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*Romania ESCo  
Development Task:  
Staffing Plan/Training  
Assessment*

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## STAFFING PLAN/TRAINING ASSESSMENT

### INTRODUCTION

The Electrotek Project Team has been working to develop a staffing plan with Energy-Serv, the principal candidate ESCo in the USAID Romanian ESCo development program. This staffing plan will form an integral part of the ESCo business plan (a deliverable due in November 1997) and will serve as a guide for structuring the new business. Since the business has not yet been capitalized, this staffing plan is subject to change by the new investors or, indeed, by the ESCo management. Nonetheless, it is expected that the plan detailed in Section 1 below will form the basic framework for operating the new business.

Electrotek also provided assistance to Energy-Serv in assessing the training needs of the ESCo staff that will be required after capitalization. In some cases, these training needs were based on the actual requirements for staff already identified. In cases where positions have not yet been filled, the training requirements were assessed based on the capabilities of the most likely candidates. The training assessment given below (Section 2) reflects all the identified training requirements of the new staff, not just the training that will be carried out with the assistance of the USAID project. Indeed, Energy-Serv management identified a broad range of training needs, much of which goes well beyond the scope of the AID project. Section 2 also outlines areas where Electrotek is expected to provide assistance and/or resources to assist with the training of ESCo staff.

### SECTION 1: STAFFING PLAN

The company will recruit a small core team consisting of directors, a financial analyst, a project and operations manager and support staff. These staff members will make up the corporate staff who will be direct employees of Energy-Serv. The directors will consist of a CEO, a VP Marketing, a VP Operations, and a VP Finance. Each co-generation project will require additional operations staff who will be based at the company's plant on the client's site. The costs of the project specific staff are included in the financial statements as part of Operations and Maintenance costs and are therefore not considered corporate staff costs. In some cases, individual projects will be incorporated as legal entities, such that these operational staff will not be legal employees of Energy-Serv but of each project company. In addition, Energy-Serv will subcontract a significant portion of its work to various specialists. This work will include some technical work, construction and design work, legal assistance, auditing and export-backed securitization consulting (the process of using exports to provide security to a loan or an energy-efficiency cash flow).

The structure of the company and reporting relationships are summarized in Figure 1 below. The roles of the CEO and VP Operations will not differ significantly from most companies. The VP Marketing will have some project management responsibility to the extent that he/she will be responsible for initial project development and technical due diligence, after which the VP Operations takes over with more advanced design work. In addition to managing the company's accounts and investor relations, the VP Finance will be ultimately in charge of credit checks on clients, arranging project financing, and overseeing securitization of projects.

The financial analyst will be responsible both for carrying out due diligence work on potential clients and for preparing financial analysis of projects. These two functions may be split between more than one staff position as the volume of projects increases. The energy auditor, O&M Manager, and Project Managers positions may be filled with one or two people during the first six months to a year of operation. Eventually, each functional area will require two or more staff members. Each project will have its own project manager, and each project manager will be expected to manage no more than three projects.

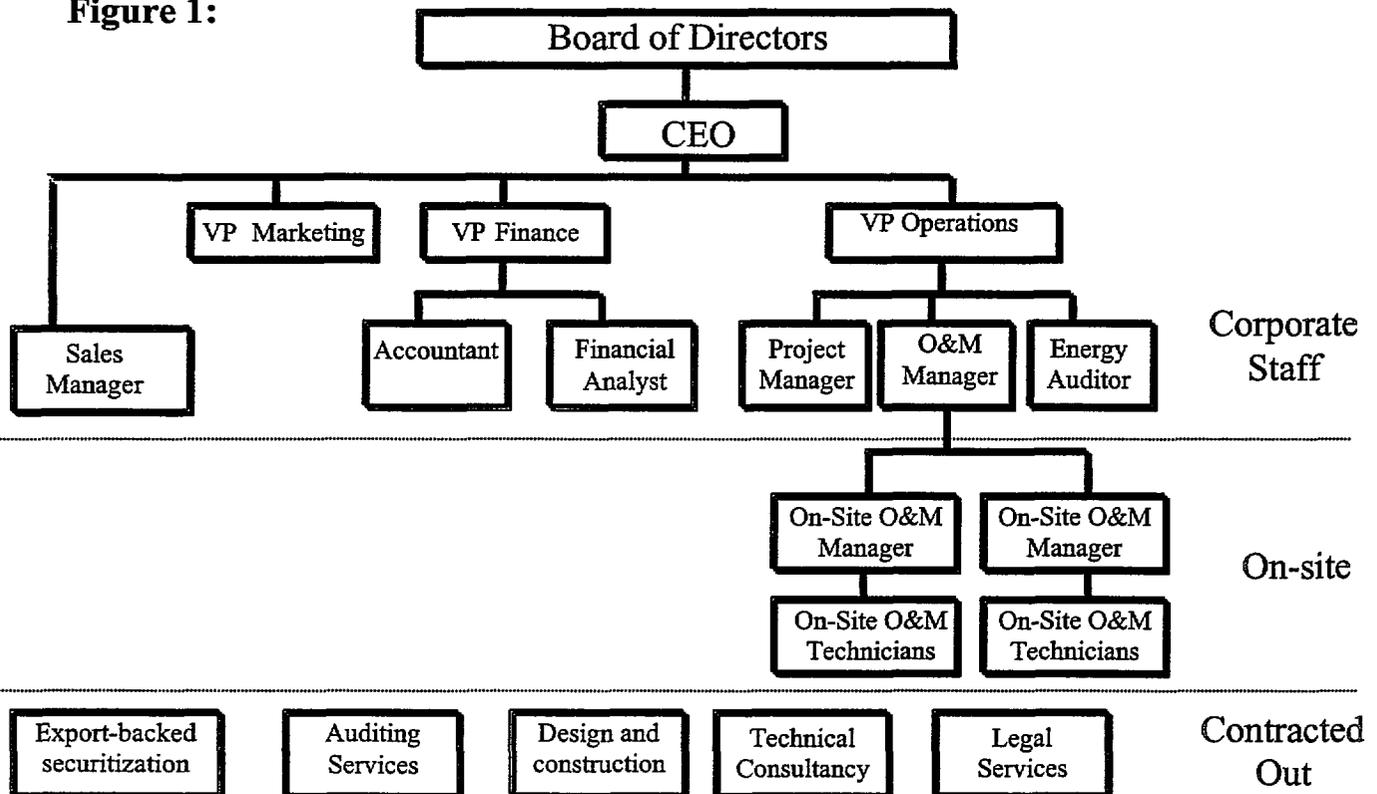
In addition to its existing strengths, the company will need to build further develop the following skills:

- energy system analysis and technology integration,
- mobilization and market penetration capacity,
- financial, legal and contact capacity,
- project management.

The ESCO will need sophisticated credit analysis, project finance analysis and project management skills. There will be a heavy emphasis on training staff (see Section 2).

The company will provide higher than median salaries, good working environments and extensive training for all staff to build expertise and loyalty. Salaries for all staff will have an element of performance related pay, reflecting both individual and corporate performance. As well as the directors a number of key people, notably an operations manager, have already been identified.

**Figure 1:**



## **SECTION 2: TRAINING ASSESSMENT**

Energy-Serv has developed a training philosophy founded on the principle that every individual working for the company should have an understanding of all business areas even if he/she does not work in a specific area. This approach is intended both to create a team atmosphere in which all staff members are working toward a common goal and to create some functional overlap in the event that staff members need to fill in for one another at critical times. The training requirements for Energy-Serv will therefore be considerably broader in scope than they would be if staff were narrowly focused on their own functional duties.

Even within their own areas of specialization, qualified staff members will still require some training specific to the ESCo industry or to international norms for their discipline. These will include training in:

- ESCo operations, contracting and management;
- ISO 9000 quality control;
- International Accounting Standards and accounting reporting requirements to meet investor requirements;
- Project financing and loan application preparation;
- Project financial analysis;
- Company due diligence analysis;
- Marketing and communications;
- Co-generation and technical site management.

A training program for each staff member is given below. This plan does not take into account on-the-job training which Electrotek will provide as part of the development of two demonstration projects. Rather, these represent specific skill areas required for each position for which a specific training course or internal session is recommended. Electrotek will provide training and assistance in only some of these areas as discussed below.

**TRAINING REQUIREMENTS**  
By Staff Category

<b>POSITION</b>	<b>TRAINING REQUIREMENT</b>	<b>POSSIBLE SUPPLIERS</b>
<b>CEO</b>	General management	Carnegie-Mellon Management in Technology Organizations INSEAD Oxford Management School
	Team building	As above
	Strategic selling	Structured Training plc
	Business Process	Peter Garforth
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	Marketing communication	Peter Garforth/Pol van den End
	ESCO operations and management	Study tour in USA/Europe?
<b>VP Sales</b>	General management	As above
	Sales	Structured Training plc Programmes Training Ltd
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	Marketing communication	Peter Garforth/Pol van den End
	ESCO operations and management	Study tour in USA/Europe?
<b>VP Marketing</b>	General management	As above
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	Marketing communication	Peter Garforth/Pol van den End
	ESCO operations and management	Study tour in USA/Europe?
<b>VP Operations</b>	General management	As above
	Cogeneration Operations & Maintenance	Suppliers
	Procurement	
	Corporate culture & values	In-house
	Corporate standards	In-house

	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	ESCO operations and management	Study tour in USA/Europe?

<b>VP Finance</b>	IAAS standards	Local training provider
	Financial management	INSEAD Financial Management Amsterdam Institute of Finance
	Accounting software specific	Vendor
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	ESCO operations and management	In-house
	Project finance	Amsterdam Institute of Finance

<b>Sales Manager</b>	Sales training	Structured Training plc Programmes Training Ltd
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	ESCO operations and management	In-house

<b>Accountant</b>	IAAS standards	Local course
	Due diligence techniques	Electrotek & Philip Finigan
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	Accounting software specific	Vendor
	ESCO operations and management	In-house

<b>Financial Analyst</b>	IAAS standards	Local course
	Due diligence techniques	Electrotek & Philip Finigan
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	Accounting software specific	Vendor

	ESCO operations and management	In-house
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<b>Project Manager</b>	Specific IT skills	Local IT consultant
	Accounting software specific	Vendor
	ESCO operations and management	In-house
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	ESCO operations and management	In-house

<b>O. &amp; M. Manager</b>	Cogeneration maintenance and operations	Supplier
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	ESCO operations and management	In-house

<b>Energy Auditor</b>	Energy auditing skills	Electrotek
	Monitoring & Targeting	UK training companies
	Corporate culture & values etc	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	Local IT consultant
	ESCO operations and management	In-house

<b>On-site O. &amp; M. Manager</b>	Cogeneration maintenance and operations	Supplier of equipment
	Site-specific	Suppliers
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	
	ESCO operations and management	In-house

<b>On-site Technicians</b>	<b>Site specific technical skills</b>	<b>Suppliers</b>
	Corporate culture & values	In-house
	Corporate standards	In-house
	ISO 9000	Local ISO9000 consultant
	Specific IT skills	
	ESCO operations and management	In-house

### **Electrotek Assistance**

Electrotek's training assistance is concentrating in three major areas: financial analysis/accounting, technical analysis and ESCo management and operations.

#### Financial Analysis/Accounting

The Electrotek project team will provide one or two workshops on financial analysis of companies and projects. Electrotek will also work with its subcontractor Price Waterhouse to prepare an accounting training program to teach techniques for preparing financial statements according to international accounting standards (IAS) and for preparing clients' statements in IAS formats for banks. The Electrotek project team has already given training in financial modeling for the new ESCo and prepared a financial model which is currently being used in the business plan. Electrotek's consultant Philip Finnegan will also be helping to train the VP Finance and other key staff members in financial management of the new ESCo. He will be assisted by an accounting consultant who will provide training in setting up the ESCos accounting system. Electrotek is also providing assistance in development and negotiation of performance contracts.

#### Technical Analysis

Electrotek's technical analysis training will predominantly be on the job as part of the development of two ESCo demonstration projects. Some formal training may be required in specific energy audit techniques for individual industries. Energy-Serv is generally strongest in the sphere of technical analysis, so Electrotek's efforts have been concentrated in new technologies or new industrial processes with which staff have not previously worked.

#### Management and Operations

Electrotek consultants Andrew Baines and Philip Finnegan will provide on-going assistance in managing and operating the ESCo. Electrotek has also worked with Peter Garforth to provide market development and operating training for the company. Peter Garforth in turn has brought Pol van den End to assist the company with developing marketing capabilities. Electrotek will also provide some funds to send ESCo staff members to specific courses in management and marketing.

#### Other Training

The Electrotek project team will also provide some training and assistance to Fast-ECO, a second candidate ESCo in Romania. Fast-ECO is much less advanced than Energy-Serv, and it is clear that Electrotek will not be able to meet more than a fraction of the company's training requirements. In order to maximize use of resources, Electrotek will combine training

programs for both companies where possible. Thus, a financial analysis workshop will be offered to staff at both Energy-Serv and Fast-ECO. On-the-job training, however, will principally be reserved for Energy-Serv due to proprietary concerns.