental small business training together with construction management techniques. To provide the small contractor the skills to handle accounting, payroll, marketing, estimating, employee relations etc. and still get something built. To encourage the small entrepreneur to make a go of it.

Background

This seminar should combine a simplified version of the Business Management Seminar and the Construction Management Seminar. In order to survive the small project construction contractor must have skills in a diverse range of disciplines. Any and all management techniques and time savers should be welcomed by the small contractor.

This is an area of the economy which often gets overlooked because of the limited size of the individual companies. The construction industry is a cauldron of entrepreneuralism and should not be overlooked.

Recommended Action

- * Identify successful small contractor (with teaching skills).
- * Develop Curriculum (two weeks)
- * Deliver a series of two day seminars (two weeks)

IMPLEMENTING THE PROGRAM

Individual Activities & The Program

Thirteen individual activities have been identified in this report. All of these activities can be undertaken independently of the others. However, it is recommended that they be implemented together so that the impact is significant and the assistance is recognized. Efficiency, cost savings program continuity will be achieved by grouping the activities together. The legal advisor should coordinate the session the legislative process and teach the seminars on lobbying and Business Law. Similar efficiencies are realized in the other groupings.

Regional Centers

This program of activities revolves around the support of the regional consulting centers with the centers giving the other activities structure and organization and the activities lending credence and recognition to the centers. Success with this initial program will create a momentum toward self-reliance for the regional centers which is everyone's objective.

Shared Responsibility

An important premise of this program is that the activities are run in concert with the centers and the centers are run by local people. The training and support which will be directed through the centers and into the activities will be in partnership with local participants who will be trained from the beginning to assume responsibility for the management of the regional centers, the influence of the centers, the outreach effort and the value of the informational network.

Going into this program we have the very strong support of the large Entrepreneur Associations of each Republic. To supplement the ground work done by the Urban Institute we will incorporate the skills and experience of U.S. consultants from the fields of law, business, finance, information processing, construction and energy.

Mutual Benefit

Although this program and the assistance granted by the United States Agency for International Development is clearly designated to help Czechoslovakia through the transition to a free market economy and Democracy the benefits for the United States are also very promising. Strengthened relations between our countries and an increase in trade are plausible fruits of our assistance.

Opportunity

The Czechoslovakian people have welcomed our aid and our participation in their transition. They look to the United States above all other nations as the model of Democracy and free enterprise. We are not the only countries actively reshaping Czechoslovakia's future though. The Germans, the Austrians, the Japanese and others are actively pursuing business and offering assistance in their own way.

The time of greatest impact regarding the structuring of laws and the business foundation is now. It is very important that we recognize this and act accordingly. Future relations between our countries and mutually beneficial business relationship are only part of what is at stake. The game is being played now and the game appears to be ours to lose.

SCHEDULE

Phase One (four months)

1. Staff & Equip (computer & fax) two regional offices,
2. Center Management Training,
3. Retain Legal Advisor & start to plan regional legislative meeting which should be completed by the end of Phase One,
4. Concentration on building Database and collecting information,
5. Start Newsletter. First issue by the end of Phase One, then quarterly,
6. Deliver first round of seminars (all). Schedule second and third rounds.

Phase Two (eight months)

1. Active Legislative action,
2. Continuation of seminars. Begin to train local consultants to continue seminars,
3. Coordinate American/Czechoslovakia Association exchange,
4. Continue Data collection. Build library of information available for public use.
5. Evaluate Program. Adjust Program.