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FINAL

SURVEY OF BUSINESS OUTCOMES FOR THE HEALTH SECTOR INVESTMENT MISSION TO AND NYC HEALTH INDUSTRY BUSINESS ROUNDTABLE ON HUNGARY AND POLAND

By

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SURVEY OF BUSINESS OUTCOMES FOR THE HEALTH SECTOR INVESTMENT MISSION TO AND NYC HEALTH INDUSTRY BUSINESS ROUNDTABLE ON HUNGARY AND POLAND

Attachment 1 to this Survey Report is the Scope of Work for a Survey of Business Outcomes for the Health Sector Investment Mission to and the New York City Health Industry Business Roundtable on Hungary and Poland. The first of these two undertakings, the Health Sector Mission to Hungary and Poland, took place over a two-week period in November, 1991; the Health Industry Roundtable luncheon was held four months later, on 9 March 1992.

The Scope of Work for this Survey of Business Outcomes sets forth 10 questions to be asked of as many participants in these two events as could be contacted by phone and who would be willingly responsive. The questions and a summary of the responses are listed in Table A. The responses by individuals are listed in Table B.

Note 1: The vertical legend of Table B lists the names of individuals surveyed and their employer (the first ten being participants in the Investment Mission to Poland and Hungary and the following 26 being AMCRA's list of registered participants in the March 9 NYC luncheon Roundtable).

Note 2: The horizontal legend of Table B (A through J, follow designations in the Scope of Work) refers to the questions posed to those whom the surveyor reached by telephone. (Note: Question A in the Scope of Work consists of two questions, and are lettered A-1 and A-2 in the tables to capture the answers of the respondents to each element).

Note 3: Of the ten individuals who participated in the Investment Mission, one could not be located, one did not respond after three attempts, two represented the same company (albeit different divisions of the company), one served as part of the mission secretariat as well as investigating investing opportunities for his own investment banking company, and one is the author of this survey who represented a hospital management company during the tour. Meaningful responses were thus gleaned from 80% of those listed.

Note 4: Of the 26 individuals who participated in the NYC Roundtable, only nine were successfully contacted. Five of the attendees never did or do not now work for companies they were listed as representing; four of the companies either have gone out of business or could not be located in their listed home cities; three participants were on lengthy travel status during the period when the survey was conducted; and four did not respond to multiple messages. The survey of Roundtable attendees, therefore, covers only 34% of those attending.

CONCLUSION

From those interviewed, the Investment Mission can be considered highly successful. Since this was for all participants a first on-the-ground exposure to the investment climates of Hungary and Poland, and since both the economic and political systems of these countries were (and remain) in transition from domination by communist philosophy and by the former Soviet Union, HEI and A.I.D. can take satisfaction from the positive results reflected in the survey -- with two participants having current commercial activities and 2 other companies considering future activities in one or both countries.

The basic purpose of the Business Roundtable was to convey to the health care industries represented in the Investment Mission the information and insights gleaned by its participants regarding the Hungarian and Polish health care investment climates. The Business Roundtable achieved that objective insofar as the Roundtable luncheon attendees surveyed indicated that they had circulated the information provided by HEI within their companies. However, a significant number of those invited either did not represent significant potential investors in the two subject countries, were not key players in their companies' international affairs, or were not interested enough in the issue to warrant responding to the surveyor's overtures. A more carefully honed list of invitees might, therefore, have yielded better results.

TABLE A: QUESTIONS AND RESPONSES

QUESTIONS		INVESTMENT MISSION	BUSINESS ROUNDTABLE
A-1	Prior to this event, had the company considered CEE a potential region for investment?	Five of the eight respondents (62.5%) or their companies had considered CEE as a potential region for investment.	Of the nine participants interviewed, six (66.6%) said they and/or their companies had previously considered CEE as a region for potential investment.
A-2	Did the representative decide from his/her participation that the commercial environments of Hungary and Poland might be positive for his industry?	Six of the eight respondents (75%) concluded from their participation that conditions in Poland and/or Hungary offered positive investment climates.	Six (66.6%) said they had decided as a result of the Roundtable that the commercial environments of the two countries were positive, one of whom, however, said that he had concluded that the NIS (specifically Russia) was even more favorable.
B	Did you or your company take any action to explore further the potential investment activities in Hungary or Poland following your participation in the Mission or Roundtable?	Seven of the eight (87.5%) said that they had taken steps subsequent to their participation to further explore these markets' potential.	Four participants said they took subsequent action to explore further the Hungarian and/or Polish commercial potential.
C	If so, does the company now have any business activities (trade or investment) in either Hungary or Poland?	Only two participants, however, have current activities in one or both countries.	Two participants said they now have commercial activities in Hungary and/or Poland, and one said he was a member of a group of adjunct professors seeking opportunities to teach in Eastern Europe.
D	If not, is the company planning or considering any such activities for the near future?	Two other companies are considering future activities.	Two other participants said they are planning to explore further the commercial potential of one or both of these two markets.

TABLE A: QUESTIONS AND RESPONSES

QUESTIONS		INVESTMENT MISSION	BUSINESS ROUNDTABLE
E	Are these current or planned activities attributable to participation in the Investment Mission and/or the Business Roundtable?	Five of those polled said that their participation in the Investment Mission was either partially (3) or fully (2) attributable to their mission exposure.	Only one Roundtable attendee said that his current or planned activities had resulted from his participation in the business luncheon.
F	If any such activities are underway or being planned, is the U.S. company utilizing contacts which resulted from participation in the Investment Mission or were provided in briefing materials made available to Roundtable participants?	Four said that contacts made as a result of their participation are being utilized in their planned activities in one or both of the countries visited.	And only one said that contacts provided in handouts or made at the luncheon have been or are being utilized.

TABLE A: QUESTIONS AND RESPONSES

QUESTIONS	INVESTMENT MISSION	BUSINESS ROUNDTABLE
G If business activities are underway or planned, describe if possible their status and character (health sector involved, volume of sales, amount of investment, terms of engagement, etc)?	1. Hospital management company is currently seeking financial support for construction of a tertiary care facility in the suburbs of Warsaw. 2. Pharmaceutical manufacturer has established new company in U.S. to raise money to open a pharmaceutical distribution outlet in Warsaw. 3. Investment banker is working on a medical software project, the successful marketing of which could reach $5-10 million sales level. 4. Medical supply company has opened offices in Warsaw and Budapest to market its products. Company's mission participant, however, is now working on domestic matters and therefore unable to provide financial figures on current sales in those two countries. 5. Hospital association representatives said their institution is involved in a hospital partnership in Hungary, and is examining other not-for-profit partnerships elsewhere in CEE.	1. One company has been vigorously seeking financial support for stat lab projects in Budapest and possibly Poland, including overtures to the Hungarian American Enterprise Fund. 2. One company representative said that his company had been selling products in Poland and Hungary for years, that sales were improving gradually, and that he had attended the Roundtable to seek further ways/contacts to enhance sales.

TABLE A: QUESTIONS AND RESPONSES

	QUESTIONS	INVESTMENT MISSION	BUSINESS ROUNDTABLE
H	If no business activities are underway or planned in Hungary and/or Poland, why is this the case? Did participation in the Investment Mission and/or Business Roundtable influence a decision not to proceed with business activities in Hungary and/or Poland?	In no instance of those polled did participation negatively impact companies' posture regarding potential investment in Poland and Hungary, two company representatives stated their companies were in the throes of major domestic reorganizations which were absorbing attention which might otherwise be devoted to overseas marketing efforts.	1. One participant said that the Roundtable had added to his concerns regarding political stability, particularly in Poland, and further that the briefings suggested that these markets are more germane to larger companies. 2. Another participant said he had concluded from the materials provided at the Roundtable that Hungarian and Polish laws protecting intellectual property are weak. His company, therefore, decided to abandon what he allowed was already a fairly weak company interest in the CEE region. 3. A third participant said that the Roundtable motivated his company to seek to enter these two markets. They are more appropriate for companies with substantial R&D funds available to them. 4. The representative of the group of adjunct professors said that the luncheon showed that he was "miscast as a participant". 5. A participant representing the pharmaceutical industry said that his greater interest in the NIS/Russian market was not diminished by his Roundtable participation.

TABLE A: QUESTIONS AND RESPONSES

	QUESTIONS	INVESTMENT MISSION	BUSINESS ROUNDTABLE
I	Do you have any recommendations or suggestions regarding ways in which this activity could have been useful to you or your company?	1. One participant said that investment missions to countries in which HEI has permanent representatives may lead to more positive results from such investment missions (HEI had no such country representatives in November 1991). 2. Pharmaceutical manufacturer urged U.S. government pressure on CEE governments to remove legal obstacles to the importation of U.S. drug products. 3. Medical supply representative said that not enough time was made available to do diligence on the local Hungarian and Polish contacts who were introduced to mission participants.	1. One representative said that more information concerning the Enterprise Funds would have been helpful. 2. A representative from a large firm with offices in Eastern Europe said that he had participated hoping to identify additional sources to finance increased trade. He said he thought the luncheon would have been more valuable to smaller, less sophisticated companies than his own. 3. Whereas another participant said just the reverse -- that the Roundtable would have been more relevant to larger companies.
J	Did you share the materials provided (briefing book, reports, company profiles, information on USG programs) with anyone else in your company and/or industry?	Seven of the eight participants (87.5%) shared materials prepared for the mission with colleagues. All found these materials helpful, informative and well prepared. One participant used the materials as background for three formal talks to colleagues in his industry (pharmaceutical manufacturing).	Eight of the nine respondents (88%) said that they had circulated to their colleagues the materials distributed at the conference. All nine believed that the background information was useful and well prepared, although two allowed that more than two years had passed, and their memories of these materials had faded considerably.

TABLE B: INDIVIDUAL RESPONSES

I. INVESTMENT MISSION

	A-1	A-2	B	C	D	E	F	G	H	I	J
1. Robert Rosenberg	Yes	Yes	Yes	No	No	Partially	No	--	15	16	Yes
2. Daniel Bourgue	Yes	Yes	Yes	No	No	Partially	Yes	23	--	--	Yes
3. Keith Harville	Yes	No	Yes	No	No	--	--	24	24	No	Yes
4. Neil Stine	No	Yes	Yes	Yes	--	Yes	Yes	9	--	10	Yes
5. Timothy Panova	Yes	No	No	No	No	No	--	--	14	No	No
6. Warren Hauck	No	Yes	Yes	No	Yes	Yes	Yes	17	--	18	Yes
7. John Clark	Yes	Yes	Yes	Yes	--	Partially	Yes	20	--	No	Yes
8. Lee Williams	No	Yes	Yes	No	Yes	No	No	4	--	5	Yes
9. David Cleary	Not Listed in DC area, by name or company										
10. Kirk Benson	Left messages with secretary 3 times; no return.										

TABLE B: INDIVIDUAL RESPONSES

II. ROUNDTABLE

	A-1	A-2	B	C	D	E	F	G	H	I	J
1. George Borkow	No	No	No	No	No	--	--	--	1	No	Yes
2. John Burkhalter	Yes	No	Yes	--	No	No	No	No	--	14	Yes
3. Steve Difalco	Yes	No	No	No	No	--	--	--	11	12	Yes
4. Alberta Edwards	Retired										
5. Tom Fitzpatrick	No	Yes	28	No	No	No	--	--	27	No	Yes
6. William Haddad	Yes	26	No	Yes	No	No	No	--	26	No	Yes
7. Peter Lordi	Left messages; 2 calls not returned.										
8. John Lucas	No record of Oxford Labs or Lucas at number/fax.										
9. David C. Main	No longer works for Epstein.										
10. John P.C. Matthews	Company has gone out of business.										
11. John Morse	No longer works for Humana.										
12. Stanley B. Peck	No longer with HIAA.										
13. Anna Petrozolin	Called twice; left 2 messages unreturned.										
14. Carl Reid	No	Yes	Yes	No	No	--	--	--	--	21	No
15. Hal Rose	Yes	Yes	No	No	Yes	Yes	Yes	2	--	3	Yes
16. Aaron Schildhaus, JD	On travel status; 3 calls.										
17. Norman Shore	Telephone disconnected										
18. Robert J. Simmons	Yes	Yes	Yes	No	Yes	No	No	No	6	7	Yes
19. Lynn Snyder	On travel status -- 2 calls 13 & 23 June.										

TABLE B: INDIVIDUAL RESPONSES

II. ROUNDTABLE

	A-1	A-2	B	C	D	E	F	G	H	I	J
20. David Stark	Left messages; 3 calls not returned.										
21. Walter J. Szczesiul	Not available - travel status through July.										
22. Peter Szekrenyi	No record of him or Co. in Irvine, CA.										
23. Ray Welnicki	Not employed by Aetna; not in Hartford.										
24. Carl Wright	Left messages; 3 calls not returned.										
25. Dave Wynstra	Left messages; 3 calls not returned.										
26. Carl Wright	Yes	Yes	Yes	--	No	No	Yes	8	--	No	Yes

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