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EAST-WEST MANAGEMENT INSTITUTE

# *Task Order Completion Report*

# *MOLDOVA:*

## *Project for Enterprise Restructuring ("PER") - Capacity Building*

*September 1996*

*Submitted to the United States Agency for International Development*
*Bureau for Europe and the Newly Independent States*

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# COMPLETION REPORT

**Contractor:** East-West Management Institute, Inc.

**Contract No.:** EPE 0014 I 00507600

**Period:** October 27, 1995 - August 31, 1996

**Name:** MOLDOVA PRIVATE ENTERPRISE RESTRUCTURING ("PER")

**Task Order No.:** 2

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# I. EXECUTIVE SUMMARY

- The Moldova Private Enterprise Restructuring ("PER") Capacity Building task order managed by the East West Management Institute ("EWMI"), an affiliate of the Soros Foundations network, began November 1, 1995 and was completed on August 31, 1996. The original seven month task order was extended under a no-cost extension to allow EWMI's in-country team of expatriate and Moldovan consultants to complete the first collective farm restructuring as well as prepare for a roll-out of this pilot task order.

- EWMI's expatriate consultant team, led by Vincent Morabito, quickly established an operational project office in early November 1995 known as the Center for Private Business Reform ("CPBR" ). Throughout the task order Mr. Morabito's leadership and management of complex issues and relationships ensured the success of this pilot task order.

- CPBR immediately established a management structure based on the skills of the senior expatriate consultants, the restructuring needs of Moldovan enterprises, and the training needs of prospective Moldovan consultant trainees. The CPBR long-term expatriate consultants and their skills are as follows: Florin Patriciu, corporate finance, accounting, and investment banking, Eugene Moore, management, industrial relations, and industrial engineering, Charles Jelinik-Francis, law and investment banking, Val Sibirsky, industrial engineering, marketing and foreign trade, Derek Wilson, industrial relations and accounting.

- The Moldova PER Capacity building task order seeks to train Moldovan consultants in the skills necessary to continue enterprise restructuring after donor assistance has ended. "Capacity building" is intended to build the capacity of local consulting firms and business service providers and to develop a group of trained Moldovan professionals to continue restructuring Moldova's 1,500 medium and large enterprises after USAID assistance ends.

- CPBR moved quickly to identify and recruit qualified Moldovan professionals to work directly for CPBR's expatriate consultants in four functional teams. In addition, CPBR issued a request for proposals from Moldovan consulting firms to subcontract with CPBR to develop their enterprise restructuring skills. CPBR hired 29 Moldovan professions and subcontracted with four Moldovan consulting firms with each firm contributing eight consultants for a total of 61 Moldovan trainees. In turn, each of the consulting firms and the Moldovan professionals were assigned to one of the four functional teams created by CPBR based on the skills of the expatriate consultants and the enterprise restructuring needs of Moldovan enterprises.

- CPBR expatriate consultants together with the Moldovan consultants designated a "career path" for each consultant to focus their on-the-job training during the task order. The following career paths were designated for each consultant: accounting, financial analysis, industrial engineering, marketing, law and labor relations. The choice of career path was based on the Moldovan consultants education and their needs to build specific skills. During the task order, each Moldovan consultant also received on-the-job and formal training in the other career paths to create an inter-disciplinary learning experience. Prior to their on-the-job training on engagements at Moldovan enterprises the Molodvan consultants received a one-week training course designed and taught by the expatriate consultants to teach them basic consulting, business, and analytic skills.

- Following the selection of the Molodvan professionals and the consulting firms, CPBR set about the task of identifying and selecting Moldovan enterprises for restructuring. Following a call for applications, 17 enterprises were selected to participate from among 41 applicants. Selection criteria were developed by CPBR and vetted with USAID and the Ministry of Privatization of Moldova (CPBR's Moldovan counterpart organization). Primarily, selection

was based on the enterprise's willingness to restructure; industry and regional diversity; privatized enterprises versus state-owned or new private enterprises; the training benefits derived by the Moldovan consultants posed by different enterprise problems and other criteria. These enterprises were then evenly distributed among the four CPBR consulting teams led by the long-term expatriate consultants with the fifth team focused on the legal issues at all of the enterprises.

- Following enterprise selection, the CPBR teams of expatriate and Moldovan trainees conducted a detailed diagnosis of each enterprises' condition and restructuring needs and prepared an action plan for each enterprise. Each Action Plan (see report Annex) followed a common outline and addressed the specific concrete steps to be taken by CPBR consultants. Following approval of the Action Plans by the Molodvan Ministry of Privatization and USAID implementation began immediately.

- A summary of the concrete steps of each Action Plan and the tangible results achieved at each of the 16 Moldovan enterprises is summarized below in Section IV as well as in greater detail in the attached annexes. A few highlights, however, of several of CPBR's accomplishments include the following:

  Restructuring of the Nisporeni collective farm, the first ever, and highly significant both politically and economically in Moldova's agribusiness dominated economy. Due to this successful pilot effort this model is being replicated in a national roll-out of this task order.

  The first private placement of common shares in Moldova for Ungheni-Vin a winery enterprise. Ungheni-Vin has substantially increased working capital, purchased a bottling line, which increased capacity and competitively positioned the enterprise for a larger share of the domestic and foreign market.

  The successful implementation of a market research and market development program for Bucaria, a candy manufacturer, leading to a 30% increase in sales.

  The development of computer software for cash management, cash flow forecasting, and accounting that dramatically reduced the time spent by Cupcini-Cristal on accounting while focusing attention on the firms costs and profitability which led to a targeted marketing strategy.

  The development of a legal proposal for amending a National Bank of Moldova regulation regarding repatriation of export earnings, which affects many enterprises.

- Similarly at the conclusion of this pilot task order 61 trained Molodvan professionals and four consulting firms skilled in enterprise restructuring techniques are now able to continue this work for the benefit of many more Molodvan enterprises. Most of these Moldovan consultants will continue to develop their skills and many will lead new teams of Moldovan consultants being recruited for the current national roll-out of this task order.

- There are have been many challenges and problems in executing the task order but most notably among them were managing tight deadlines and overlapping tasks and the constraints in the enabling environment at the enterprise level (e.g. laws, regulations, finance).

- The project kept to the original schedule, expanded the scope of some activities, and achieved results largely as a result of the dedication of both the expatriate and Moldovan consultants but also as a result of the collaborative working relationships developed between CPBR's management and USAID, the Ministry for Privatization and many others in the Moldovan Government and private sector.

- For all parties involved it has been a gratifying demonstration of the effectiveness of U.S. foreign assistance because of the unwavering commitment to transferring the know-how of Americans to Moldovans and that shared learning experience. In that context we believe that the capacity building objective of the project has been accomplished and will continue to be deepened during the roll-out task order now underway. Because the simple principle of how to engage the problems facing Moldovan privatized enterprises was ultimately viewed as creating a Moldovan solution of trained Moldovans the U.S. will be able to successfully disengage its assistance.

## II. TASK ORDER OBJECTIVES AND SPECIFIC PROBLEMS THE TASK ORDER ADDRESSES

### a. Objectives

The dual objectives of this task order were to develop Moldovan enterprise restructuring capacities and to provide models of successful enterprise restructuring. The task order focused on the restructuring problems of Moldovan enterprises, standardizing and documenting successful approaches to restructuring, and on the successful transfer of restructuring know-how and skills to Moldovan managers and consultants. The task order also entailed capacity building initiatives in land sales, land titling and the organization of initial public share offerings.

### b. Problems Addressed by the Task Order

This task order is one of a variety USAID-financed activities designed to foster Moldova's economic transformation. Other task orders support broker dealer operations, use of third-party registrars, Initial Public Offerings (IPO's), accounting, land registration and sales, general capital markets development, and public education. A requirement of this task order was that the contractor collaborate with the other USAID-financed activities. For example, enterprises selected for assistance under this task order also had to be eligible and/or active participants in other USAID assisted programs, thereby combining and leveraging various forms of USAID assistance to maximum effect.

This task order was specifically designed to address the critical issue of "capacity building," as part of a USAID strategy for ensuring that the economic restructuring process in Moldova will be capable of continuing without donor assistance. Rather than engaging U.S. consultants in long-term consulting projects with individual enterprises, therefore, the task order sought to develop institutions and a legal and regulatory framework that would facilitate the restructuring of privatized enterprises and sustain their commercial viability and that of business start-ups The pilot restructuring initiatives with privatized enterprises were designed to provide on-the-job training for Moldovan professionals and counterpart professional and other business service firms that support the private sector. Since neither USAID nor the international donor community have the resources to implement enterprise restructuring for thousands of enterprises, this training component was understood to be critical to the long term success of economic restructuring in Moldova. The task order required a market-driven approach led by local market participants rather than donors and consultants. These local participants, having been trained under the task order, are to provide the expertise and financing for broader restructuring activities in the roll-out phase of this USAID sponsored program and thereafter, once donor supported activities are terminated.

This task order therefore focused on three segments of the Moldovan private sector:

**1)** Moldovan individual professionals,

**2)** Moldovan counterpart professional service firms; and

**3)** Moldovan privatized industrial enterprises.

## III. DESCRIPTION OF TASKS, THE CONTRACTOR'S WORK PLAN AND THE ACHIEVEMENTS OF DELIVERABLES/BENCHMARKS AND RESULTS

### Task 1: Selection of Moldovan Professionals and Counterpart Professional Service Firms

This task was completed by January 1996. Moldovan professionals were drawn from the financial, accounting, consulting and academic sectors and thereafter were trained by the Contractor in enterprise restructuring modalities. Counterpart Service Firms were identified and placed under subcontract to assist in enterprise restructuring. These firms developed a range of skills typically found in Western firms that assist businesses to become more competitive and profitable in an ever changing international marketplace.

### Task 2: Selection of Privatized Industrial Enterprises.

This task was completed on schedule. The enterprises participating in this task were selected through a tender process based upon a number of key criteria. The program was publicized and application forms were made available to enterprises. Enterprises were required to submit their applications to the Government of Moldova ("GOM"). The Center for Private Business Reform ("CPBR", the name given to the project office of the East- West Management Institute), upon initiation of the task order, worked with the Ministry of Privatization ("MOP") and USAID to develop a "ranking of relevant and important agreed upon selection criteria." Once completed, collected and collated, the applications were reviewed by a selection committee of the MOP and the CPBR, and an initial short list of enterprises was established. The managements of these companies were invited to discuss their proposals with the MOP, USAID, and CPBR. Enterprises were finally selected by the MOP, USAID, and CPBR after a site visit to each enterprise. Initially, a group of 15 enterprises were selected by MOP, USAID, and CPBR. With the agreement of USAID and MOP, two enterprises were added to the task order for a total of 18 enterprises.

### Task 3: Develop and Implement Brief Training of Moldovan Professionals and Counterpart Professional Service Firms.

The 29 Moldovan professionals and four firms (each contributing eight professionals) identified for participation under this project were trained by the Contractor in the course of carrying out enterprise restructuring activities. As such, on-the-job training was a key focus of this task order. A Work Plan detailing training plans, procedures and programs was submitted to the MOP and USAID within three weeks of the project's start date.

The 29 trainees consultants were divided into four equal groups comprising accounting, financial analysis, industrial engineering, marketing professionals; law and labor relations formed a fifth unit. Each of the first four groups was assigned to a selected Moldovan consulting company which provided an additional group of eight consultants to form an integrated team of 14-15 persons (for a total of 16 trainees). All five units were headed by a highly skilled expatriate who selected a "local team" from among the Moldovans. Each expatriate is a mentor in one of the designated career paths or skill areas while having line responsibility for their particular consultant unit.

Following a call for applications, 16 enterprises were selected to participate from among 41 applicants. The selections were based on perceived enterprise enthusiasm for reform and restructuring, industry and territorial diversification (to provide the necessary variety for training purposes) and other criteria. All enterprises were privatized and special attention was paid to avoid selecting more than one or two "hard case" or "hopeless" consulting projects. The selected enterprises were uniformly distributed among the four operational groups which then provided on-going enterprise specific restructuring assistance over the life of the project. Short term consultants (e.g., in marketing, production or a particular industry such as food processing, candy or furniture



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manufacturing) were recruited in the U.S. and served as both specialized mentors and leaders for specialized teams at enterprise level.

With the end formal training in early January 1996, Task 3 was completed on schedule.

### Task 4: Develop Business Plan as Appropriate for Each of the Pilot Enterprises (Action Plan)

After selection of an enterprise for technical assistance, the assigned team of consultants worked closely with the enterprise management, representatives of the workers' collective and, where applicable, significant outside shareholders and/or creditors. Together they developed an Action Plan detailing the restructuring activities needed to improve management and overall performance of the firm while identifying worthwhile areas for investment.

Performance of Task 4 (development of Action Plans), which was the first substantive task performed by the trainee consultants, proceeded smoothly and was completed on schedule. The USAID/COTR approved the Action Plan for each enterprise which detailed the areas of restructuring CPBR's consultants (expatriate, Moldovan professionals and Moldovan consulting firms) would undertake over the life of the project. The highlights of the Action Plans for each enterprise are summarized below in Section IV.

### Task 5: Business Plan Implementation

Based on approved business plans developed in Task 4, implementation was begun in the second quarter (February-April 1996) of the task order. Business plans were drafted and approved by USAID/Washington by mid-February 1996. These plans were structured to clearly define the consulting services to be provided to the cooperating enterprises. Implementation proceeded on schedule with no particular problems encountered by the consultants or the counterpart consulting firms. The deliverables under each plan are detailed below in Section IV.

### Task 6: Development of Legal/Regulatory Framework and Documentation

CPBR has continuously assisted the MOP with reviews and recommendations on a variety of draft legislation and regulations including foreign investment laws, bankruptcy and restructuring laws, joint-stock company law and regulations for the national bank of Moldova regarding repatriation export earnings. CPBR's lawyers reviewed all business legislation, coordinating their efforts with other USAID projects having the same mandate so as to avoid duplication of effort. In addition CPBR legal staff advised each of the Center's restructuring teams regarding legal and regulatory issues encountered throughout the various phases of the project. Legal staff were actively engaged in providing assistance to all 17 enterprises, resolving issues of land sales, corporate governance and preparations for annual share holders meetings.

### Task 7: Develop Strategy for Replication of the Program Nationally

At the end of the task order period, a strategy was submitted to USAID and the MOP to replicate the project's enterprise restructuring and capacity building program at the national level. A plan was accepted and, on September 1, 1996, the roll-out task order began.

## IV. RESTRUCTURING TEAM'S COMPLETION REPORTS

The original level of management consulting skills of CPBR's Moldovan trainees was inadequate by Western standards. The trainees' own skills, background, work experience, leadership and language abilities were diverse. The group included recent graduates of the Moldovan Academy of Economic Studies, professors at the same institution, former engineers, physics researchers, journalists and others. The CPBR selection process was effective in selecting highly motivated trainees of an unusually high level of intelligence, but, not surprisingly, no former management consultants or Western-level professionals were in the group.

This situation created special challenges for the CPBR's management in terms of achieving coherent teams where all participants possessed at least a minimum of knowledge in each discipline. An attempt was made to balance each group with trainees in different skill areas as follows: financial analysis, accounting, marketing, industrial relations and industrial engineering. Over the longer term, however, the diversity of trainees' backgrouinds contributed to the effectiveness of our consulting work with enterprises. The groups were welded, gradually, into coherent and effective units by intensive interaction with their respective senior expatriate consultants and other short term expatriates.

In this context, the one-week formal training seminar at the beginning of the program represented an important first step. To provide a common knowledge base for our consulting trainees, the CPBR expatriate consultants organized the training program as a structured walk-through of expected events or problems in typical consulting assignments. Training materials were selected for presentation and group discussions were conducted, sometimes with case studies and other practical demonstrations.

In addition to the brief management seminars attended by the entire CPBR group of trainees, the senior expatriate consultants gave many informal seminars on matters having to do with Western financial accounting, cost accounting, marketing, as well as advertising, organization, human resources, capital markets, production management, and industrial engineering. These seminars, which were open to all CPBR trainees, usually took place on Saturdays when all trainees gathered at the Center from their enterprise field trips.

## 1. GROUP 1 (Led by Senior Expatriate Consultant Florin Patriciu)

### A. Description of Consulting Teams

Group 1 comprised seven Moldovan consultant trainees (an eighth, Sergiu Botezatu, was detailed as coordinator to the special land pilot-project in Nisporeni). The list of consulting trainees and their detailed performance evaluation is below. The list contains the trainees' original professional specialties, e.g., financial analyst, accountant, marketing, industrial relations or industrial engineering. These specialties were assigned after taking into consideration trainees' educational and work background, their aptitudes and preferences as well as the project's needs.

In addition to CPBR direct hire Moldovan professional consultants, Group 1 received eight consultants from the Moldovan consulting firm **AGBIS,** specializing in services to agricultural and food processing concerns. Together the 15 trainees acted as a unit under the leadership of the senior expatriate consultant Florin Patriciu, who was assisted by a capable Moldovan deputy, Valeri Cebotari. The consultants were also divided in client-oriented task sub-groups with one consultant trainee responsible for liaison and coordination of activities with each client enterprise. The coordinators also participated as ordinary members in other sub-groups, when available and needed.

### B. Development of the Skill Levels of Consultant Trainees and Moldovan Consulting Firms

The attached, confidential evaluation form describes the progress achieved by each of our consultant trainees in terms of specific skills, as graded in relation to acceptable Western management consulting levels of proficiency. While some trainees advanced farther than others, the overall increase in their proficiency level was impressive. We are confident the great majority of our trainees will be able to provide the needed human resource foundation for a professional Moldovan management consulting industry, to enter the executive ranks of medium and large scale enterprises, or to become successful private entrepreneurs.

AGBIS also benefited greatly, not only from the increased proficiency level of their own consultants but also from expanding their expertise to new industrial segments, developing new potential clients and learning to manage multiple teams in complex consulting assignments under tight quality and timing requirements.

The following chart summarizes the evaluation by the team leader of the different skill levels of each consultant in their specific area of expertise "before" and "after" the Moldovan PER task order.

## 3. GROUP 3 (Led by Senior Expatriate Consultant: C. Eugene Moore)

### A. Description of Consulting Teams

Following brief formal training, the 14 members of Group 4 developed a structured approach to their consulting work by drafting outlines for discussions with their four enterprise-clients to clarify problems in sales markets and products; manufacturing, quality, costs, capacity, management control information; utilization of people, and motivation and supervision. As questions arose, special seminars with additional materials were undertaken throughout the period. A condensed sequence of the subjects covered and questions for early visits with clients were also developed.

Special assistance was received from the short term senior consulting experts, Greg Vaut, Bob Marenek, Marek Stawitski and others; their specific knowledge helped buttress those subjects which could not be covered in formal training except in a cursory way.

It is a real tribute to all our trainees, as individuals, that they became able to tackle the consulting problems and understand the appropriate possible interventions by management that could change the enterprise performance. They were energetic, enthusiastic and had a keen desire to acquire new information.

Most important is that they became aware quickly of the social economic implication of the shift in economic goals as they came into focus. They worked enthusiastically in discussing the need for change in organizational emphasis and searched for new ways to productively use resources.

The trainees' skill levels were increased to the point where they can approach their clients' problems in an organized manner, analyze and offer profitable solutions to client companies. Several different skill areas were identified and consultants were classified according to these skill areas which are as follows: Financial Analyst (F.A.), Marketing (M), Industrial Relations (I.R.), Industrial Engineering (I.E.). The chart below summarizes the evaluation by the team leader of the Moldovan consultants by different skill areas and on a before the project and after the project basis:

**STRICTLY CONFIDENTIAL**

## GROUP 3 - MOLDOVAN PERSONNEL EVALUATION FORM
**(Grading between 1 - 10, with 10 maximum)**

| | Skill Area | Financial Analyst | | Accounting | | Marketing | | Industrial Relations | | Industrial Engineering | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **CPBR Consultants** | | before | after | before | after | before | after | before | after | before | after |
| Valerii, Efimov | (I.R.) | 5 | 7 | 5 | 7 | 6 | 8 | 5 | 8 | 7 | 9 |
| Viorel Ursu | (F.A.) | 1 | 4 | 2 | 5 | 4.5 | 7 | 3 | 6 | 5 | 7.5 |
| Oleg Calistru | (I.R.) | 6.5 | 8.5 | 6.5 | 8.5 | 4 | 6.5 | 4 | 6 | | |
| Victor Groza | (F.A.) | 6.5 | 9 | 8 | 8.5 | 5 | 7 | 4 | 7 | 5 | 9 |
| Nina Cuzetsove | (A) | 2 | 5 | 3 | 6 | NA | NA | 2 | 2 | | |
| Ludmila Nesterova | (A) | 3 | 4 | 2 | 5 | 4 | 6 | 3 | 4 | | |
| Igor Gorashov | (I.E.) | 6 | 7.5 | 6 | 7.5 | 5 | 7 | 4 | 7.5 | 5 | 7 |
| **MOBIAS-TRUST Consultants** | | | | | | | | | | | |
| Elena Ciornaya | (I.E.) | 6 | 8.5 | 6 | 9 | 3 | 6.5 | 5 | 7 | NA | NA |
| Stefina Poberejnik | (A) | 6 | 8 | 5.5 | 8.5 | 3 | 6 | 5 | 7 | NA | NA |
| Sergiu Ciobanu | (F.A.) | 5 | 6 | 5 | 6.5 | 4 | 5.5 | 4 | 6.5 | 7 | 8.5 |
| Andrei Rocotov | (A) | 1 | 3 | 1 | 3 | 2 | 3 | NA | NA | | |
| Eugeniu Gluhenkii | (F.A) | 3 | 6.5 | 4 | 6 | 4 | 6 | 4 | 7 | 6 | 7 |
| Vitalii Iovitsa | (I.R.) | 2 | 3.5 | 3 | 5 | 4 | 7 | 4.5 | 7 | 5 | 6 |

## COMMENTS

**CPBR Consultants**

| | |
|---|---|
| Valerii, Efimovs | Highly recommend as leader, solid management and problem solver skills. |
| Viorel Ursu | Quick learner, solid individual, energy, good team player. |
| Oleg Calistru | Excellent financial analytical, and computer models, good teacher, needs experience in supervision. |
| Victor Groza | Considered for additional leader, tops financial analysis, computer models. Management problem solving. |
| Nina Cuzetsove | Studious, limited experience, best working alone, will advice on career alternatives. |
| Ludmila Nesterova | Limited accounting, most interest in organization and human relations-translating. |
| Igor Gorashov | Learned general management consulting well. Excellent marketer and teacher. Can run small group. |

**MOBIAS-TRUST Consultants**

| | |
|---|---|
| Elena Ciornaya | Tops in finance and accounting, excellent teacher, leader in small group. Problem solver. |
| Stefina Poberejnik | Excellent in finance and accounting, can teach, a fine team member. |
| Sergiu Ciobanu | Mature engineering manager, solo engineering skills, finance skills good, owns own engineering firm. |
| Andrei Rocotov | Very young, inexperienced, will advise on career alternatives. |
| Eugeniu Gluhenkii | Excellent industrial engineering consultant, very good marketing understanding, quality programs. |
| Vitalii Iovitsa | Excellent computer training skills and modeling, can teach marketing. New masters degree. Will provide assertiveness training. |

## B. Development of the Skill Levels of Consultant Trainees and Moldovan Consulting Firms

Our team consisted of seven consultant trainees directly hired by CPBR from the best Moldovan applicants, albeit with low skills in consulting and limited experience in private enterprises. The deputy team leader, Valeri Efimov, had been employed as the chief of private business development at the Moldovan Chamber of Commerce. He mastered the new skills well, which, combined with his native general management skills, provided optimum day-to day leadership to the group. The others had university and post-graduate degrees. The skills most had studied were primarily finance, accounting, economics and physics. They had limited English language skills at the start which in some cases improved greatly over the course of the project. Two of the seven, Messrs. Gorasov and Groza, served as team leaders each with seven employees (mixed consultants and CPBR trainees). They accepted their responsibilities very well and exercised good teaching skills and leadership; this was remarkable given that the concept of management as an active and participatory experience was new to them (most were familiar only with top-down management in their previous careers).

The seven members of MOBIAS-TRUST consulting firm were older and more experienced. They worked cooperatively and enthusiastically, and expanded their original set of skills which grew proportionally higher from their initial higher level of experience. Their accounting knowledge was superior and the two mature industrial engineers demonstrated their skills and became creative in providing solutions to their client companies. The leadership of MOBIAS-TRUST (Petru Tisacov) provided competent and enlightened guidance.

## C. Enterprise Restructuring Reports

## C. 9. "ZETO" J.S.C.

### C.9.a. The Objectives in the Original Action Plan for Consulting Services

1. A marketing plan with a three-year horizon for analysis and forecasts of sales by product sectors. The present objectives and strategies must be completely adjusted for the lack of any market for the present products; to provide viable sales and profits in the future;

2. Selection of the most satisfactory existing buildings for reduced production; demobilization of unused space and its associated overhead cost;

3. Organization of machinery and equipment to support new strategic products more efficiently; and

4. Organization of programs for more economic materials in the supply chain; and

5. Reorganization of the management structure and procedures for a detailed strategic plan.

### C.9.b. Consulting Engagement Implementation and Results

1. A new marketing and sales program for home heating boilers and products for small buildings was initiated to replace existing hi-tech industrial products. New marketing personnel have been assigned and are in the field selling the new products which are being placed into production now. New, stronger distributors, have been selected. Good progress has been achieved as shown by market results in sales of Zeto's products.

2. The production areas are being rearranged offering more efficient manufacturing of the new products. New machinery is being procured for installation into the new plant layout as it is

implemented next year to satisfy new product sales and increase factory productivity. These activities and expenditures were approved at the special meeting of the stockholders, May 17,1996.

3. The management organization structure has been revised and new duties assigned to provide concentration on a new, more economical, supply chain for direct materials. This will improve incoming goods quality, lower costs and improve the timeliness of delivery to control work in process inventory levels.

4. Management has been trained in a more stringent quality program that measures the actual production against the intended designs and offers training and technical assistance to employees and supervisors for improvement when the product is non-conforming.

5. The installation of these new administrative programs is being controlled by monitoring the series of management tasks outlined in sequence in detailed critical path charts (CPM) for each program showing the major events required to complete their implementation.

6. We provided new cost accounting models, break-even cost analysis, and trained employees in their use in accounting which has provided improved price planning for all product sales.

**Summary:**

The enterprise has been strategically re-planned using a new market paradigm which offers the only realistic prospect of avoiding closure and returning to prosperity. Zeto forecasts increases in profits from this boiler shop project starting in 1996 of approximately L 500,000 annually through 1999 on product revenues of L4,000,000 per year.

## C.10. "NORD-MOBILA J.S.C.

### C.10.a. The Objectives in the Original Action Plan for Consulting Services

1. Participation in the analysis of economic feasibility to divide Nord-Mobila into five self-supporting economic units: new consumer and business furniture, trucks/auto service, commercial shops, food processing and metal fabricating.

2. Assistance in the improvement of production planning, planning of cost accounting, and pricing policy, along with a study of capital structure, and reduction of debt.

3. Assistance in enterprise's marketing strategy development, informational flow development and advertising activity.

4. Consulting in improving manufacturing process, quality control systems and up-to-date measuring devices, reducing energy loses, information on new technologies.

5. Development of 3-5 year business plan, which will serve as a guideline for current activity. This will be also a good basis for raising additional capital.

### C.10.b. Consulting Engagement Implementation and Results

1. The consultants analyzed the request to split Nord-Mobila into five business units and estimated the costs to be L 1.5 million without beneficial results. We successfully recommended this plan be dropped.

2. Training was given in methods of preparing financial plans as a data base for production schedules, direct materials requirements and a real cost model, all of which provide for monitoring actual performance in the operating departments. These procedures also facilitate new pricing policies and visibility in cash flows.

3. A new marketing department was established with 4 persons (2 consumer and 2 industrial specialists); procedures have been set-up, markets identified and already people have been actively selling in the field. Field activities have provided increases from L 9 million sales in 1995 to L 14.6 million in 1996 and up to L 24 million forecast in the year 2000. Profits will increase in 1996 from L 897,000 (6% of sales ) to L 2,397,000 (10% of sales) in the year 2000.

4. Increases in advertising and expositions are planned immediately and will keep pace with future market requirements. Increases in sales have used up the available production capacity, requiring a new factory layout and additional equipment, which has been planned and ordered. New (1996) regulations allow for restructuring funds to be available from Value Added Taxes (VAT) by memorandum with the Council of State Creditors; an application is being submitted.

5. More than 30 new procedures have been planned that will enable the company to achieve international standards of quality and be competitive in regular production. Increases in costs for these activities will be compensated by lower total costs by reducing losses, errors and defects.

6. In close cooperation with the Nord-Mobila purchasing department, we have developed a direct materials data base to be installed on new computers in July; it monitors the quality and cost performance from current suppliers to improve performance in each category. A manufacturer in Italy has extended an offer of cooperation and may provide assistance with specialized materials.

7. The consultants have made an assessment of the additional sales and profit from newly signed contracts for more than L 5 million in furniture sales. The growth is projected to double the plant by the year 2000 and a business plan has been proposed in accordance with Western accounting standards, now available from our cost model. It will be completed and available to search for new capital to support the growth of Nord Mobila.

8. The factory processes were reviewed by Robert Mareneck, a senior expatriate consultant and furniture industry specialist and executive from the U.S. He also reviewed and made recommendations for adjusting the company's marketing plans. He shared his experience in Western markets and assisted the consultants to use the new cost information supplied by experts in translating Moldovan accounting norms into Western style "cost of goods sold" information for improved pricing.

**Summary:**

The consulting team worked closely with a progressive management team to open up significant new markets, develop new products, and the capacity for a qualitative and quantitative jump on enterprise economic activities; Nord-Mobila will prosper in the increasingly competitive free market environment

## C.11. ELCAS Joint Stock Company

### C.11.a. The Objectives in the Original Action Plan for Consulting Services

Consulting activities will focus primarily on the development of a 3-5 year Business Plan aiming at a new product introduction and related rationalization of present facilities and production processes. While working on the Business Plan (see Annex III), the consultants will offer some programs for immediate improvement, such as:

1. Quality Program (to analyze present performance and provide training to management to lower defects and improve product performance);

2. Marketing and Sales Development Program (to immediately review present programs and personnel in order to expand consumer goods distribution and sales);

3. Program for Development of Financial Analysis and Cost Accounting Practices; and

4. Consulting assistance on utilization of existing manufacturing facilities for new products.

## C.11.b. Consulting Engagement Implementation and Results

1. Our consultants observed many apparent product defects in the factory, reviewed their frequency and examined data on field repairs whose costs were charged to the factory's account. A variety of remedial steps were initiated and managers trained as consultants installed quality monitoring programs.

2. As the Company's former export markets shrank, a new marketing program was developed. Managers were trained to develop regional agents and minimize credit risks in their sales programs. A European directory and one for CIS areas yielded many opportunities for sales and service warehouses in other countries with existing "Elcas" installed bases and satisfactory prior performance reputation. CPBR located and applied field performance test results to new product designs from most manufacturers who compete with "Elcas" in the European Union ("EU"), Commonwealth of CIS and Russia. This yielded an important reference data base and benchmarks for factory quality monitoring.

3. A new data base for suppliers of electric motors, non-ferrous metals and plastic resins will enable the Company to reduce its dependence on previous suppliers of deficient materials and finished components.

4. "Elcas" managers were trained in all "cost of goods sold" categories of expense; adapted the new chart of accounts, and procedures to improve management decisions and pricing of product from April 1996. New sales effort and new pricing provide guides to the most profitable products in the line which had been overlooked.

5. The new accounting system has focused management's attention on forecasting sales, controlling costs and restructuring debt. Because of this training and their installation of CPBR's new accounting cost models, "Elcas" received a memorandum on relief from budget payment penalties from the Council of Creditors, designed to help enterprises involved in restructuring programs

6. These improvements provide sufficient detailed information to enable Elcas to make more reliable forecasts and develop a new strategy. A program to determine the most helpful infusion of capital and the search for the longest term debt must be combined with a business reorganization plan to survive.

7. Detailed consultations on the best way of moving to contractual recruitment of employees were conducted with the company. Specimen employment contracts were developed for three levels of employees:

- director/manager
- heads of departments, shop, section (two versions)
- engineer, worker.

**Summary:**

"Elcas" has huge debts and current washing machine sales have filled less than 20% of former volumes which were directed to CIS; current products fit the rural conditions of Moldovan markets (water, sewage and electric current). CPBR Group 3 made a significant contribution to spur marketing activities for sales growth. Significant quality assurance programs will support sales activities. Introduction of new products at realistic prices will further aid revenue growth and cash flow. CPBR's focus on sales enhancement is now part of the company's management philosophy. We have added new tools to the enterprise management and provided a focus for creating broader international markets for similar rural areas in all the CIS.

## C.12. RADA Joint Stock Company

### C.12.a. The Objectives in the Original Action Plan for Consulting Services

1. Develop an integrated management strategic plan with sales, marketing, and product manufacturing sections based on a three-year planning horizon. It will include model reviews and forecasts.

2. Outline changes in accounting procedures to provide tracking of changes, giving opportunities for management of costs. Recommend appropriate changes in pricing policies.

3. Develop a Quality Control Program for Production focused on setting standards and measuring actual performance by statistical control procedures.

4. Against a background of a detailed strategy it is possible that such control will provide cash flows and guidance for improving working capital levels-leading to improved debt management.

5. Outline an improved supply chain and the investigations required to locate and negotiate with dependable suppliers.

### C.12.b. Consulting Engagement Implementation and Results

1. In order to develop a properly integrated strategic 3-year strategic management plan for "RADA", it was necessary to prepare a detailed Marketing Program, Production Program for manufacturing schedules, a 3-year Financial Plan, a Complete Quality Management Program and a Supply Chain Improvement and Inventory Management System. The RADA factory management staff thus had an opportunity to be trained in the preparation of an important segment of a Western-style strategic management plan. The plans have organized all the significant actions, procedures and events into a critical path sequence. Management therefore has the skills needed to make future revisions to its plans as appropriate in the light of prevailing circumstances.

2. Special assistance in the field of cost analysis from two experts, Mr. Marek Stavitsky and Greg Vaut, was extended to RADA followed by intensive training to the RADA key employees. Cost Flow Model and Contribution Margins for all the products shipped by the factory in 1995 were

prepared and calculated. Additional calculations were completed for all products produced in the first quarter of 1995 and in 1996. These data formed a base for the installation of new managerial accounting systems at RADA. This will enable management to change pricing policy, select the most profitable products and select better production/profit dynamics.

3. A thorough analysis of product designs, production process, technical controls, raw materials and component parts quality, including the auxiliary departments has been performed. All the normative technical documentation on Quality Management at RADA has being revised to meet European Standards and competitive requirements. Short and long term programs for modernization of equipment are in process. CPBR completed a Critical Path (CPM) Program to monitor remedial actions and implementation of 35 recommendations for improvement. These activities made it possible to increase productivity and to decrease cost by 4-5% at some manufacturing stages.

4. The consulting team prepared a short term Financial Projection for the first half of 1996 to help the company in restructuring its huge debts. Four activities have been formulated to avoid further increase in debts in 1996. The four include production of more goods for sale in Russian markets, disposal of "sub-standard" inventory at a discount, a forum to arbitrate claims to Moldresources for remedy of poor quality and arbitration for restoration of working capital taken by state agencies. We have proposed solid claims for negotiation with the State Creditors Council and some progress is under way. A long range forecast (1996 to 1999) has been completed; it incorporated the Sales and Market Programs required for eventually retiring all debts. Marketing Programs and Quality Programs now in progress are designed to overcome shortcomings and promote success.

5. Successful manufacture of products depends first on the appropriate level of quality of raw material, and components. CPBR consultants have developed a Program of Inventory and Supply Management, to monitor and control a number of deviations and weaknesses revealed in the work of the supply department. Until our intervention, communication among workers in the supply department was poor and their qualification for their tasks was inadequate. The following additional assistance has been extended to RADA:

- CPBR consultants instructed RADA in the appropriate scheduling policy for raw materials, materials and components purchases and overcoming problems because of previously untimely decision-making.

- CPBR consultants arranged that during contract negotiations for materials supply, specifications for quality of the materials are to be included and remedies for non-conformity understood by the Parties;

- CPBR consultants trained the supply manager to develop and introduce methods for procuring raw materials, materials and components at lower cost.

- CPBR consultants provided a system for obtaining new suppliers, based on the availability of new materials and accessories in the market.

- CPBR consultants introduced a computerized system of inventory management, to create an integrated data base on all kinds of the necessary materials suppliers in the Republic of Moldova, the CIS and Western countries, and also to create a data base of the recipients of similar materials in the Republic of Moldova.

**Summary:**

Having recognized the inadequacy of cost information in bidding for volume contract sales, a completely new system of cost accounting was installed and employees trained to use and apply it. Low quality in manufacturing retarded Rada's sales, for which the remedy was implementation of a quality control program designed to significantly reduce losses, errors and defects with the dual objective of restoring retail stores' confidence in RADA and improving productivity. Expert guidance and better accounting are leading to recovery of significant cash for working capital improvement.

## 4. GROUP 4 (Led by Expatriate Consultant Derek Wilson)

### A. Description of the Consulting Teams

Group four consisted of 13 individuals from the CPBR and the consulting wing of the investment fund, DAAC Hermes (DAAC). The age of the consultants ranged from 22 to 48 years. The team was divided into two groups, with one partially working at the offices of DAAC. The two groups interacted closely, with daily information exchanges.

The combined group had members with the following skills: financial analysis (3 people), accounting (2 people), industrial relations (4 people), and industrial engineering (3 people). Legal issues were covered by the lawyers from the CPBR and by one lawyer (1) from DAAC.

## STRICTLY CONFIDENTIAL

## GROUP 4 - MOLDOVAN PERSONNEL EVALUATION FORM
**(Grading between 1 - 10, with 10 maximum)**

| | Skill Area | Financial Analyst | | Accounting | | Marketing | | Industrial Relations | | Industrial Engineering | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **CPBR Consultants** | | before | after | before | after | before | after | before | after | before | after |
| Filimon, Pavel | (A) | 3 | 6 | 5 | 7 | 4 | 6 | 3 | 6 | 3 | 5 |
| Aksentyk, Viktor | (I.E.) | 4 | 8 | 3 | 7 | 5 | 7 | 5 | 7 | 7 | 9 |
| Roshkovan, Miahi | (F.A.) | 5 | 8 | 4 | 7 | 4 | 7 | 5 | 7 | 6 | 7 |
| Demchenko, Marianna | (I.R.) | 3 | 6 | 2 | 5 | 5 | 7 | 4 | 6 | 4 | 5 |
| Rotaru, Stefan | (A) | 4 | 7 | 3 | 6 | 4 | 6 | 4 | 6 | 5 | 6 |
| Vulpe, Dan | (F.A.) | 6 | 9 | 4 | 7 | 5 | 7 | 3 | 6 | 4 | 7 |
| **DAAC Consultants** | | | | | | | | | | | |
| Gerbovets, Valiery | (I.R.) | 5 | 7 | 4 | 5 | 5 | 7 | 5 | 7 | 6 | 7 |
| Dubendo, Petru | (I.R.) | 4 | 5 | 3 | 5 | 3 | 6 | 3 | 5 | 3 | 5 |
| Cerbari, Cornel | (F.A.) | 3 | 5 | 2 | 4 | 3 | 5 | 2 | 4 | 3 | 5 |
| Sirtinsky, Natalia | (M) | 3 | 6 | 3 | 6 | 4 | 7 | 2 | 6 | 3 | 6 |
| Vakarik, Eduard | (M) | 4 | 7 | 4 | 6 | 4 | 8 | 4 | 7 | 4 | 7 |
| Dilion, Vladimir | (I.R.) | 3 | 3 | 3 | 4 | 3 | 4 | 3 | 5 | 2 | 4 |

## COMMENTS

### CPBR Consultants

| | |
|---|---|
| Filimon, Pavel | Good analytical skills, strong accounting background |
| Aksentyk, Viktor | Future team leader, strong analytical, computer and leadership skills, engineer by profession, needs English ability to work on special tasks i.e. cost models as instructor. |
| Roshkovan, Miahi | Future team leader, strong communication, analytical, computer skills, needs English |
| Demchenko, Marianna | Gained most in marketing areas, needs improvement in analytical skills. Good people skills. |
| Rotaru, Stefan | Good analytical abilities, communication skills need improvement |
| Vulpe, Dan | Good analytical computer and marketing abilities, personnel selling skills still developing. Potential to work on special tasks i.e. cost models as instructor. |

### DAAC Consultants

| | |
|---|---|
| Gerbovets, Valiery | Good leadership skills, former company manager, could be team leader in future. |
| Dubendo, Petru | Has improved substantially since start of program. Presentation skills need improvement. |
| Cerbari, Cornel | Only moderate participation in program. |
| Sirtinsky, Natalia | Needs work with analytical skills, people skills are good. |
| Vakarik, Eduard | Showed significant interest in marketing, has made strong contribution to client company. |
| Dilion, Vladimir | Only moderate participation in program |

## B. Development of the skill levels of consultant trainees and Moldovan consulting firms

An internal survey was performed to determine which skills were still missing for each person. Based on these results, a list of minimal skills was designed, which included areas such as marketing, management, financial and management accounting, and engineering. Then, the trainees themselves organized cross-training to improve the skills of other team members under the guidance of the expatriate consultant. By the end of the project, all consultant trainees had gained basic knowledge in all fields. In addition to technical skills, development of communication, negotiating and personal selling skills, were also covered.

Computer skills were also developed. The more experienced consultants provided advice for beginners on use of computers and applications. At the end of the project, all consultant trainees were able to use computers in their professional activity.

One of the consultants attended a seminar organized by Carana Corporation in Moscow on enterprise restructuring in Russia. Information from the seminar was shared with other center employees highlighting solutions found by restructuring projects in Russia. The CPBR distributed among consultant trainees the manual "Financial Management in Russia", written during another USAID project, a helpful tool to financial analysts and accountants at the center.

An engineering expert worked with Team IV at the client dairy, Inlac, and made a significant contribution to the training of consultants assigned to this company. The consultants became familiar with real cost estimation and were able to design a daily real cost model for the company, which is being used by management. Team IV designed and applied real cost models for all four of its client companies.

Specific skills developed by each trainee included; for: Pavel Filimon: skills in financial analysis, cost accounting, marketing; Valeriu Gherbovet: marketing and cost accounting; Mihai Roscovanu: financial analysis, cost calculation, market research, communications; Dan Vulpe: cost accounting, management structures, market research; Stefan Rotaru: market research, management, computing; Petru Dubenco: market research, management; Eduard Vacaric: market research, cost analysis, milk processing technology, computing; Victor Aksentyuk: financial analysis, client relations, cost calculation, marketing, MIS; Cornel Cerbari: cost accounting and computing; Natalia Sirotinski: Western accounting, computing; Mariana Cerneatinschi: financial analysis; Mariana Demcenco: financial analysis, marketing, computing.

## C. Enterprise restructuring reports

### C.13. Artima SRL

### C.13.a. The Objectives in the Original Action Plan for Consulting Services

The initial diagnosis determined that Artima required assistance in the following areas:

(1) development of a marketing/management information system;

(2) financial management;

(3) development of a daily reporting system;

(4) new organizational structure;

(5) investment plan; and

(6) long term partial liquidation plan.

## C.13.b. Consulting Engagement Implementation and Results

The consulting team assigned to Artima:

(1) conducted a survey of the leather products market. Management was informed about fashion trends, and was given options for segmenting the current range of products into several brand names. Changes in the sales force were also suggested. The consultants conducted an internal survey among sales people on which products sell better, on their attitude to work, and on methods to increase sales. The results show the company had neglected its sales people's suggestions. Stressing the need to change this attitude and use all the information available to improve sales, consultants made recommendations, which were implemented, for improvements in the commercial department, including the separation of sales and purchasing sections. Information was given to the personnel of the commercial department for developing better product designs, including data developed during visits to shops, the use, as samples, of better competing products, and closer internal cooperation between the design and commercial departments. The consultants designed and installed spreadsheets for accounting of receivables and trained personnel in their use;

(2) with the CPBR lawyers, a standard sales contract was designed giving better payment terms to customers which had historically made timely payments and encouraging delinquent customers to pay a portion of outstanding amounts to secure future supply. The terms of credit were arranged by product to reduce inventory turnover time. In an effort to avoid lengthy court proceedings to collect unpaid debts, new contractual arrangements were suggested collateralizing Artima's accounts receivable against real assets of buyers.

(3) after studying information flows within management, daily reporting forms were designed which enhanced management's access to operational data. The consultants recommended that information be gathered from key departments: sewing, fixtures, commercial department, warehouses, and maintenance. Each department now has one individual who will report a number of key statistics on a daily basis to a person in the accounting department, such as labor and material usage, purchases, and energy consumption. The daily reporting should prevent a build up in inventories and receivables as has occurred previously. Better accounting procedures of receivables and payables resulted in decreases of $ 25 thousand (14 %) and $ 40 thousand (9 %) in the respective Balance Sheet accounts.

(4) based on a survey among administrative staff aimed to assess strengths and weaknesses of the existing infrastructure, a new organizational structure was suggested. Since the current structure has a high ratio of administrative/production workers, the consultants recommended that managers be assigned to profit/cost centers, with the exception of the general manager, personnel department, and legal department. Consultants advised letting several profit/cost centers, such as transport, dormitory and canteen be autonomous business units, which would take external orders.

(5) since the installation of water treatment facilities will allow initiation of production of galvanized accessories, consultants examined the company's application for a government grant worth $250,000 and helped write supporting documents. The consultants re-wrote an internal business plan and designed a presentation for external investors, preceded by detailed analysis of assets and liabilities, including an estimation of the real value of inventory and fixed assets.

(6) recommended territorial consolidation of activities and selling or leasing of all non-used parts of the plant and equipment. The company rented two of the floors of its administrative building to private businesses. Renting unused buildings contributed $50,000 revenue for the current year. An aspect of this plan is the estimation of the liquidation value of the enterprise's unneeded assets and

their sale in order to settle previous debts. The consultants referred Artima to the USAID project, managed by Booz Allen & Hamilton, for the assessment of its land.

(7) in addition, our consultants, who are experts in spreadsheets and word processors, trained two of Artima's managers on cost accounting (plant accounting, contribution margin, break even) and designed a real cost model, to be used in contract bidding; provided legal advice on contracts, constituent documents, bond issues amongst other areas.

**Summary:**

In the last four months, Artima has been able to return to its normal mode of operating. The transactions account has been unfrozen and the chief manager is able to delegate a wider range of administrative and marketing tasks. Inventories were reduced by $90,000, which is a 30% reduction since the beginning of the year. Company debt has been reduced by 30% from $300,000 to $210,000. Artima is now in a position to retake the domestic market for leather products from importers by using its new sales structure, marketing strategy and information systems provided by CPBR.

## C.14. BTA-18

**C.14.a.** The objectives in the original Action Plan for Consulting Services

The consultants proposed the following:

(1) find new freight and passenger services;

**(2)** optimize investment decisions for vehicles;

**(3)** optimize the sales department and pricing procedures;

**(4)** improve the management information system;

**(5)** suggest to the Government a new tariff structure;and

**(6)** provide legal advice.

### C.14.b. Consulting Engagement Implementation and Results

**(1)** Passenger Traffic: our consultants studied passenger traffic on all routes, fleet requirements to meet demand; design of controls for bus drivers; designed spreadsheets for sales and demand analysis for passenger traffic. Study results show that: demand for passenger traffic exceeds the current capacity of the company by 1.5-2 times; at least two days a week and in rush hours 15-20 % of demand is not met; 20-27 % of revenues were not reported by the drivers previously; 24-28% of passengers benefit from government regulations on lower tariffs, but the government only reimburses 40% of the cost; to meet demand, the fleet capacity could be doubled with profitability being maintained.

**(2)** Investment Planning: consultants designed a model for making investment decisions for the bus fleet. Based on inputs such as tariffs, prices, transportation volume, market capacity and others, the model determines additional fleet additions, capital investment needed and time range for recovering investment. Management has initiated talks with Hungarian bus manufacturer Ikarus to buy second hand buses for profitable routes.

**(3)** Sales: consultants suggested that company start selling passenger tickets itself rather than only via drivers and sell more company produced soft drinks. Given overcrowding at Chisinau bus station and delay in payments from the bus station in Orhei, suggestions were made to negotiate new contracts with these organizations, to improve conditions for ticket sales and prevent delays. A CPBR market study showed a need for a new bus station in Criuleni, and work has already started.

**(4)** Training: consultants taught employees financial analysis of BS and P&L in Western formats; keeping registers for each route; analysis of traffic trends; analysis of company's performance. The new controls on the drivers have resulted in 30% more gross revenue for the company.

**(5)** Soft drink manufacturing: consultants supported management's decision to launch into this area. Consultants tested water quality and compared it to international standards, being able to determine requirements vs. equipment required. Based on the consultants' recommendations and a sales contract with the airport, management initiated negotiations to buy a bottling line.

**(6)** Legal advice: consultants wrote a standard sale contracts, rewrote title on land ownership, prepared application documents for Land Reform project of USAID.

**Summary:**

The impact on enterprise consisted in increased performance and more skilled management: compared to the same period of last year, in January-May 1996 freight increased by 21%, passenger traffic-by 42%, and productivity per driver by 33% and 42% respectively. Bus fleet utilization ratio rose from 0.88 to 0.92, or by 4%. In the first quarter of 1996 net profit rose by 37% and profitability by 13% vs. the same period of last year. The growth trend is expected to increase in the second half of the year.

## C.15. InLac SRL

**C.15.a.** The objectives in the original Action Plan for Consulting Services

Problems faced by the company: diminishing supply of raw milk, lack of modern packaging, an inefficient accounting system and lack of timely management information. The consultants chose the following areas of intervention:

**(1)** set-up a better information system in order to establish the daily costs for manufacturing each finished or semi-finished products; make prompt management decisions on manufacturing process; improve cash flow; determine which customers are more profitable customers; establish a better link among departments.

**(2)** assist in market /product mix analysis, advise on shifting the future product mix through: market studies; examination of competing products; establish company's market share in each sales region; feasibility study for new products.

**(3)** financial advice;

**(4)** technical advice, by bringing to management attention the need for: maintaining clean technological lines; replacement or repair of all gauging devices; maintaining the permanence of technological regimes; and

**(5)** legal advice.

## C.15.b. Consulting Engagement Implementation and Results

**(1)** designed a daily reporting model for real costs incurred during the manufacturing process. The model consists of five daily reports for each main product and seven monthly reports that aggregate daily reports. The model also includes an aggregate monthly report that combines all monthly reports.

Each daily report has two sections, for input and output data. Since 75-85% of costs at InLac are accounted by raw materials, energy, cleaning and labor, the model used these items as main cost items. Energy consumption per product is determined by energy consumption of each unit of equipment involved in the manufacturing of this product based on amount of raw material processed. The model can be changed to account for the introduction of new equipment. To put it to best value, the model requires input of all source information for each manufactured product. The source date are divided in daily inputted data (raw material consumption, its price, number of workers) and regularly inputted data (prices per 1 kWh, 1 ton of cold water, 1 ton of steam, 1 ton of simple water, output ratios for each product and drivers for cost distribution). The daily data input requires from heads of production departments no more than 4-6 figures per product. The source data are inputted into template spreadsheets. The time range from data gathering to output reports takes does not exceed an hour. The model allows: prompt establishment of daily costs per finished and semi-finished product; separate determination of cost for raw material, energy, labor, and cleaning; comparison of real output with planned output; determination of real cost and losses per ton compared to planned cost; determination of total costs, including cleaning costs.

The cost model showed that in manufacturing of sour cream from own cream, the cost per ton varied significantly depending on quantities processed. Focusing on larger-run manufacturing (as opposed to daily quantities) will save the company around $40 thousand yearly. The cheese manufacturing now uses skim from butter department that costs $40/ton rather than from sour cream department that costs $180/ton. In March, 14 tons of more expensive skim from the sour cream department were used; by stopping this process, annual savings of $24 thousand can be achieved. The cost model calculations show that changing output structure will result in savings of $264 thousand per year. Consultants recommended use of own cream, which, after implementation, will bring $200 thousand in yearly savings.

**(2)** performed a market study establishing the main competitors for each product, their prices and consumer preferences. A survey was conducted regarding new products. Since existing accounting could not establish which customers made payment more reliably, consultants implemented a new form of receivables accounting document showing amounts due, and days until product spoilage. It also allows measurement in changes of customer behavior, such as payment delays and increases in order. Consultants recommended urgent creation of a marketing department and presented a possible structure.

**(3)** helped start cash flow analysis at the company. The cash flow model will help the company determine cash inputs for covering operating expenses; forecast sales and cash inflow in the short and long run; determine cash at the end of accounting periods and prevent misuse of liquid funds.

**(4)** made a detailed study of technological process and equipment. Consultants found that many gauging devices did not meet the technical requirements, which led to low quality output. Consultants recommended a replacement or repair of all inadequate devices. Given that steam supply from an adjacent company was intermittent and led to halts in technological processes, consultants advised the company to build its own boiler. Since production departments did not meet sanitary norms, consultants suggested: daily cleaning of all parts of equipment and adjacent areas; increase concentration of chemicals in cleaning solutions; buy new filters for dry milk manufacturing; clean packaging area; discard of low-quality bottles. Inlac has implemented a wide range of the sanitation program and is looking to buy a new boiler in the coming months.

**Summary:**

Presently, Inlac management has an understanding of how its operations should be managed in a free-market economy. Real information is used versus the old norms dictated by the government. Inlac is now positioned to become one of the few dairies which will survive the consolidation period in the Moldovan milk industry. Whereas previously the company believed that butter was unprofitable and dry milk profitable, a key result of the efforts of the CPBR was to show that the opposite is the case. Such a fundamental shift in the production of the company will ensure survival and, in turn, speed up the payments made to farmers. Thus, a strengthening of local dairy farmers may result.

## C. 16. Speranta SRL

### C.16.a. The Objectives in the original Action Plan for Consulting Services

Problems confronting Speranta were lack of liquidity, lack of sales and poor management. Accordingly, the CPBR offered assistance with (1) creation sales and marketing function, (2) changing and retraining management, and (3) financial restructuring. In addition, consultants proposed analyzing alternatives for (4) consolidating the company's activities onto one site.

### C.16.b. Consulting Engagement Implementation and Results

**(1)** Sales and marketing: consultants recommended concentration on the housing market, where the company can use its own composite materials panels. Consultants assisted in licensing this product. Since the company was selling only from the plant, a retail distribution system was started using stores owned by the investment fund DAAC Hermes. The consultants assisted in the opening of a shop in Chisinau. Sales are expected to be 30% higher this year as a result.

**(2)** Management restructuring: the consultants recommended replacing the general manager due to previous marketing problems. The consultants suggested a new management structure, which was approved at the Supervisory Council's Meeting on June 13th 1996.

**(3)** Financial restructuring: consultants recommended sale of assets and designed a plan which included the sale of $180,000 in fixed assets, privatization and consequent sale of land; lease of plant and equipment (estimated revenue in 1996, $30,000), procedures for cost control, collection of receivables and cash flow accounting; preparation of document for freezing of debts owed to the state, expected to be signed at end of current year. Following partial implementation of restructuring plan, company succeeded in covering debt for utilities ($15.000), and 50% of wages payable. The company has signed building contracts with public organizations worth $35,000 to cover state debt.

**(4)** Investment planning: consultants designed an investment offering including description of assets, liabilities, restructuring plan and investment plan. A Czech investment fund is now considering a joint venture.

**(5)** Legal advice: consultants succeeded in bringing several of the Company's statutory documents in line.with legislation; rewrote title on use of land; prepared application for Land Reform project of USAID.

**Summary:**

New markets for existing products have been found within Moldova, with continued experiments into new tile products, the company will be able to regain lost market share.

The debt restructuring will result in the unfreezing of the company's account. With the replacement of the company management, Speranta is able to service the construction market more effectively. In all, a company which would have normally been a liquidation candidate will now be able to survive in a market with large growth opportunities in the mid-term future.

## 5. LEGAL TEAM ACTIVITY (C. Jelinik-Francis)

Enhancing Enterprise Viability
(See: Legal Materials Annex to Completion Report, Sections 2 and 5, Employment and Marketing Contracts; Staff Inquiries)

Throughout the course of the Enterprise Restructuring Project, the lawyers' team concentrated on concrete improvements in enterprises' business capacity. The underlying rationale was to aid enterprises in becoming commercially viable by remedying deficiencies within their own structures, in their interaction with governmental authorities and in relations with their shareholders and business partners.

Certain issues repeatedly emerged as obstacles to be addressed by the legal department as it worked with individual enterprises. These factors were (and remain):

- insufficient development, generally, of legislation in Moldova;
- specifically: inconsistency in existing laws pertaining to entreprenuership, corporate governance, banking, and foreign investment ;
- slowness of company management to intellectually respond to altered economic conditions and related legal responsibilities;
- disruptive political interference with enterprise activity and instability of business relationships for lack of effective legal recourse.

These factors created conditions in which we solved problems which had not been anticipated during the initial phases of the project and which therefore were not necessarily reflected in the Task Order or Action Plans. We were therefore forced to develop, on an ad hoc basis, broadly applicable solutions to practical problems.

Successful implementation of the Program was conditioned upon each enterprise's interest in participation, i.e. management's awareness of the practical significance of the Program and its commitment to implementation of Program recommendations. With regard to legal issues, this awareness and commitment varied. Initial perceptions of issues requiring legal consulting service were frequently enlarged to encompass resolution of issues relating more directly to the daily operations of the enterprise. These ranged from matters as ostensibly uncomplicated as procedures for opening bank accounts to proposing to Parliament changes in regulations of the National Bank regulating the repatriation of export generated profit.

Other projects undertaken by CPBR's legal group include:

- Contracts were drafted and delivered regarding employment, distribution, and investment;
- Alternative financing methods were analyzed and presented;
- Statutes of all client enterprises were reviewed for compliance with current law and for implementation of proper corporate governance.
- Development of Legal and Regulatory Framework

(See: Legal Materials Annex to Completion Report: Sec. 3, Legislative Analysis and Commentary)

**Additionally, we carried out:**

Analysis of proposed amendments to the Joint-Stock Company Law and a structural comparison with the Delaware General Corporation Law.

Our proposals and observations on this draft were discussed with Mr. V. Peremienco, Deputy Chairman of the Parliamentary Commission on Economy, Industry and Privatization, with a view to providing a context for further legislative amendment.

Work with the enterprises to complete Shareholder Registries.

Preliminary steps to aid enterprises in issuing new stock and bonds.

A considerable volume of work on issues in corporate governance and management. There was extensive consultation on shareholder rights and participation; management accountability and corporate structure.

**Cooperation with Ministry of Privatization**

The work of the Legal Team in other areas has been carried out in close cooperation with the Ministry of Privatization. In particular:

This Ministry has contributed to the promotion of our proposals for amendment of the regulation of the National Bank of Moldova regarding the repatriation of funds generated by export transactions, which was significant for the majority of the project enterprises. (See: Annex, Sec. 3, Legislative Analysis and Commentary)

We participated in drafting the Instruction on the Alienation of Assets, regulating sale of those assets not used in the technological processes of the enterprises. This regulation was a collaborative effort with the staff of the Ministry of Privatization and the Legal Team's local counsel.

A critique of the Foreign Investment Act has been submitted to Mr. Ceslav Ciobanu, Minister of Privatization, with the goal of stimulating efforts to improve the legislative framework for investment in Moldova. (See: Annex, Sec.3, Legislative Analysis and Commentary)

**Legal Consulting Services Provided to Enterprises**

(See: Legal Materials Annex to Completion Report, Sec. 6, Working Papers and Issue Analysis)

The primary issues addressed at each particular enterprise were the following:

**Bucuria S.A.**

**Action Plan provisions:**

- conclusion of the enterprise's Shareholder Register;
- preparations for a secondary share emission;
- support of the enterprise's interest in increasing its employees' share in ownership through transfer of a portion of the "lease product" share belonging to the state;
- improvement of land legislation provisions and recommendations on its application;
- opening, when necessary, settlement accounts in different banks.

**Completed tasks:**

Attempts have been made to settle certain issues which remained unclear under Law # 642-X111. These included procedural difficulties in concluding compilation of the Shareholder Register and uncertainties relating to increases of enterprise staff's allocation of the share capital. The latter issue was raised in a meeting with the Vice Minister of Privatization, Mr. A. Cucu, during his visit to Basarabia Nord S.A.. Discussion was thereafter repeatedly pursued at the level of Head of Department at the Ministry of Privatization and our position set forth on this matter.

Incorporation documents of each enterprise have been analyzed and recommendations made regarding their amendment to reflect legal requirements. Other recommendations have been made on:

(1) the implementation of a contract based hiring system (also a model management employment contract has been developed and presented);

(2) the holding of shareholders' General Meeting;

(3) secondary issues of shares;

(4) issuance of bonds.

**Ungheni-Vin S.A.**

**Action Plan provisions:**

Improvement of land legislation provisions and recommendations on their application; assistance in optimization of land-plot usage, pending land legislation changes.

**Completed tasks:**

Incorporation documents of the enterprise have been analyzed and recommendations made regarding their amendment to reflect legal requirements; written and verbal recommendations have been made:

(1) on the implementation of a contract based hiring system (also a model management employment contract has been developed and presented);

(2) regarding the holding of the shareholders' General Meeting;

(3) on carrying out a secondary issuance of shares;

(4) on the issuance of bonds;

(5) on rationalization of usage of land plots of the enterprise in compliance with the current legislation;

(6) on the application of labor and land legislation;

(7) a model contract for joint enterprise with a Canadian company, Garling Enterprises Inc., was drafted and presented;

(8) legal documentation for preparation of a secondary issue of shares for covering the cost of technological equipment, supplied by Garling Enterprises Inc., in an amount of US$360,000;

(9) a draft agreement was developed on the acquisition of enterprise shares by Garling Enterprises and a draft resolution of the General Meeting of the shareholders regarding the issuance of a second class of shares.

**Bere-Cahul S.A.**

**Action Plan Provisions:**

Improvement of land legislation provisions for facilitating possible purchase and sale and simplification of land privatization.

**Completed Tasks:**

Incorporation documents of the enterprise have been analyzed and recommendations made on their amendment to reflect legal requirements;

written and verbal recommendations have been made:

(1) on application of contract based hiring system and a model contract with the manager has been presented;

(2) on holding the General meeting of the shareholders;

(3) on carrying out a secondary issue of shares;

(4) on the issuance of bonds.

**Basarabia-Nord S.A.**

**Action Plan Provisions:**

- Possible resolution of problems attending the application of Law No. 642, pertaining to the "lease product";
- opening of settlement accounts with different banks;
- improvement of land legislation provisions and recommendations on their application, in order to facilitate possible purchase and sale; simplify the land privatization;
- modification of the instruction of the National Bank of Moldova, regarding the repatriation of export-generated funds.

**Completed Tasks:**

Attempts have been made to settle issues related to the effects of Law # 642-X111 upon the inability to conclude compilation of the Shareholder Register and on possible increase of the enterprise staff's share in the share capital. Discussion initiated in this matter with the Vice-Minister of Privatization, Mr. A. Cucu, at the enterprise as well as repeatedly at the level of Head of Department at the Ministry of Privatization with elaboration of our position on this matter. Incorporation documents of the enterprise have been analyzed and recommendations made on their amendment to reflect legal requirements;

Recommendations, verbal and written, have been made:

(1) on contract based hiring system and a model contract with the manager has been presented;

(2) on holding the shareholders general meeting (a proposed resolution of the General Meeting has been drafted regarding the introduction of alterations in the incorporation documents and implementation of contract based hire);

(3) on implementing a secondary issue of shares in exchange for non-cash investment;

(4) on the application of land legislation;

(5) on bonds issuance; upon enterprise transferring operations to the free economic zone created in the Town of Balts;

(6) on the application of additional privileges, granted by the Government Resolution No. 82 On additional measures on enterprise restructuring.

## Elcas S.A.

### Action Plan Provisions:

- origination of settlement accounts in various banks and simplification of banking procedure;
- improvement of land legislation provisions in order to facilitate the land privatization process;
- alteration of the National Bank of Moldova instruction on the repatriation of export- generated funds;
- simplification of customs procedures;
- recommendations on shifting the enterprise to contract based hiring system.

### Completed Tasks:

- Recommendations, written and verbal, have been made: (1) on the application of a contract based hiring system and a model contract with the manager has been presented; and (2) on carrying out the general meeting of the shareholders;
- On our proposal, amendments have been introduced into the Instruction of the National Bank of Moldova regarding the repatriation of foreign exchange generated from exports, with a view to enabling enterprises to recover funds confiscated as a penalty for unintentional non-repatriation of foreign exchange;
- Given that the staff of Elcas S.A. has been holding the enterprise on lease from the state since 1990, attempts have been undertaken to resolve the matter, in the light of Law No. 642-XIII, the interpretation of Art. 19 of the Law on Lease, the conclusion of the Shareholders Register and the possible increase of the enterprise staff's share in the share capital. To this end this question has been raised at the meeting with the Vice-Minister of Privatization Mr. A. Cucu, during his visit to the enterprise Basarabia-Nord S.A., and it has also been discussed repeatedly at the level of Head of Department at the Ministry of Privatization with an elaboration of our position on this issue.

**Rada S.A.**

**Action Plan Provisions:**

- Origination of settlement accounts with different banks and simplification of banking procedures;
- Simplification of customs procedures and their adjustment to international standards;
- Alteration of the Instruction of the National Bank of Moldova, regarding the repatriation of foreign exchange generated by exports;
- Improvement of land legislation provisions in order to facilitate and simplify the land privatization process.

**Completed Tasks:**

- Verbal and written recommendations have been made regarding: (1) taxation policies of local public authorities; (2) reconsideration by financial authorities of a directive freezing company cash assets since 1991, and subsequent application of these funds to the discharge of penalties on tax debts of the enterprise; (3) initiation of a lawsuit in breach of contract to terminate a loss-making contract with the concern Moldresurse, accounting of damages and submission of claim; this action should enable the enterprise to save more than $700.000;
- Recommendations have been made regarding the possibility of the enterprise joining a Free Economic Zone in the Town of Balts; all enabling documents drafted and presented in this matter.

**Zeto S.A.**

**Action Plan Provisions:**

- origination of settlement accounts and simplification of banking procedure;
- improvement of land legislation provisions in order to facilitate the purchase-sale possibilities and simplification of land privatization process;
- alteration of the provisions of the National Bank of Moldova instruction, pertaining to the repatriation of export generated funds.

**Completed Tasks:**

- Verbal and written recommendations have been made on: (1) application of contract based hiring and a model contract with the manager has been presented; (2) holding the general meeting of the shareholders (a resolution for the shareholders' General Meeting has been drafted regarding the introduction of amendments in the incorporation documents and on election to the management bodies of the enterprise); (3) on the application of the current land legislation; (4) on the re-organization of relationships with commercial agents of the enterprise (draft agreement has been presented for marketing service); (5) on carrying out concrete commercial transactions;

- Based on our proposal, amendments have been introduced into the Instruction of the National Bank of Moldova on repatriation of foreign exchange generated from export transactions with a view to grant a possibility to the enterprises to remit the cash confiscated for non-repatriation of foreign exchange.

**Nord-Mobila S.A.**

**Action Plan Provisions:**

- Origination of settlement accounts with various banks and simplification of banking procedure;
- Simplification of customs procedures and their adjustment to the international norms;
- Alterations of the Instruction of the National Bank of Moldova, concerning the repatriation of funds generated by the export transactions;
- Improvement of the land legislation provisions for making easier possible and simplification of the land privatization process.

**Completed Tasks:**

- Recommendations have been made on: (1) application of contract based hiring system, a model contract sample with the manager has been presented; (2) procedural aspects at the shareholders general meeting;
- Based on our recommendations alterations have been introduced into the instruction of the National Bank of Moldova regarding the repatriation of foreign exchange in order to grant the enterprises a possibility to remit the funds confiscated for non-repatriation of foreign exchange.

**Romanitsa S.A.**

**Action Plan Provisions:**

- Consulting on issues relating to contract based hiring system;
- Consulting on issues of the taxation law application;
- Consulting on matters of customs law application;
- Consulting on matters regarding the origination, structure and scope of work of enterprise's in-house counsel;

**Completed Tasks:**

- Recommendations have been made on: (1) application of contract based hiring system, a model contract with the manager has been presented; (2) procedures for holding the shareholders' general meeting;
- Written recommendations have been submitted on the application of the Art. 28 of the Law on Joint Stock companies regarding remuneration parameters for the Director of the enterprise;
- Recommendations have been made regarding the interpretation of taxation legislation, in particular, the Budget Law of the Republic of Moldova for 1996, as well as regarding current customs legislation;

- Recommendations have been made on the need and re-organization of the activity at the enterprise of its in-house counsel.

**Cupcini-Cristal S.A.**

**Action Plan Provisions:**

- Assistance in drawing up contracts;
- Consulting regarding the possibility of increasing the share of the staff in the share capital and improvement of the relationship among the shareholders;
- Consulting regarding the matters of rights and obligations of the shareholders and creating awareness of rights of ownership;
- Consulting on the matters of: foreign economic relations, land legislation, activity of the stock exchange.

**Completed Tasks:**

- An analysis has been made of the incorporation documents of the company and recommendations made with a view to adjust them to the current legislation;
- Rights and obligations of the raw materials suppliers, who are shareholders of the enterprise, have been explained in order to raise their sense of responsibility for the fate of the Enterprise (which resulted in favorable re-negotiation of some provisions in supply-contracts for raw materials);
- Consultations have been made, including in writing: (1) on the issues of redemption by the enterprise of its own shares in order to increase the share of its employees in the share capital; (2) on the registration of shares with an independent registrar; (3) on holding the General Meeting of the shareholders.

**Molditel S.A.**

**Action Plan Provisions:**

- Improvement of the land legislation provisions for facilitating the simplification of the land privatization process;
- Shifting to contract based hiring system at the enterprise;

**Completed Tasks:**

- Recommendations have been made regarding privatization of the land on which the enterprise operates, in conformity with current legislation;
- Recommendations have been made: (1) on the application of a contract based hiring system for employees and a model contract with the manager has been presented; (2) on the creation of branches and representative offices; on mutual relationship with the investment funds, which are shareholders in the enterprise; (3) also written recommendations have been presented on procedures to be followed at the General Meeting of shareholders.

## Galanta S.A.

### Action Plan Provisions:

- Consulting on the issues of contract conclusion;
- Simplification of customs procedures;
- Improvement of land legislation in order to simplify the land privatization process;
- Shifting to contract based hiring system at the enterprise.

### Completed Tasks:

- Incorporation documents of the Enterprise have been analyzed and recommendations have been made on their adjustment to the requirements of law; written and oral recommendations have been made: (1) on the application of a contract based hiring system and a model contract with the manager has been presented, as well as a contract for hire of employees for full or part time jobs; (2) on the application of the land legislation, (in particular: we achieved the cancellation of an unlawful resolution of the local public administration obliging the enterprise to privatize its land at an arbitrary, unreasonable price); (3) on the application of financial legislation; (4) regarding procedures of the General Meeting of the shareholders.

## Inlac S.A.

### Provisions of the Action Plan:

- Adjusting the incorporation documents of the enterprise to conform to the requirements of the current legislation; recommendations on the conclusion of mutual agreements between the enterprise and suppliers of raw materials and electrical power;
- Recommendations on the implementation of the contract based hiring system.

### Completed Tasks:

- Incorporation documents of the enterprise have been analyzed and recommendations made on amendment to conform to the requirements of the law;
- Provisions have been improved in the contract for raw milk supply from collective and private farms;
- Recommendations have been made: (1) regarding issues attending implementation of the contract based hiring system and a model contract with the manager was developed; (2) on the improvement of the mutual relationship with the suppliers of thermal and electrical power; (3) on holding the General Meeting of the shareholders; (4) on the application of current labor , corporate, land civil, ecological legislation.

## BTA-18S.A.

### Action Plan Provisions:

- To adjust the incorporation documents of the enterprise in compliance with current legislation;
- To contribute to the conclusion of the enterprise Shareholder Register.

**Completed Tasks:**

- The incorporation documents of the enterprise have been analyzed and recommendations made on their amendment to meet requirements of law;
- Recommendations have been made: (1) on the preparation of documents for presentation of the shareholders list to an independent registrar and conclusion of enterprise Shareholders' Register; (2) on convocation of the General Shareholders' Meeting.

**Artima S.A.**

**Action Plan Provisions:**

- Adjustment of the incorporation documents of the enterprise in compliance with current legislation;
- Shifting the enterprise to contract based hiring system.
- Contribution to the conclusion of the Shareholder Register.

**Completed Tasks:**

- Incorporation documents of the enterprise have been analyzed and recommendations made on their compliance with the current law;
- Recommendations have been made: (1) on the preparation of documents for presentation of shareholder list to an independent registrar and conclusion of the shareholder list of the enterprise; (2) on drawing up model contracts on joint and purchase-sale activity; (3) on conclusion of bank lending agreements and Memorandum-Agreement with the State Creditors Council; (4) on holding the General Shareholders' Meeting; and (5) on application of law regulating issues of corporate, labor, land and civil law and procedure.

**Sperantsa S.A.**

**Action Plan Provisions:**

- Adjustment of incorporation documents to make them conform to current legislation;
- Consulting on issues associated with an increase in fixed assets.

**Completed Tasks:**

- Incorporation documents of the enterprise have been analyzed and recommendations made on their amendment;
- Recommendations have been made: (1) on issues relating to the Memorandum Agreement concluded with the State Creditors Committee, concerning issues of enterprise restructuring; (2) on issues of possible adjustment of the Share Capital in accordance to the stipulations of the incorporation documents; and (3) on organization and procedure of the General Meeting of the shareholders.

## OBJECTIVES OF THE NISPORENI A.G.A

The principal objective of the pilot project is to effect the complete structural reorganization of this ex-collective farm by distributing its agricultural land and physical property to eligible employees and retired persons. This distribution of land and property is to be carried out in accordance with the laws in Moldova, in a systematic, transparent and ethical manner. An additional objective is to adapt a reogranizational model that could easily be implemented in a future roll-out program and to make recommendations to Parliament regarding possible improvements in current legislation.

### Background

The CPBR Project picked Nisporeni as a pilot project for such a deep reorganization based on the following criteria:

a) Nisporeni management community leaders and the General Assembly agreed to undertake the reorganizational process in accordance with the objectives stated above,

b) Local government officials agreed to support and facilitate the reorganisational process,

c) The Association agreed to undertake the reorganistional process within the time-frame of the project,

d) Relevant officials of the Moldovan Government, both in Parliament and at the Ministerial level, agreed to support the Nisporeni reorganization in principle and to give practical assistance where possible.

### Enabling Environment

Although the legal framework governing rural land issues in Moldova is relatively complex and difficult to implement, it does allow the reorganisational objectives to be met. The basic statutes are very similar to those adopted in Russia. Central to both is their reliance on the issuance of land and property shares to eligible "sovkhosniks" and their ability to reconstitute them into individual holdings and new enterprise forms, including private farms and service enterprises.

### Nisporeni pilot project

The Nisporeni action plan spells out in detail the reorganisational steps leading to the break up of the present Association into numerous private farms. Since the legal framework of Moldova is similar to Russia, the reorganisational process is an adaptation of the Russian experience in Nizhny Novgorod and with USAID. Although there has been some adaptation of these experiences to Moldovan realities, the processes are fundamentally similar and based on the following principles:

a) **There are many village residents who are trusted leaders and valued members of the community, who want to become independent farmers and possess the skills and experience to do so.** Rural villages have definite leadership patterns that are not exclusively political but are social and economic. Each community therefore knows instinctively who is most trustworthy and capable. This principle enables the community to logically and efficiently

reconstitute land and property shares around proven leaders who are the most able and willing to become future entrepreneurs.

b) **The local community and its leadership are able to make rational decisions about land ownership and agricultural production.** The agricultural economy across the whole region is in chaos. When the command economy in agriculture ceased to function large voids were created. There is now little or no Government policy or national resources directed to the agricultural sector. For instance the absence of credit disrupted has severely disrupted marketing channels. This chaotic situation is not likely to change in the short term. The most viable alternative is to allow farming communities to reorganize themselves on the local level, on the premise that they will know best how to confront current realities with new, flexible and realistic economic structures.

c) **Not all current employees of kolkhoses and sovkhoses want to be farmers.** Indeed, most are not directly involved in production agriculture, but are retired people, office workers, social sphere workers, machinery operators and other tradesmen. The Nisporeni reorganization system nevertheless allows those who do not want to participate directly in agriculture to have alternatives which heretofore did not exist.

What has been developed is a reorganisational process that is transparent, relatively easy to implement, ethical and democratic. The essence of this process is that each holder of land and property shares is able to freely buy, sell, trade, contribute, or otherwise negotiate land or property shares. In this way, the existing organizational structures of kolkhose or sovkhose can be reorganized into numerous smaller business or farm units that are independently owned by individuals or small groups. Individuals not wishing to participate as owners can realize some benefits from the transfer of their shares and either exit entirely or return as workers to the new enterprises.

## Roll-Out

The successful completion of the Nisporeni project will produce a reorganisational method adapted to Moldovan legal, social and economic realities. It is proposed that the Ministry of Privatization ("MOP"), as part of its Post-privatization strategy, should be the Government Agency responsible for the broad application of this reorganisational method to the Moldovan rural sector.

Based on the 11 territorial agencies of the MOP, each office should have a team of 5 to 6 locally recruited individuals (one lawyer, three public relations, two economists/accountants). This team would provide direct technical assistance (like the assistance provide to Nisporeni) to up to 7 farms, aiming to complete the reorganisational process by 1 April 1997. These teams/cadres would be trained in all aspects of the reorganisational process before beginning their work in the regions. Each territorial agency/team would be supported by the core team of experts that undertook the Nisporeni reorganization, supplemented by short term Moldovan specialists. The core team would reside at MOP in Chisinau. The overall supervision of all the teams and the project would be undertaken by two or three expatriates and local staff from the CPBR and the core team that will come from the Modovan sub-contractor AGBIZ:.

*Task Order Completion Report:*

# MOLDOVA:
# *Project for Enterprise Restructuring ("PER") – Capacity Building – ANNEX A*

*September 1996*

*Submitted to the United States Agency for International Development*
*Bureau for Europe and the Newly Independent States*

*East–West Management Institute*

*520 Madison Avenue, New York, NY 10022*


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# ANNEX I

MOLDOVA PER TASK ORDER (SCOPE OF WORK)

# MOLDOVAN PROJECT FOR ENTERPRISE RESTRUCTURING (PER):

# CAPACITY BUILDING

## I. SUMMARY

The following is a seven month task order for the "Program for Enterprise Restructuring (PER) Capacity Building" in support of enterprise restructuring activities in Moldova. The plan reflects the Ministry of Privatization's intent to develop, refine and implement a restructuring program for medium-to-large scale enterprises in Moldova. The overall objective of this task order is to develop the capacity to carry out selected restructuring activities. If the seven month pilot effort is successful, a six month roll-out is envisioned.

## II. BACKGROUND

Moldova, the second smallest country in the former USSR, with a population of 4.5 million, declared its independence in 1991. Since then, it has ambitiously started to pursue a course of economic reform. The political will behind the reform began in 1991, but it was not until 1994 that a concerted effort was initiated. The 1993-1994 State Privatization Program was approved by the Moldovan Parliament on March 12, 1993, indicating its general support for the process. In November 1994, the GOM created the Ministry of Privatization (MOP).

Under the leadership of the Minister of Privatization, the government has moved very quickly to resolve outstanding privatization issues and work with officials at the highest level to implement the mass privatization program, thereby transferring some 1,550 enterprises to private ownership. Enterprises are being privatized through auctions for National Patrimony Bonds and some cash auctions. Housing privatization is through bonds and/or cash.

National Patrimony Bonds (NPBs) have served as the only means of payment for enterprises and housing under the State Privatization Program. They were distributed to the general populace during 1992-1994. Bond value is in direct proportion to the length of employment service of the bondholders within Moldova as well as to the length of education and military service. Children were issued NPBs with a value equal to five years of service. The total amount of NPBs was 910,500 million units and 3.6 million bonds were distributed.

For the purposes of the privatization program, enterprises have been placed into one of two categories: medium and large enterprises (defined as having a book value of at least 1,000,000 monetary units) and small scale enterprises (defined as having a book value of less than 1,000,000 units). Unlike many countries, Moldova started with the medium to large scale enterprises through share subscriptions and republican auctions before beginning small scale privatization through the "open outcry" auction system.

To date, although the State Privatization Program has fallen somewhat short of its specific objectives of privatizing 1,550 enterprises[1], great strides have been made toward national economic restructuring. With a supportive legislative framework, training and re-training of Ministry staff, a modern system of mass privatization has been under implementation. On March 15, 1995, the Parliament amended the State Privatization Program to speed up mass privatization and allow as well for an extension to September of this year. Mass privatization is scheduled to end on September 15, 1995.

## III. OBJECTIVES

The dual objectives of this task order are to provide for "capacity" development within Moldova to undertake restructuring activities and to support Moldova following mass privatization by providing models and successes in enterprise restructuring. The task order will address on a limited, but significant scale, restructuring problems of Moldovan enterprises, to document successful and "standard" approaches and solutions to restructuring and to transfer such skills to Moldovan managers and consultants. Key factors in evaluating the success of the pilot phase will be the numbers of Moldovan professionals and firms trained in enterprise restructuring modalities; demonstrated successes with the initial 'pilot' enterprises; and other capacity building initiatives such as enterprise land sales, land titling, start of initial public share offerings and other initiatives that may be identified and implemented during the pilot phase.

## IV. SPECIFIC PROBLEMS THIS TASK ORDER ADDRESSES

This task order is one of many USAID-financed activities designed to foster Moldova's economic transformation. Other task orders support broker-dealer operations, use of third party registrars, Initial Public Offerings (IPOs), accounting, land registration and sales, general capital markets development, and public education. It is a requirement that the Contractor collaborate with the other USAID-financed activities. For example, enterprises selected for assistance under this task order should also be eligible and/or active participants in these other programs, thereby leveraging the assistance into a unified whole.

Capacity building is aimed at developing the institutions and legal/regulatory framework that will enhance the commercial viability of privatized enterprises as well as promote and develop new business start-ups that can compete in the international marketplace. This effort will focus on developing many systems and local institutions that will promote business development and restructuring instead of engaging U.S. consultants in long-term initiatives with specific enterprises. The pilot restructuring initiatives with privatized enterprises will be the vehicle to provide on-the-job training for Moldovan professionals and counterpart professional service firms and other business service firms which support the private sector. This is due to the fact that neither USAID nor the donor community have the resources to realize enterprise restructuring for thousands of enterprises. This process must be market-driven and led by local market participants as opposed to donors

[1] At the end of 1994, 708 state-owned enterprises were legally transferred [reorganized] into joint-stock companies. 205 medium and large scale enterprise and 204 small scale enterprises were auctioned and sold.



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and consultants. The trained market participants will provide the expertise and financing for broader restructuring activities in the roll-out phase of this program and will continue these functions once the donor supported activities are terminated.

Therefore this task order will focus on three segments of the Moldovan private sector: 1) Moldovan individual professionals, 2) Moldovan counterpart professional service firms, and 3) privatized industrial enterprises.

## V. TASKS/WORK REQUIREMENTS

### TASK 1: Select Moldovan Professionals and Counterpart Professional Service Firms

#### A) Moldovan Professionals

Moldovan professionals will be drawn from the financial, accounting, consulting and academic sectors and will be trained by the Contractor in enterprise restructuring modalities. These individuals will become consultants to the USAID contractor for the duration of the task order. These individuals will be selected by the contractor utilizing the following illustrative criteria:

i) Moldovan citizenship,
ii) Advanced degree training; where applicable and relevant,
iii) Prior exposure to the private sector or demonstrated interested therein,
iv) Ability to travel to remote sites for extended periods,
v) English language skills is desirable but greater emphasis will be placed on the individual's technical skills and ability to effectively interface with the Contractor and the management of privatized enterprises, and,
vi) Relevant prior work experience.

#### B) Moldovan Counterpart Professional Service Firms

Counterpart firms will be identified and placed under subcontract to assist in enterprise restructuring. These enterprises are expected to emerge with a range of skills typically found in Western firms that assist businesses to become more competitive and profitable in an ever changing international marketplace. Illustrative skills that are expected to be developed within these enterprises are:

- techniques in international accounting
- credit analysis and financial restructuring
- international procurement skills such as the use of letters of credit, international bidding and tendering, development of procurement specifications
- in-plant technology
- finance, business unit analysis
- production and quality control skills
- restructuring of product lines, enterprise departments (i.e. R&D),
- business plan development
- marketing and sales departments



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These skills will be developed through on-the-job training at the pilot enterprises as opposed to long term academic classroom training. The firms will be selected utilizing a competitive tender process based on the following illustrative selection criteria:

i) Moldovan nationality,
ii) Mission statement,
iii) Prior exposure to or involvement with the emerging private sector,
iv) Relevant expertise and experience in enterprise restructuring, or recognized capacity to rapidly reach a suitable level of expertise,
v) Financial solvency,
vi) General management, accounting and financial management, and,
vii) Professionals which can and will be committed to the spirit of the task order objectives.

TIMEFRAME & DELIVERABLE: Task 1 should be implemented within the first three weeks of the task order. The Contractor will have entered into subcontracts with four professional service firms and will have the 25 independent professionals under direct contract on this task order.

**Task 2. Selection of Privatized Industrial Enterprises**

Step 1: Develop Enterprise Selection Criteria and Tender Documents:

The enterprises participating in this task order will be selected through a tender process based upon a number of key criteria, such as:

1) The interest of the enterprise managers to accelerate the restructuring of the enterprise as documented in their application;

2) The agreement of the enterprise to commit resources to the technical assistance process in the form of cash, management time, access to information and managers in the enterprise, working space and other support for advisers (communications, secretarial help, transportation). The commitment of the enterprise to change as manifested by their willingness to provide co-financing is an important criterion for participation in the program. There will be no concomitant budget line item;

3) The specific project requiring technical assistance formulated by the enterprise as detailed in their application for assistance;

4) The agreement of the enterprise to participate in public awareness programs designed to highlight successful restructuring activities;

5) The enterprise must employ at least 300 employees;

6) The enterprise must not be able to finance restructuring from alternate resources (e.g. joint venture capital, outside investors, domestic lending, etc.);



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7) The enterprise, as determined by the consultants and MOP, must exhibit good corporate governance (as measured, inter alia, by outside representation on board, equitable distribution of ownership, shareholder meetings, etc.);

8) The enterprise must have demonstrated domestic and/or international markets for the product(s) that it produces; and,

9) The enterprise must exhibit (a) an ability to become more commercially viable as a result of the technical assistance being provided and (b) the willingness and interest to participate in related activities (i.e. land sales, IPOs, etc.) which can further foster the enterprises' development.

See the Appendixes for illustrative application documents.

Step 2. Conduct The Tendering Process

The program will be publicized and application forms made available to enterprises. Enterprises will be required to submit their applications to the GOM[2]. The Contractor, upon initiation of the task order, will work with the MOP and USAID to develop a "ranking" and "relevant importance"of the agreed upon selection criteria[3]. Selection criteria may be modified to include other variables such as geographic location, economic sector, etc., as determined by the Contractor and MOP. An agreed upon approach to elicit applications will be considered. This may include, inter alia, newspaper advertisements, radio solicitations, working with branch offices of the Ministry of Privatization, and the use of the USAID financed public education contractor.

Once collected, collated and completed, the applications will be reviewed by a selection committee of the MOP and Contractor, and an initial short list of enterprises will be established. The management of these companies will be invited to discuss their proposal with the MOP, USAID and Contractor. Enterprises will finally be selected by the MOP, USAID and the Contractor after a site visit to the enterprises. Cooperation agreements between the selected enterprises and the consultants will be signed and work is expected to commence in November, 1995. The Contractor will develop a sample agreement to be approved by USAID and the USAID contracting office.

TIMEFRAME & DELIVERABLE: Task 2 should be implemented simultaneously with Task 1 and be completed within five weeks of start-up. The Contractor shall submit to the MOP and USAID the list of pilot enterprises selected for this project.

**Task 3: Develop and Implement Brief Training of Moldovan Professionals and Counterpart Professional Service Firms**

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[2] Appendix 1 is a draft application form for use by the Consultants and the MOP in finalizing the application process.

[3] The finalization of the selection criteria has been left to after initiation of the task order to enable the MOP and USAID to take into consideration the experiences of the contractor.



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The 25 Moldovan professionals and four firms identified for participation under this project will be trained by the Contractor in conjunction with carrying out the enterprise restructuring activities. As such, on the job training is a key focus of this task order. A Work Plan will be submitted to the MOP and USAID within three weeks of initiating implementation to lay out the plans, procedures and programs for training. These require concurrence by the MOP and USAID.

The main objectives of the training are (a) to train the counterpart staff and firms to ensure that all team members are capable of participating in enterprise restructuring activities and (b) to identify critical specialties (e.g. accounting, finance, in plant technology, etc.) and select professionals to be trained more specifically in these areas while recognizing the importance of generalized training.

Once the Moldovan professionals and firms have been selected, three training related tasks are planned.

Limited course work or formalized training is envisaged. Training will cover a spectrum of relevant areas. These may include, for example:

-- Strategic Planning: Business Unit Analysis, Competitive Positioning Analysis, Industry Maturity, Core Competencies, Visioning, etc.;

-- Marketing: Research, Segmentation, Brand Management, Sales, etc.;

-- Finance: Capital Budgeting, Corporate Treasury Functions, Working Capital Management, et.;

-- Accounting: Cost Accounting, International Accounting Standards, Cost Management, Internal Costing Controls, etc.;

-- Corporate Governance: Proper Roles of Boards of Directors, Shareholder Rights, Listing, Management Linkages, etc.;

-- Management Behavior: Delegation, Leadership, Team Building, Conflict Resolutions, Management Information systems, etc.;

-- Operations and Production: In plant technology, Manufacturing processes, Supply Chain Management, Quality Control, etc.; and,

-- Human Resources Management: Personnel Policies and Procedures, Compensation, Labor Relations, Succession Planning, etc.

The mix of these, or other topics, will be determined by the Contractor and presented in the Contractor Work Plan for review and approval by the MOP and USAID.

An important aspect in the training and development of the Moldovan professionals is their "pairing" with expatriate professionals who will provide on-the-job training during the pilot enterprise restructuring phase of this task order. The Contractor will develop plans

for the key areas of restructuring, undertake discrete training and then "field" the Moldovans together with the Contractor's core staff in enterprise specific teams to begin implementation.

TIMEFRAME & DELIVERABLE: By the end of the first month the Contractor will have developed a Plan for Brief Training for the Moldovan Professionals and Professional Service Firms and will have begun to implement the Training Plan.

**Task 4: Develop Business Plan as Appropriate for Each of the Pilot Enterprises**

After selection of an enterprise, the team of consultants will work together with the management of the enterprise and relevant representatives of the workers' collective and where applicable significant shareholders and/or creditors, to develop a restructuring plan which aims at improving management and overall performance of the firm, as well as identifying areas for worthwhile investments. It is recognized that the selected enterprises will receive a range of services, ranging from brief support to more full in-plant conversions (i.e. accounts conversion versus plant and technology layouts) depending on the critical needs of the enterprise and areas where assistance can have the greatest impact. In this manner, a wider range of firms can be supported and a larger number of Moldovans professions can be trained.

The Contractor will work with up to 15 enterprises, depending in part on the enterprises selected, degree of complexity, duration of assistance, etc. The type and amount of assistance to be provided can only be determined following the selection of enterprises.

The Contractor shall assist at least two enterprises with the necessary preparation required to conduct an initial public offering, as directed by the USAID Capital Markets contractors.

The Contractor shall brief the MOP and USAID on the personnel assigned to a particular enterprise so that there is coordination between this project and that being provided in the Enterprise Land Sales Project and the Broker Dealer project. The Contractor shall closely coordinate work under this task order with efforts under these two other USAID projects.

Below is a list of potential areas in which enterprises may receive technical assistance from the consultants. This list is *illustrative* for the purposes of preparing each Work Plan. It is broken into "Financial Management Assistance" (i.e. back office) and "Other" interventions at the Enterprise level (i.e. front office and plant).

Understanding overall profitability (Financial and Management Accounting), i.e. restating financial accounts, analyzing profitability and cash flow to facilitate costing and pricing, devising systems for managerial accounting, and accounting for inflation, subsidies and return on capital.

Managing cash flow (Cash/Financial Management), i.e. producing financial memorandum accounts, purchasing and inventory monitoring, payable management, receivables aging, development of cash flow statements and collection procedures.

Managing costs with the enterprise system (Management Accounting and Operational Improvements), i.e. developing a wider definition of production, performing product line profitability analyses, analyzing and reducing overhead costs and developing and implementing costs reduction measures.

Restructuring of corporate organization and management structures, i.e., define the role of the corporate center and the appropriate financial, managerial relationship and asset allocation between the center and the individual business units. As a result, senior management should be able to design and introduce performance measurement and incentive systems for units and corporate center and introduce profitability analysis of individual product lines and independent 'business units', including line reporting, staffing structures and corporate organization.

In-plant Technology: A primary objective is to facilitate enterprise restructuring to compete within the market place. The Contractor should focus on in-plant technology, uses and misuses, and on restructuring of the implant technologies so as to improve production at internationally comparable levels, promote potential domestic and foreign investment and otherwise rationalize the production at the enterprise level.

Build organizations and strategies for sales, marketing and distribution and service: i.e. analyze the current sales, marketing and distribution structures with regard to likely future requirements and, in line with the overall strategic restructuring plan for the company, develop an appropriate new structure and assist the management of the company with actively implementing such a structure.

Establish market and competitor analysis capability, and teach senior management the techniques of marketing. Senior management should thus be in a position to continuously assess their relative market position and establish a system of generating market analysis as input for their in-house formulation of company strategy.

Social assets/sphere: The Contractor may be required to work closely with the relevant staff members of the MOP in evaluating the need for or more likely disposal strategies for social assets retained by the company, to devise efficient management structures and identify areas of cost savings in ongoing operations, assist the company in identifying alternative funding scenarios and efficient internal cost allocations for remaining social assets.

Design, and where appropriate, implement changes in capital structure and strategies and programs to raise capital. This should normally improve the financing costs and general management of financing sources within the company substantially. The Contractor is expected, as applicable, to work closely with other USAID-funded activities relating to share listings, initial public offerings, land sales, etc.

Technical audit of production facilities and implementation of operational and production management improvements at the In-Plant Location. Typically enterprises are hampered by a few bottlenecks in crucial production stages due to work flow management, inefficient use of key equipment items or lack of such items. Where appropriate, consultants will investigate operational improvements in the actual production, production

planning and steering processes, and then support companies in the implementation phase of such suggested changes.

The Contractor may assist enterprises by developing joint management and employee training programs (Management techniques, Quality Control, etc.) in coordination with MOP staff to identify additional suitable resources outside the scope of this project.

Business Plan Development for Investment Projects to obtain resources for investments from investors and lending organizations.

The Contractor will produce and submit to the MOP and USAID a finalized Work Plan for each pilot enterprise(s) participating under the task order, outlining any diagnostic assessments which may be required. The work plan will clearly outline the skills required by the team leader and all team members. Each should bring sufficient clout that will enhance their acceptability by old line managers. Romanian or Russian language skills in some team members is desirable.

TIMEFRAME & DELIVERABLE: Task 4 will be implemented during the second month of the Task Order period. The Contractor shall submit to USAID and the MOP a Work Plan for each of the enterprises.

**Task 5: Business Plan Implementation**

Based on approved business plans developed in Task 4, the contractor shall then implement the restructuring assistance in each of the enterprises while simultaneously providing on-the-job training in the specific areas to the local professionals and counterpart firms. This task should begin at approximately the sixth week of the task order period.

TIMEFRAME & DELIVERABLE: This task should begin at approximately the sixth week of the task order period and be completed by the end of the seventh month. Up to 15 enterprises will receive restructuring assistance. At least 2 enterprises will be ready to conduct IPOs.

**Task 6: Development of Legal/Regulatory Framework and Documentation**

Each of the objectives of the Tasks under this Task Order may be inhibited by existing laws, regulations and practices. Therefore, each of these inhibiting factors or the absence of such legal factors, should be examined with the goal of modifying or drafting new legislation, decrees, and standard practices that will enhance the free market environment for privatized enterprises.

The Contractor shall produce draft legislation, regulations and practices as necessary in collaboration with the Ministry of Privatization, the private sector and other entities, as appropriate. Task 6 shall be on-going throughout the entire task order period.

TIMEFRAME & DELIVERABLE: Task 6 shall be implemented throughout the entire task order period. Draft legislation and policies will have been given to the MOP before the end of the task order.

**Task 7: Develop Strategy for Replication of the Program Nationally**

Each of the tasks will test practices, operating procedures, and standards that can be replicated on a national basis. All such activities will be documented for replication in the roll-out phase and such documents should be both practical and simple for self-learning purposes. Use of pamphlets and other documentation developed during other USAID projects in the NIS (i.e. McKinsey work in Russia) should be used and expanded.

TIMEFRAME & DELIVERABLE: By the end of the task order period, the Contractor will submit to USAID and the MOP a strategy for replicating this program nationally.

## VI. DELIVERABLES

The period of performance for this task order is seven months, within which specific enterprises will begin and complete the restructuring activities planned for under the Task Order. No individual enterprise will receive assistance which takes longer than six months without prior written approval of USAID[4]. After discussions with the MOP, the Contractor will agree with USAID on dates for likely realization and achievement of the following deliverables as part of finalizing the Work Plan for submission, review and approval under the Task Order.

### 1. Moldovan Professional

25 Moldovan professionals will be identified, "teamed" and trained in restructuring activities, relevant for continued work upon completion of this task order.

### 2. Moldovan Counterpart Firms

4 Moldovan professional services firms will have been trained in restructuring techniques and can begin to charge a fee for such private sector services. A minimum of thirty-two professionas from the 4 firms (approximately 8 per firm) will be trained.

### 3. Moldovan Enterprises under Restructuring

15 Moldovan enterprises will have completed enterprise restructuring and sufficient evidence is available to ensure future commercial viability.

### 4. Documentation

All materials (e.g. case examples, training modules, 'self-help tools', handbooks, documented methodologies, speeches, articles) will be developed and available for roll-out.

### 5. Legal & Regulatory Reform

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[4] Enterprises which require more than six months of technical assistance are considered requiring assistance in excess of that which can be provided under this task order. It is anticipated that many of the enterprises will achieve results within 120 days of initiation of work by the contractors.

A range of draft legal and regulatory laws will have been presented to the GOM which resolve the inhibiting factors that will be determined during the period of implementation.

## VII. PROJECT ORGANIZATION

The Contractor's personnel and activities will be a part of a consortium of technical assistance contractors and policy advisors being provided to the Government of Moldova and the Ministry of Privatization to foster economic transformation. The Contractor shall work with a counterpart within the Ministry of Privatization and report to USAID.

## VIII. ISSUES/CONTINGENCY MANAGEMENT

Programmatic flexibility will continue to be a part of the overall task order objective. The Contractor may be called upon to deal with unpredictable issues on a contingency basis, using the regional and national infrastructure developed in previous task orders to disseminate complicated information quickly and accurately to a broad section of the population.

## IX. ESTIMATED LEVEL OF EFFORT

The level of effort for this task order is estimated to be 1,235 expatriate (Expat) work-days and 3,600 third country national (TCN) and local hire national (LHN) work-days.

| | | |
|---|---|---|
| Project Manager, Level I | B. Hannon | 10 days |
| Corp. Finance Advisor, L I | V. Morabito | 170 days |
| Corp. Finance Advisor, L I | F. Patriciu | 165 days |
| Corp. Finance Advisor, L I | TBD | 75 days |
| Investment Banker, L I | TBD | 75 days |
| Corporate Finance, L III | D. Wilson | 165 days |
| Industry Specialist/Engineer, L I | TBD | 165 days |
| Industry Specialist/Engineer, L I | V. Sdirsky | 85 days |
| Attorney, Level II | C. Jelnik Frances | 165 days |
| Marketing, Level II | D. Calleo | 75 days |
| Accountant, Level II | TBD | 85 days |
| Procurement/Logistics IV | A. Hantyk | 10 days |
| Total Expat | | 1,235 days |
| | | |
| Local Staff & TCN | TBD | 3,600 days |

Any changes in/additions to the personnel or change in person days within the budget total must be approved by the COTR prior to employment under this Task Order. Any increase in the total number of person days will require an amendment which has been approved by the Contract Officer.

Full approval/execution of this task order serves as authorization for initial travel of all expatriates named in the task order budget. It does not however, provide approval for the

positions where the individuals are yet to be determined. These individuals will require project officer approval, prior to deployment.

## X. COORDINATION REQUIREMENTS

To avoid duplication of effort, the contractor will utilize, to the extent possible, both materials and methodologies proven successful in institutional development by other consultants serving on USAID-funded projects in the NIS. Additionally, the contractor will refer to materials made available through the efforts of other members of the international donor community and shall work in a collaborative spirit with these consultants to achieve efficient completion of selected activities.

## XI. MANAGEMENT RELATIONSHIPS

The Contractor will coordinate with USAID/Kiev and Washington on an as-needed basis on programmatic, contractual, and financial/administrative matters, as designated by the the Kiev Mission Director and AID/Washington. The Contractor will work closely with the Moldovan Minister of Privatization to implement this task order. Should the MOP request the Contractor to perform a task which is not in the task order or which is inconsistent with the terms of this task order, the Contractor will so notify USAID and all three parties will meet to resolve the issues. The Contractor will also provide brief weekly updates to the U.S. Embassy in Moldova on all activities.

## XII. REPORTING REQUIREMENTS

Technical assistance needs to be implemented with considerable flexibility and pragmatism to reflect the changing environment. However, significant shifts in approach and changes in work plans will require written approval by USAID. The form of reporting and communication with client personnel shall be tailored to the needs of the work program and facilitate project monitoring on the part of USAID.

The Contractor is required to provide the following reports to USAID/Kiev and Washington:

1. Work Plan

a) The contractor will provide within 30 days of the beginning of the period of performance a detailed written working plan for this project. The working plan will be based upon this scope of work and will highlight the methods, and the schedule anticipated by the contractor, for obtaining the deliverables stated in the deliverables section of this task order.

b) The contractor will also provide within 30 days, a brief (one page) memo highlighting the analysis of any decisions primary to the success of this project. Some decisions considered to be primary include development of the tender documentation, identification of firm(s) and local nationals who may participate under the project, selection of the enterprises. Any question of what is considered to be primary to the success of the project should be addressed to the task manager.

2. Weekly One Page Reports - summarizing the project's main activities of the week. This may be submitted in bullet format.

3. Monthly Reports will be comprehensive but precise in detail and report on only that information which is crucial to the success of the project. Each report will contain an update to the working plan and will highlight at a minimum the following: 1) completion of, or progress to date against, deliverables as stated in the deliverables section of this task order, 2) proposed changes or refinements to the scope of work or working plan, 3) problems encountered during the reporting period if any, 4) significant lapses in coordination, if any, that have adversely affected the contractors work progress, 5) issues of importance from previous report that remain unresolved, 6) changes/revisions of forecasts from previous report and reason/cause, 7) forecast of next six weeks . The report should be submitted to USAID/Kiev and Washington within five business days after the end of each month.

4. Quarterly Reports - the quarterly reports shall follow the same approach as the monthly status reports but be cumulative for the quarter.

4. Completion Report - At the completion of the task order, the contractor will prepare a completion report which highlights accomplishments against workplans, the success in attaining states deliverables/benchmarks and tangible results. This should include a line item comparison of the deliverables stated in the scope or work and approved Work Plan. The report may provide recommendations for further refinement, enhancement, logical extension, or expansion of the completed work. Any perceived problems, vulnerabilities, or weaknesses in the systems developed. The report should also provide any recommendations the contractor has to address the identified weaknesses.

## XIII. COUNTRY/COUNTERPART CONCURRENCE/CLEARANCES

The counterpart for this task order is the Moldovan Ministry of Privatization (MOP), headed by Minister of Privatization. Liaison for the task order will be designated by the MOP and USAID/Kiev and Washington upon initiation of the task order. The task manager will reside within USAID/Kiev and be identified as well.

## XIV. SPECIAL INSTRUCTIONS

1. In the course of implementation, the Consultant will produce documentation and guidelines which may be used for replication by other institutions. These should be instructive, streamlined and adaptable to various environments in different regions of Moldova and will not require extensive foreign expertise but utilize local expertise for implementation.

2. Equipment to be purchased is for the purpose of jumpstarting the program. This procurement will be a pilot effort and will demonstrate efficiency and cost effectiveness. Under further activities, including the development of new institutions, these institutions will be required to bear the cost of further equipment procurement. The procurement must demonstrate efficiency, cost effectiveness and must conform with USAID procurement regulations.



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3. Consultants will make a firm commitment to stay on site for the duration of the project. Consultant travel off site should be limited to essential trips related to the project. International travel must be approved by USAID with the exception that each consultant assigned to a project will be allowed one international roundtrip without prior approval. All international travel beyond one international roundtrip per consultant must receive prior approval of the COTR.

4. The Contractor shall obtain the approval of USAID before making any changes in personnel assigned to the Project. In addition, the Contractor shall obtain the approval of USAID if personnel assigned to this Project shall be out of Moldova working on other projects in the NIS or another country at any time during the Project implemented under this Task Order.

5. The Contractor shall make a firm effort to recruit and train Moldovan staff for operating roles in the post privatization program so that the role of foreign contractors can be diminished.

6. Prior to having interviews with foreign or local press, making press releases, holding news conferences, or other communications with the news media regarding activities under this Task Order, the Contractor will consult with appropriate officials of the host country entity receiving assistance as well as USAID personnel concerning any such proposed communications. The Contractor agrees to coordinate such communications with the host country entity and USAID as necessary to ensure that the role of the host country entity is accurately explained and described.

7. Official country clearances for experts to Moldova will be requested no less than one week prior to mobilization. Request will be made to USAID/KIEV.

8. The following language is taken directly from the Prime Contract:

In no event will any understanding, agreement, modification, change order or other matter which modifies the terms of the Contract between the Contractor and any person other than the Contracting Officer be effective and binding upon the U.S. Government.

## XV. BUDGET

The contractor shall be held accountable to the summary budget listed below. The contractor may exceed any line item by up to 15% provided that the ceiling price of the order is not exceeded. The COTR must approve any line item flexibility above 15% and the Contract Officer must approve any increase in the ceiling price. The latter increase must also be authorized by an amendment to the Task Order.



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# ANNEX II

CENTER FOR PRIVATE BUSINESS REFORM (CPBR)
ORGANIZATION CHART

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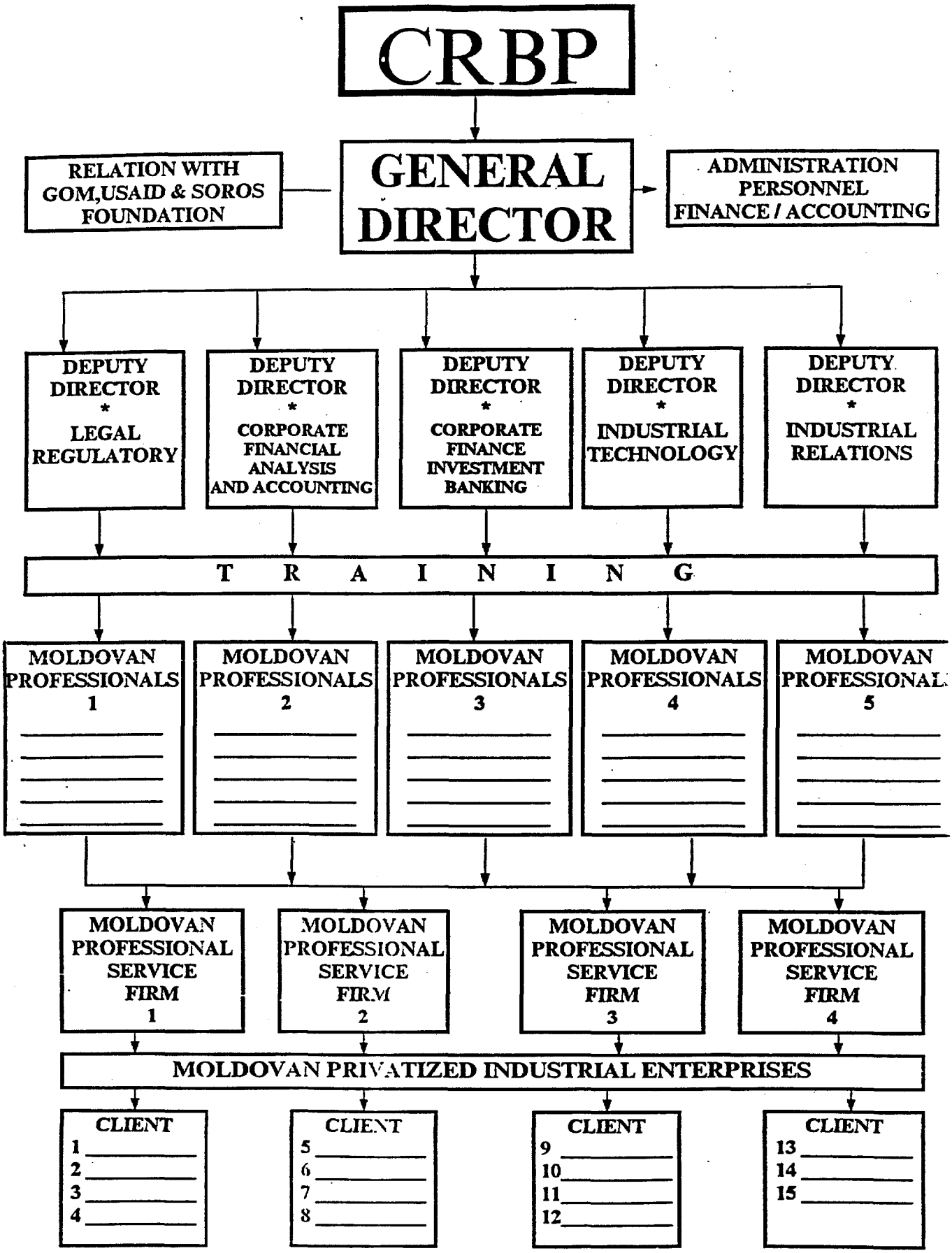
CRBP
GENERAL DIRECTOR
RELATION WITH GOM,USAID & SOROS FOUNDATION
ADMINISTRATION PERSONNEL FINANCE / ACCOUNTING
DEPUTY DIRECTOR * LEGAL REGULATORY
DEPUTY DIRECTOR * CORPORATE FINANCIAL ANALYSIS AND ACCOUNTING
DEPUTY DIRECTOR * CORPORATE FINANCE INVESTMENT BANKING
DEPUTY DIRECTOR * INDUSTRIAL TECHNOLOGY
DEPUTY DIRECTOR * INDUSTRIAL RELATIONS
T R A I N I N G
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MOLDOVAN PROFESSIONALS 2
MOLDOVAN PROFESSIONALS 3
MOLDOVAN PROFESSIONALS 4
MOLDOVAN PROFESSIONAL 5
MOLDOVAN PROFESSIONAL SERVICE FIRM 1
MOLDOVAN PROFESSIONAL SERVICE FIRM 2
MOLDOVAN PROFESSIONAL SERVICE FIRM 3
MOLDOVAN PROFESSIONAL SERVICE FIRM 4
MOLDOVAN PRIVATIZED INDUSTRIAL ENTERPRISES
CLIENT 1 2 3 4
CLIENT 5 6 7 8
CLIENT 9 10 11 12
CLIENT 13 14 15

# ANNEX III

"GANTT" CHART/SCHEDULE FOR USAID "PER" TASKS

# WORKPLAN - MOLDOVAN PER USAID PROJECT

| | | W E E K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | WEEK ENDING ON: | 11 | 18 | 25 | 2 | 9 | 16 | 23 | 30 | 6 | 13 | 20 | 27 | 3 | 10 | 17 | 24 | 2 | 9 | 16 | 23 | 30 | 6 | 13 | 20 | 27 | 4 | 11 | 18 | 25 | 1 |
| | WEEK# | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| | TASK DESCRIPTION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Task 1 : SELECT MOLDOVAN PROFS./FIRMS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Task 2 : SELECT ENTERPRISES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Task 3 : DEV./IMPL.- TRAINING PLAN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Task 4 : IMPL./DEVLP. BUSINESS PLANS * | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Task 5 : IMPL. BUSINESS PLAN ** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Task 6 : REGULATORY REVIEW | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Task 7 : STRATEGY FOR REPLICATION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Reporting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | 1 Workplan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | 2 Weekly | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| 12 | 3 Monthly | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | 4 Quarterly | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | 5 Completion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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* Implementation of development enterprise business plans

** Implementation of restructuring / business plans

# TRAININGPLAN - MOLDOVAN PER USAID PROJECT

| | | W E E K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | *WEEK ENDING ON:* | 11 | 18 | 25 | 2 | 9 | 16 | 23 | 30 | 6 | 13 | 20 | 27 | 3 | 10 | 17 | 24 | 2 | 9 | 16 | 23 | 30 | 6 | 13 | 20 | 27 | 4 | 11 | 18 | 25 | 1 |
| | WEEK# | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| | TASK DESCRIPTION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Task 1 : SELECT MOLDOVAN PROFS./FIRMS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Task 2 : SELECT ENTERPRISES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Task 3 : DEV./IMPL.- TRAINING PLAN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Task 3 : C.1. TRAINING AREAS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Task 3: C.2. MENTORING | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Task 3: C.3. INFORMATION AVAILABILITY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Task 3: D. MEASURING RESULTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Task 3: D.1. APPRAISAL FROM MENTORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Task 3: D.1. REPRODUCTION OF WORK | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Task 3: D.1. RESULTS AT COMPANIES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Task 3: D.1. PRESENTATIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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* Implementation of development enterprise business plans

** Implementation of restructuring / business plans

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# ANNEX IV

SAMPLE CONSULTANCY TRAINING AGREEMENT IN LEGAL ANNEX

# *Consultancy Training Agreement*

***This Agreement***, is made and entered into as of the _____ day of _____ 199____, between East-West Management Institute, Inc., 520 Madison Avenue, 38th Floor, New York, N.Y. USA, hereinafter referred to as "EWMI" or "Sponsor" and

Name: _____

_____

Address: _____

_____

whose domestic passport number is: _____,

hereinafter referred to as the "Consultant Trainee".

The parties to this Agreement hereby agree as follows:

1) Sponsor agrees to instruct and Consultant Trainee agrees to be instructed by EWMI in the position described in paragraph 2 below in connection with the Moldova Project for Enterprise Restructuring, Task Order No.EPE-0014-I-02-5076-00, under Contract No.EPE-0014-I-00-5076-00, between EWMI and USAID, hereinafter referred to as the "Project". The Agreement between the parties is subject to EWMI securing any necessary USAID approval and the approval of the Ministry of Privatisation of the Republic of Moldova.

2) The Consultant Trainee accepts the training position, _____, with the following duties (describe as appropriate):

3) The Consultant Trainee agrees to accept instruction in said duties faithfully and to the best of his or her ability, and to comply with local laws and customs.



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4) The Consultant Trainee shall report to Mr. Vincent F. Morabito, the Project leader, his delegate or such other person as he or his delegate may designate during the term of this Agreement.

5) The Consultant Trainee shall be available from the period beginning: _____ through _____, and shall be subject to a continuing condition of satisfactory performance as determined by the Sponsor in its sole discretion.

6) The Consultant Trainee shall receive a stipend at a rate of _____ United States Dollars, or its equivalent in Moldovan currency, per day, paid monthly, and shall be expected to be present for instruction as many as, but not more than, six days per calendar week.

7) Consultant Trainee's instruction day shall commence at 9:30 a.m. and continue through 6:30 p.m., daily. The Consultant Trainee agrees to conform his availability for instruction to a modified schedule as determined from time to time by the Sponsor in its sole discretion. Consultant Trainee shall be daily entitled to one hour for lunch.

8) It is understood and agreed that the Consultant Trainee is solely responsible for the payment of all applicable taxes, if any, imposed by the Republic of Moldova.

9) While on assignment outside the city of Chisinau, the Consultant Trainee shall be reimbursed for allowable expenses including travel; actual lodging expenses, to a maximum of USD 15.00 per day; and food expenses to a maximum of an additional USD 10.00 per day.

10) The Consultant Trainee will submit time sheets as a record of instructional courses attended and training exercises performed, as well as expense reports reflecting allowable expenses which shall be provided in blank to Consultant Trainee by the Sponsor who shall have the right to review such reports and require supporting documentation for claims made.

11)This Agreement may be modified by mutual consent in writing of the Sponsor and Consultant Trainee. EWMI may, however, terminate or suspend this Agreement at any



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time, in which case Consultant Trainee may claim only such stipend attributable and expenses incurred, to the date of actual termination or suspension of the Agreement.

12) The Consultant Trainee hereby acknowledges and agrees that all information, communications, data and analysis in any format, relating to the Project are confidential. The Consultant Trainee agrees that during training with EWMI and during a period of two years immediately succeeding the termination of such training that the Consultant Trainee shall hold all information relating to the Enterprise Restructuring Project in confidence and, further, shall not disclose any such information to anyone other than employees of EWMI or USAID. The Consultant Trainee hereby agrees to use all appropriate caution and care to protect such information against unauthorised disclosure and further agrees not to use such information for personal gain. The Consultant Trainee agrees to act at all times in good faith in accordance with the conditions and spirit of this clause and further agrees that any violation of its terms shall be cause for immediate termination of training and instruction.

13) The Consultant Trainee will not engage, during the term of this Agreement, in any business, profession or occupation that is in direct or indirect competition to the Project or any enterprise which the Project may assist. This includes loans or investments to or in any business in Moldova which the Project may assist, and extends to direct or indirect employment either in the Consultant Trainee's own name or through the agency of another person or entity.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____, day of _____, 1995, evidencing their intention to be bound hereby.

East-West Management Institute, Inc.

By: _____ By: _____

name: name:

title:



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# ANNEX V

LIST OF MOLDOVAN ENTERPRISES FROM MINISTRY OF PRIVATIZATION

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| JSC NAME | ANEXA.LIST | TER AGEN.ABBR | ADDRESS1 | ADDRESS2 | EMPL 94 | TOTAL CAP | RENT 94 |
|---|---|---|---|---|---|---|---|
| S.A."Fabrica de conserve din Glodeni" | | Balti | or.Glodeni | str.Stefan cel Mare, 1 | 610 | 20521320 | 0.00 |
| S.A."Fabrica de conserve din Cahul" | | Cahul | or.Cahul | str.Dunarii, 1 | 997 | 15977000 | 0.00 |
| S.A."Fabrica de conserve din Cupcini" | | Edinet | s.Cupcini | | 1026 | 28520867 | 0.00 |
| S.A."Fabrica de conserve din Cantemir" | | Cahul | or.Cantemir | str.Stefan Voda, 2 | 1202 | 20114910 | 0.00 |
| S.A."Fabrica de conserve din Causeni" | | Bender | or.Causeni | sos.Tighinei, 5 | 1189 | 22174000 | 0.00 |
| S.A."Fabrica de conserve din Cosnita" | | Dubasari | s.Cosnita | | 947 | 18889002 | 0.00 |
| S.A."Faconis" | | Ungheni | or.Nisporeni | str.Industriala, 1 | 710 | 14576230 | 0.00 |
| S.A."Fabrica de conserve Anenii-Noi" | | Bender | or.Anenii-Noi | str.C.Nationale, 2 | 522 | 9035240 | 116.00 |
| S.A."Fabrica de conserve din Dlanesti" | | Bender | s.Dlanesti | | 362 | 15337705 | 48.00 |
| S.A."Fabrica de conserve din Orhei" | | Orhei | or.Orhei | str.Stejarilor, 20 | 530 | 30241035 | 0.00 |
| S.A."Fabrica de conserve Ungheni "Rozmiar" | | Ungheni | or.Ungheni | str.Gh.Crestiuc, 1 | 976 | 18713690 | 0.00 |
| S.A."Fabrica de conserve din Floresti" | | Soroca | or.Floresti | str.Mihai Viteazul, 3 | 372 | 9210552 | 0.00 |
| S.A."Fabrica de conserve Calarasi" | | Ungheni | or.Calarasi | str.Calarasilor, 5 | 956 | 15765200 | 0.00 |
| S.A."Agroconservit" | | Chisinau | or.Chisinau | str.Uzinelor, 19 | 841 | 13410630 | 0.00 |
| S.A."Compania Bugeac" | 1 | Cahul | or.Vulcanesti | str.Gagarin, 62 | 454 | 4057482 | 0.62 |
| S.A."Termotransautò" | | Chisinau | or.Straseni | str.Orhei, 18 | 578 | 5669800 | 32.50 |
| S.A."Combinatul de vinuri din Taraclia" | | Taraclia | or.Taraclia | str.Voczalinaia, 74 | 318 | 16233770 | 44.60 |
| S.A."Ialserviceauto" | | Hincesti | or.Ialoveni | str.Alexandru cel Bun | 465 | 5350380 | 16.00 |
| S.A."Carmez" | 1 | Chisinau | or.Chisinau | str.Muncesti, 121 | 1015 | 41609050 | 13.10 |
| S.A."Basarabia-Nord" | | Balti | or.Balti | bd.Victoiei, 90a | 1069 | 16474706 | 11.30 |
| S.A."Iug" | 1 | Comrat | or.Ciadir-Lunga | str.Dzerjinskii, 1 | 436 | 12775180 | 3.00 |
| S.A."Frigo" | | Chisinau | or.Chisinau | str.Valea Bicului, 9 | 416 | 7460240 | 0.00 |
| S.A."Speranta" | | Edinet | or.Donduseni | str.Voczalinaia, 1 | 397 | 15608450 | 0.00 |
| S.A."Lapte" | | Chisinau | or.Chisinau | str.Sarmizegetusa, 90 | 663 | 18016450 | 0.00 |
| S.A."Combinatul de industrializarea laptelui din or.Balti" | | Balti | or.Balti | str.Calea Iesilor, 180 | 699 | 23134200 | 0.00 |
| S.A."Combinatul de industrializare a laptelui din Cupcini "InLaC" | | Edinet | s.Cupcini | | 386 | 14422100 | 0.00 |
| S.A."Bucuria" | | Chisinau | or.Chisinau | str.Columna, 162 | 2669 | 30167002 | 37.00 |
| S.A."Alexandreni-Zahar" | | Balti | s.Alexandreni | Biruinta, str.Independentei | 625 | 24611165 | 0.00 |
| S.A."Fabraca de zahar Briceni" | | Edinet | or.Briceni | str.Uzinei, 30 | 727 | 68761410 | 0.00 |
| S.A."Fabrica de zahar din Ghindesti" | | Soroca | s.Ghindesti | str.Fabricii, 1 | 644 | 20453040 | 0.00 |
| S.A.pentru producerea zaharului si acidului citric "Frunza" | | Edinet | s.Frunza | | 567 | 19439820 | 0.00 |
| S.A."Fabrica de zahar din Donduseni" | | Edinet | or.Donduseni | str.Karl Marx, 1 | 737 | 14343764 | 0.00 |
| S.A."Glodeni-Zahar" | | Balti | or.Glodeni | str.Stefan cel Mare, 48 | 782 | 30322000 | 0.00 |
| S.A."Drohia-zahar" | | Soroca | or.Drochia | str.27 august, 1 | 686 | 11258040 | 0.00 |
| S.A."Cupcini-Cristal" | | Edinet | s.Cupcini | str.Renasterii, 3 | 859 | 19214201 | 0.00 |
| S.A."Fabrica de zahar Falesti" | | Balti | or.Falesti | str.Iasi, 19 | 920 | 22192572 | 0.00 |
| S.A."Floarea soarelui" | | Balti | or.Balti | str.31 August, 6 | 689 | 14899580 | 0.00 |
| S.A.pentru producerea uleiului vegetal "ULEEX" | | Edinet | or.Otaci | str.Stefan cel Mare, 116 | 325 | 7041090 | 0.00 |
| S.A."Ambalaj" | | Soroca | or.Drochia | str.Lermontov, 8 | 341 | 6051885 | 0.00 |
| S.A."Fabrica de sticla din Chisinau" | | Chisinau | or.Chisinau | | 1268 | 17523280 | 0.00 |
| S.A."Dacia-Universal" | | Bender | s.Bulboaca | str.Stefan cel Mare, 1 | 345 | 3686244 | 0.00 |
| S.A."Niscon" | 1 | Ungheni | or.Nisporeni | str.Industriala, 1 | 323 | 2351784 | 0.00 |
| S.A."Constructorul" | 1 | Soroca | or.Floresti | str.Mihai Viteazul, 31 | 321 | 1981750 | 8.10 |
| S.A."Combinatul de constructie a caselor "Zidarul" | 1 | Cahul | or.Cahul | str.Grivitei, 25 | 389 | 13549275 | 6.50 |
| S.A."Hidroimpex" | | Soroca | or.Soroca | str.Vasile Stroiescu, 118a | 584 | 11441400 | 16.00 |
| S.A.pentru producerea aparatajului de joasa tensiune "ELCOM" | | Orhei | or.Orhei | str.Mihai Eminescu,10 | 603 | 2189520 | 0.00 |
| S.A."Electrotehnica" | 1 | Balti | or.Balti | str.Stefan cel Mare, 160 | 422 | 6055460 | 25.00 |
| S.A."Flamingo" | 1 | Balti | or.Balti | str.Stefan cel Mare, 146 | 1346 | 9570662 | 0.00 |
| S.A."PRUT" | 1 | Balti | or.Falesti | str.Mihai Eminescu, 63 | 491 | 10061840 | 7.73 |
| S.A."Nistru" | | Soroca | or.Soroca | str.Egorov, 5 | 1056 | 13480951 | 5.75 |
| S.A."Centru tehnic comercial" | | Chisinau | or.Chisinau | str.Calea Orheiului, 110a | 520 | 2828024 | 2.00 |
| S.A."Monolit" | | Soroca | or.Soroca | str.Calea Baltului, 35 | 469 | 7937622 | 18.65 |
| S.A."Uzina de masini de salubritate din Falesti" | 1 | Balti | or.Falesti | str.Eminescu, 61 | 340 | 14827777 | 0.00 |
| S.A."ELCAS" | | Chisinau | or.Chisinau | str.P.Rares, 77 | 1509 | 24137960 | 14.60 |
| S.A."INTEH" | | Chisinau | or.Chisinau | str.Mesterul Manole, 14 | 490 | 6020454 | 24.87 |
| S.A."Moldagrotehnica" | 1 | Balti | or.Balti | str.Pionerilor, 17 | 826 | 15940517 | 0.00 |
| S.A."Moldovahidromas" | | Chisinau | or.Chisinau | str.Mesterul Manole,7 | 2388 | 51854956 | 0.00 |
| S.A."Hidropompa" | | Chisinau | or.Chisinau | bd.Gagarin,2 | 1325 | 11141960 | 0.00 |
| S.A."Agromasina" | | Chisinau | or.Chisinau | str.Uzinelor, 21 | 1054 | 13973510 | 28.10 |
| S.A."ICAM" | | Chisinau | or.Chisinau | str.Tighina, 65 | 579 | 15942600 | 12.20 |
| S.A."Stejaur" | | Chisinau | or.Chisinau | str.Stefan cel Mare, 196 | 764 | 16514400 | 13.40 |
| S.A."Combinatul de mobila din Balti" | 1 | Balti | or.Balti | str.Stefan cel Mare, 128 | 827 | 13024290 | 11.60 |
| S.A."Fabrica de mobila "Viitorul" | 1 | Chisinau | or.Chisinau | str.Botezatu, 13 | 340 | 3655904 | 25.50 |
| S.A."Comod" | 1 | Orhei | or.Orhei | str.Unirii, 57 | 484 | 3622270 | 11.50 |
| S.A."Nord-Mobila" | 1 | Soroca | or.Drochia | str.31 August, 33 | 465 | 3708660 | 3.40 |
| S.A."CAC" | 1 | Chisinau | or.Chisinau | str.Transnistria, 16 | 349 | 14754400 | 27.99 |
| S.A."Lemnar" | 1 | Chisinau | or.Chisinau | str.Maria Dragan, 11 | 355 | 6589680 | 4.10 |
| S.A."Artizana" | | Chisinau | or.Chisinau | str.Academiei, 13 | 579 | 1845621 | 45.00 |
| S.A."Succes" | | Comrat | or.Basarabeasca | str.Putilovskaia, 103 | 441 | 7350000 | 3.60 |
| S.A."Colomit" | | Balti | or.Balti | str.Stefan cel Mare, 115 | 760 | 8502330 | 51.00 |
| S.A."Tricon" | | Cahul | or.Cahul | str.Stefan cel Mare, 20 | 1957 | 14122200 | 1.50 |
| S.A."Aschim" | | Chisinau | or.Chisinau | s.Durlesti,str.Vladimirescu,70 | 2037 | 23796020 | 0.00 |
| S.A."Monolit" | | Chisinau | or.Chisinau | str.Renasterii, 22/1 | 1205 | 11642033 | 0.00 |
| S.A."Chisinau-Coninvest" | 1 | Chisinau | or.Chisinau | str.Mesterul Manole, 5 | 680 | 3632020 | 2.03 |
| S.A.pentru constructii si amenajari "Consam" | | Chisinau | or.Chisinau | str.Teilor, 7/2 | 1035 | 5927464 | 0.00 |
| S.A."Lusmecon" | 3d | Chisinau | or.Chisinau | str.Renasterii, 22/1 | 1333 | 13058231 | 15.70 |
| S.A."Constructii industriale" | 3d | Chisinau | or.Chisinau | str.Miron Costin, 25 | 1434 | 9171290 | 11.60 |
| S.A."Consindal" | 1 | Chisinau | or.Chisinau | str.Industriala, 7 | 349 | 1958230 | 0.00 |
| S.A."Constructorul" | | Balti | or.Balti | str.Stefan cel Mare, 196 | 1571 | 19460060 | 12.98 |
| S.A."Intercons" | 1 | Balti | or.Balti | str.Mihai Viteazul, 18 | 642 | 7416490 | 0.00 |
| S.A."Conmec" | 1 | Chisinau | or.Chisinau | str.Alexandru cel Bun, 97 | 385 | 2996080 | 20.00 |
| S.A."Intreprindere de transport auto nr.1" | | Chisinau | or.Chisinau | str.L.Damian, 8 | 520 | 3937846 | 28.30 |
| S.A."Tamplarul" | | Chisinau | or.Chisinau | str.Spicului, 17 | 331 | 4208136 | 0.00 |
| S.A."Indmontaj" | 3d | Chisinau | or.Chisinau | str.Sarmizegetusa, 92 | 987 | 8821350 | 5.20 |
| S.A."Monttehsan" | 3d | Chisinau | or.Chisinau | str.B.Bodoni, 45 | 829 | 6032171 | 27.90 |
| S.A."Moldelectromontaj" | 3d | Chisinau | or.Chisinau | str.B.Bodoni, 45 | 651 | 3162000 | 24.70 |
| S.A."Spectrul" | 1 | Chisinau | or.Chisinau | str.Feredeului, 4 | 766 | 9912460 | 18.68 |
| S.A."Combinatul de piele artificiala si articole tehnice din cauciuc"Pielart" | | Chisinau | or.Chisinau | str.Calea Iesilor, 10 | 1774 | 41996000 | 24.40 |
| S.A."Rada" | | Balti | or.Balti | str.Eminescu, 12 | 1450 | 8175968 | 109.20 |
| S.A."Dana" | | Soroca | or.Soroca | str.Independentei, 75 | 1102 | 4129475 | 0.00 |
| S.A."Fabrica de articole de tricotaj "Stil" | | Soroca | or.Soroca | str.Viilor, 15 | 962 | 9508900 | 0.00 |
| S.A."Galanta" | | Orhei | or.Orhei | str.Vasile Lupu, 171 | 700 | 7793170 | 13.30 |
| S.A."AC-2000" | | Orhei | or.Orhei | str.Unirii, 128 | 437 | [illegible] | [illegible] |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| S.A."Mold-Itel" | 1 | Chisinau | or.Chisinau | str.Stefan cel Mare, 134 | 779 | 5357641 | 6.20 |
| S.A."Transcomunicatii" | | Chisinau | or.Cricova | | 581 | 3349847 | 20.40 |
| S.A."Nufarul" | | Chisinau | or.Chisinau | str.Maria Dragan, 28 | 362 | 3176430 | 7.70 |
| S.A."Combinatul materialelor de constructie" | | Balti | or.Balti | str.Stefan cel Mare, 178 | 615 | 21991400 | 20.30 |
| S.A.pentru producerea articolelor din ceramica "CZOM" | 1 | Chisinau | or.Chisinau | str.Podgorenilor, 41 | 362 | 3753060 | 0.00 |
| S.A."Macon" | 1 | Chisinau | or.Chisinau | str.Uzinelor, 104 | 584 | 15238361 | 19.00 |
| S.A."Cristal" | | Soroca | or.Floresti | str.Mihai Viteazul, 1 | 1125 | 16818420 | 0.00 |
| S.A."Incomas" | | Chisinau | or.Chisinau | str.Transnistria, 16 | 305 | 8641000 | 40.70 |
| S.A."Uzina ABA-1" | 1 | Chisinau | or.Chisinau | str.Petru Rares, 62 | 490 | 4498500 | 0.00 |
| S.A."Inconarm" | | Chisinau | or.Chisinau | str.Petricani, 84 | 331 | 4602880 | 0.00 |
| S.A."Beton armat" | | Chisinau | or.Chisinau | str.Uzinelor, 12 | 643 | 9084700 | 0.00 |
| S.A."Articole din beton armat" | 1 | Balti | or.Balti | str.Stefan cel Mare, 182 | 310 | 4760832 | 10.01 |
| S.A."Tora" | | Orhei | or.Orhei | str.Ion Creanga, 1 | 560 | 1972260 | 0.00 |
| S.A."Semnal" | 1 | Chisinau | or.Chisinau | str.Zelinski, 11 | 1584 | 33949400 | 0.00 |
| S.A."Avicola-Vulcanesti" | 3d | Cahul | or.Vulcanesti | | 320 | 7680550 | 0.50 |
| S.A."Avicola-Banesti" | 3d | Orhei | s.Banesti | | 320 | 7010240 | 10.20 |
| S.A."Fiting" | | Edinet | or.Ocnita | str.Sindicatelor, 11a | 526 | 9114660 | 18.60 |
| S.A."Alimentaremas" | 1 | Chisinau | or.Chisinau | str.Mesterul Manole, 12 | 1097 | 24356540 | 15.70 |
| S.A."Dimecon-11" | 1 | Chisinau | or.Chisinau | str.Uzinelor, 191 | 393 | 3769801 | 24.50 |
| S.A."Furnizorul ABA" | 1 | Chisinau | or.Chisinau | str.Mesterul Manole, 5 | 338 | 15812755 | 9.60 |

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S.A."Fabrica de conserve din Glodeni"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Glodeni

Tel.

Address 279280, or.Glodeni, str.Stefan cel Mare, 1

Branch Agriculturii

Main lines of activities: conserve din legume si fructe, fructe uscate, vin

Land square: 36.2 ha

Production square: 160000 m.pt.

Number of employees: 610

Auction coefficient of demand/supply

| 2 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 1.400 | 0.000 | 0.000 | 0.000 | 0.000 | ( 1.404 ) |

## II. Technical-financial characteristics

Statutory capital: 20521320 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 8730520 | 873052 | 42.5 |
| Another share holders | 11790800 | 1179080 | 57.4 |
| Total | 20521320 | 2052132 | 100.0 |

Volume of output: 2407.8 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Capacitatea joasa de cumparare a populatiei, lipsa pietii de desfacere.

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S.A."Fabrica de conserve din Cahul"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Cahul

Tel. 2-82-55

Address 278830, or.Cahul, str.Dunarii, 1

Branch Agriculturii

Main lines of activities: conserve pomilegumicole, vegetale si din carne

Land square: 17.1 ha

Production square: 54117 m.pt.

Number of employees: 997

Auction coefficient of demand/supply

| | | | | | | |
|---|---|---|---|---|---|---|
| | 4 | 7 | 0 | 0 | 0 | |
| | 0.470 | 1.680 | 0.000 | 0.000 | 0.000 | 0.888 |

## II. Technical-financial characteristics

Statutory capital: 15977000 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1773480 | 118232 | 11.1 |
| Another share holders | 14203845 | 946923 | 88.9 |
| Total | 15977000 | 1065155 | 100.0 |

Volume of output: 6023.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 50.00 %

Risc factors: Preturile inalte la productia gata din cauza preturilor mari pentru resursele energetice. Nivelul inalt al uzarii utilajului.

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S.A."Fabrica de conserve din Cupcini"

## I. General Information according to 01.01.94

Old name Fabrica de conserve din Cupcini

Tel. 2-24-46

Address 279560, r1.Edinet, s.Cupcini

Branch Agriculturii

Main lines of activities: conserve, pectin, fructe congelate

Land square: 20.7 ha

Production square: 70490 m.pt.

Number of employees: 1026

Auction coefficient of demand/supply:

| | | | | | |
|---|---|---|---|---|---|
| 1 | 0 | 0 | 0 | 0 | |
| 1.900 | 0.000 | 0.000 | 0.000 | 0.000 | 1.903 |

## II. Technical-financial characteristics

Statutory capital: 28520867 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 5704174 | 380280 | 20.0 |
| Another share holders | 22816693 | 1521120 | 80.0 |
| Total | 28520867 | 1901400 | 100.0 |

Volume of output: 13277.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 33.00 %

Risc factors: Majorarea materiei prime, resurselor economice. Posibil temporar esirea din functie compresorul instalatiei frigorifere. Intrerupere din cauza locului spre demolare.

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S.A."Fabrica de conserve din Cantemir"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Cantemir

Tel.

Address 278597, or.Cantemir, str.Stefan Voda, 2

Branch Agriculturii

Main lines of activities: conserve din legume si fructe

Land square: 0.0 ha

Production square: 2500 m.pt.

Number of employees: 1202

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 2.980 | 0.000 | 0.000 | 0.000 | 0.000 | 2.985 |

## II. Technical-financial characteristics

Statutory capital: 20114910 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4023010 | 80460 | 20.0 |
| Another share holders | 16091900 | 321838 | 80.0 |
| Total | 20114910 | 402298 | 100.0 |

Volume of output: 8219.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 44.00 %

Risc factors: Intreruperea achizitionarii materiei prime in legatura cu conditiile nefavorabile a timpului.

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S.A."Fabrica de conserve din Causeni"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Causeni

Tel. 2-32-65 2-34-37

Address 278120, or.Causeni, sos.Tighinei, 5

Branch Agriculturii

Main lines of activities: conserve din carne, fructe si legume

Land square: 47.7 ha

Production square: 102197 m.pt.

Number of employees: 1189

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.060 | 0.000 | 0.000 | 0.000 | 0.000 | 1.064 |

## II. Technical-financial characteristics

Statutory capital: 22174000 lei

Share price: 30.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2461330 | 82044 | 11.1 |
| Another share holders | 19712670 | 657089 | 88.9 |
| Total | 22174000 | 739133 | 100.0 |

Volume of output: 6255.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Reducerea bazii de materia prima. Nivelul inalt de uzare al utilajului tehnologic.

S.A."Fabrica de conserve din Cosnita"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Cosnita

Tel.

Address 278304, r1.Dubasari, s.Cosnita

Branch Agriculturii

Main lines of activities: conserve din legume si fructe

Land square: 33.9 ha

Production square: 339400 m.pt.

Number of employees: 947

Auction coefficient of demand/supply

| 4 | 7 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.050 | 1.100 | 0.000 | 0.000 | 0.000 | 0.542 |

## II. Technical-financial characteristics

Statutory capital: 18889002 lei

Share price: 11.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2264790 | 205890 | 11.9 |
| Another share holders | 16624212 | 1511292 | 88.0 |
| Total | 18889002 | 1717182 | 100.0 |

Volume of output: 3960.3 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Criza platilor si problema cu aprovizionarea cu materii prime. Uzura fizica inalta si invechirea morala a utilajului tehnologic. Lipsa de instalatii pentru curatirea gazelor.

S.A."Faconis"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Nisporeni

Tel.

Address 278360, or.Nisporeni, str.Industriala, 1

Branch Agriculturii

Main lines of activities: conserve din legume si fructe, fructe uscate

Land square: 34.9 ha

Production square: 47582 m.pt.

Number of employees: 710

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.210 | 0.000 | 0.000 | 0.000 | 0.000 | 1.211 |

## II. Technical-financial characteristics

Statutory capital: 14378000 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2631200 | 131560 | 18.3 |
| Another share holders | 11746800 | 587340 | 81.7 |
| Total | 14378000 | 718900 | 100.0 |

Volume of output: 1624.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Ecsorarea zonei materiei prima, caderea ofertei la conserve. Nivelul inalt a uzurei utilajului. Neajuns al capacitatilor retelei de purificare.

S.A."Fabrica de conserve Anenii-Noi"

## I. General Information according to 01.10.94

Old name Fabrica de conserve din Anenii-Noi

Tel. 2-25-53 2-25-53

Address 278210, or.Anenii-Noi, str.C.Nationale, 2

Branch Agriculturii

Main lines of activities: conserve si sucuri de legume si fructe

Land square: 9.6 ha

Production square: 25000 m.pt.

Number of employees: 522

Auction coefficient of demand/supply:

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 2.720 | 0.000 | 0.000 | 0.000 | 0.000 | 2.715 |

## II. Technical-financial characteristics

Statutory capital: 9035240 lei

Share price: 40.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1174600 | 29365 | 13.0 |
| Another share holders | 7860640 | 196516 | 87.0 |
| Total | 9035240 | 225881 | 100.0 |

Volume of output: 1951.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 59.50 %

Risc factors: Cresterea sinecostului productiei, scaderea nivelului de cumparare. Gradul inalt de uzura a utilajului. Lipsa instalatiilor de purificare proprii.

S.A."Fabrica de conserve din Olanesti"

## I. General Information according to 01.10.94

Old name Fabrica de conserve din Olanesti

Tel. 2-35-87 2-35-87

Address 278164, rl.Stefan Voda, s.Olanesti

Branch Agriculturii

| | |
|---|---|
| Main lines of activities | conserve din legume si fructe, sucuri |
| Land square | 20.4 ha |
| Production square | 14760 m.pt. |
| Number of employees | 362 |
| Auction coefficient of demand/supply | 5 0 0 0 0<br>1.460 0.000 0.000 0.000 0.000 1.461 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 15337705 lei |
| Share price | 10.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4929700 | 492970 | 32.1 |
| Another share holders | 10408005 | 1040800 | 67.8 |
| Total | 15337705 | 1533770 | 100.0 |

| | |
|---|---|
| Volume of output | 3521.0 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 51.50 % |
| Risc factors | Majorarea senicostului productiei, scaderea capacitatilor de cumpararea. Inalta uzura fizica a utilajului. Purificaria in complecta a opelor reziduale. |

S.A."Fabrica de conserve din Orhei"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Orhei

Tel. 2-29-92 2-13-70

Address 278400, or.Orhei, str.Stejarilor, 20

Branch Agriculturii

| | |
|---|---|
| Main lines of activities | conserve din fructe si legume, uscaturi, sucuri concentrate |
| Land square | 18.8 ha |
| Production square | 15695 m.pt. |
| Number of employees | 530 |
| Auction coefficient of demand/supply | 2 0 0 0 0<br>3.420 0.000 0.000 0.000 0.000 3.425 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 30241035 lei |
| Share price | 15.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 13808280 | 920552 | 45.6 |
| Another share holders | 16432755 | 1095517 | 54.3 |
| Total | 30241035 | 2016069 | 100.0 |

| | |
|---|---|
| Volume of output | 7999.2 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 0.00 % |
| Risc factors | Ridicarea sinecostului, lipsa pietei de desfacere. |

S.A."Fabrica de conserve Ungheni "Rozmiar"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Ungheni

Tel. 3-22-61

Address 279100, or.Ungheni, str.Gh.Crestiuc, 1

Branch Agriculturii

| | |
|---|---|
| Main lines of activities | conserve, fructe congelate rapid, fructe uscate, bauturi spirtoase si nealcoolice |
| Land square | 25.3 ha |
| Production square | 75600 m.pt. |
| Number of employees | |
| Auction coefficient of demand/supply | 976<br>4 0 0 0 0<br>1.300 0.000 0.000 0.000 0.000 1.297 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 18713690 lei |
| Share price | 10.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3792570 | 379257 | 20.2 |
| Another share holders | 14921120 | 1492112 | 79.7 |
| Total | 18713690 | 1871369 | 100.0 |

| | |
|---|---|
| Volume of output | 12143.5 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 13.70 % |
| Risc factors | Reducerea pietii de desfacere a productiei finite. Utilajul tehnologic invechit tehnic (cu 42 %) si moral. |

S.A."Fabrica de conserve din Floresti"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Floresti

Tel. 2-23-79 2-23-79

Address 279800, or.Floresti, str.Mihai Viteazul, 3

Branch Agriculturii

Main lines of activities: conserve, fructe uscate, sucuri, pasta de rosii, compoturi, magiun

Land square: 16.5 ha

Production square: 85000 m.pt.

Number of employees: 372

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.540 | 0.000 | 0.000 | 0.000 | 0.000 | 1.542 |

## II. Technical-financial characteristics

Statutory capital: 9210552 lei

Share price: 40.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1856510 | 46413 | 20.1 |
| Another share holders | 7354042 | 183851 | 79.8 |
| Total | 9210552 | 230264 | 100.0 |

Volume of output: 2943.3 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 25.00 %

Risc factors: Ecsorarea capacitatii de cumparare a populatiei.

S.A."Fabrica de conserve Calarasi"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Calarasi

Tel.

Address 279000, or.Calarasi, str.Calarasilor, 5

Branch Agriculturii

Main lines of activities: producerea conservelor din fructe si legume

Land square: 18.2 ha

Production square: 600000 m.pt.

Number of employees: 956

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 7 | 0 | 0 | 0 | |
| 0.120 | 1.350 | 0.000 | 0.000 | 0.000 | 0.689 |

## II. Technical-financial characteristics

Statutory capital: 15785200 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1846850 | 36937 | 11.7 |
| Another share holders | 13938350 | 278767 | 88.3 |
| Total | 15785200 | 315704 | 100.0 |

Volume of output: 1996.6 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 68.00 %

Risc factors: Micsorarea realizarilor. Stationarea evidentuala a producerii din cauza lipsei de apa. Uzura fizica a utilajului.

S.A."Agroconservit"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Chisinau

Tel. 47-12-43 47-71-85

Address 277023, or.Chisinau, str.Uzinelor, 19

Branch Agriculturii

Main lines of activities: conserve din fructe si legume

Land square: 9.2 ha

Production square: 17700 m.pt.

Number of employees: 841

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 0.990 | 0.000 | 0.000 | 0.000 | 0.000 | 0.986 |

## II. Technical-financial characteristics

Statutory capital: 13410630 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2109495 | 140633 | 15.7 |
| Another share holders | 11301135 | 753409 | 84.2 |
| Total | 13410630 | 894042 | 100.0 |

Volume of output: 4618.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 7.00 %

Risc factors: Criza platilor si problema cu aprovizionarea cu materii prime. Uzura fizica inalta si invechirea morala a utilajului.

S.A."Compania Bugeac"

## I. General Information according to 01.01.95

Old name "Compania Bugeac" SRL

Tel. 2-20-90

Address 278810, or.Vulcanesti, str.Gagarin, 62

Branch Agriculturii

Main lines of activities: producerea, prelucrarea, colectarea si desfacerea productiei agricole

Land square: 60.3 ha

Production square: 20521 m.pt.

Number of employees: 454

Auction coefficient of demand/supply

| 10 | 12 | 14 | 15 | 0 | |
|---|---|---|---|---|---|
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

## II. Technical-financial characteristics

Statutory capital: 4057482 lei

Share price: 11.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 564685 | 51335 | 13.9 |
| Another share holders | 3492797 | 317527 | 86.0 |
| Total | 4057482 | 368862 | 100.0 |

Volume of output: 1538.1 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.001 leu/leu

The depreciation level of machinery of equipment: 70.20 %

Risc factors: Scaderea capacitatii de plata a clientilor.

S.A."Termotransauto"

## I. General Information according to 01.10.94

Old name Intreprinderea de transport auto nr.4 din Straseni

Tel. 2-21-54 2-24-54

Address 278250, or.Straseni, str.Orhei, 18

Branch Agriculturii

Main lines of activities: servicii de transport auto

Land square: 7.0 ha

Production square: 6500 m.pt.

Number of employees: 578

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 8 | 0 | 0 | 0 | 0 | |
| 2.740 | 0.000 | 0.000 | 0.000 | 0.000 | 2.737 |

## II. Technical-financial characteristics

Statutory capital: 5669800 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1111280 | 55564 | 19.6 |
| Another share holders | 4558520 | 227926 | 80.4 |
| Total | 5669800 | 283490 | 100.0 |

Volume of output: 3125.6 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 75.70 %

Risc factors: Micsorarea volumului servicii de transport. Nivelul inalt a uzurii transportului.

S.A."Combinatul de vinuri din Taraclia"

## I. General Information according to 01.10.94

Old name Combinatul de colectare si prelucrare a strugurilor din Taraclia

Tel. 2-54-80

Address 278740, or.Taraclia, str.Voczalinaia, 74

Branch Agriculturii

Main lines of activities: vinuri imbutiliate, de butoi, prelucrarea vinurilor brute, sampanizate, bauturi nationale alcoolizate

Land square: 17.0 ha

Production square: 20567 m.pt.

Number of employees: 318

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 2.440 | 0.000 | 0.000 | 0.000 | 0.000 | 2.444 |

## II. Technical-financial characteristics

Statutory capital: 16233770 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 10206440 | 1020644 | 62.8 |
| Another share holders | 6027330 | 602733 | 37.1 |
| Total | 16233770 | 1623377 | 100.0 |

Volume of output: 2884.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 33.70 %

Risc factors: Insolvabilitatea cumparatorilor. Defectarea instalatiilor de purificare.

S.A."Ialserviceauto"

## I. General Information according to 01.10.94

Old name Intreprinderea de transport auto nr.9

Tel.

Address 278272, or.Ialoveni, str.Alexandru cel Bun

Branch Agriculturii

Main lines of activities servicii de transport

Land square 4.0 ha

Production square 14602 m.pt.

Number of employees 465

Auction coefficient of demand/supply

| 6 | 9 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.730 | 0.900 | 0.000 | 0.000 | 0.000 | 0.766 |

## II. Technical-financial characteristics

Statutory capital 5350380 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 754400 | 75440 | 14.1 |
| Another share holders | 4595980 | 459598 | 85.9 |
| Total | 5350380 | 535038 | 100.0 |

Volume of output 1274.1 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 85.60 %

Risc factors Scaderea capacitatii de plata a populatiei. Gradul inalt a uzurii utilajului 85%.

S.A."Carnez"

## I. General Information according to 01.10.94

Old name Combinatul de carne din Chisinau

Tel. 55-04-41 55-43-31

Address 277018, or.Chisinau, str.Muncesti, 121

Branch Agriculturii

Main lines of activities carne si produse din carne

Land square 19.5 ha

Production square 80000 m.pt.

Number of employees 1015

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 9 | 0 | 0 | 0 | 0 | |
| 0.820 | 0.000 | 0.000 | 0.000 | 0.000 | 0.818 |

## II. Technical-financial characteristics

Statutory capital 41609050 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 655040 | 65504 | 1.5 |
| The quota of employees | 19704400 | 1970440 | 47.3 |
| Another share holders | 21249610 | 2124961 | 51.0 |
| Total | 41609050 | 4160905 | 100.0 |

Volume of output 45542.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 67.00 %

Risc factors Depinderea directa de calamitatile natrii si de starea firmelor agricole. Uzura fizica inalta si invechirea morala a utilajului tehnologic. Starea nesatisfacatoare a instalatilor de purificare.

S.A."Iug"

## I. General Information according to 01.04.95

Old name Combinatul de carne din Ciadir-Lunga

Tel. 2-16-71

Address 278700, or.Ciadir-Lunga, str.Dzerjinskii, 1

Branch Agriculturii

Main lines of activities: prelucrarea si comercializarea carnii

Land square: 16.0 ha

Production square: 22050 m.pt.

Number of employees: 436

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 15 | 0 | 0 | 0 | 0 | |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

## II. Technical-financial characteristics

Statutory capital: 12775180 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 6635480 | 663548 | 51.9 |
| Another share holders | 6139700 | 613970 | 48.0 |
| Total | 12775180 | 1277518 | 100.0 |

Volume of output: 3248.9 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 50.10 %

Risc factors: Insolvabilitatea clientilor. Uzura mijloacelor fixe.

S.A."Frigo"

## I. General Information according to 01.07.94

Old name Combinatul frigorific din Chisinau

Tel. 55-23-21

Address 277018, or.Chisinau, str.Valea Bicului, 9

Branch Agriculturii

Main lines of activities: producerea semifabricatelor din carne ambalata, produse de mezeluri, inghetata si brinzeturi topite

Land square: 6.6 ha

Production square: 10322 m.pt.

Number of employees: 416

Auction coefficient of demand/supply:

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 2.060 | 0.000 | 0.000 | 0.000 | 0.000 | 2.059 |

## II. Technical-financial characteristics

Statutory capital: 7460240 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1492060 | 74603 | 20.0 |
| Another share holders | 5968180 | 298409 | 80.0 |
| Total | 7460240 | 373012 | 100.0 |

Volume of output: 235.1 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 52.40 %

Risc factors: Scaderea numarului de animale domestice in urma secetei 1994, cresterea preturilor de achizitie la materia prima, cresterea pretului de cost din cauza scumpirii resurselor energetice. Este necesar schimbul utilajului de amoniac in volum capital. Uzarea fizica si morala inalta al masinilor si utilajului.

S.A."Speranta"

## I. General Information according to 01.10.94

Old name Cooperativa "Speranta" din Donduseni

Tel. 2-32-49 2-20-82

Address 279450, or.Donduseni, str.Voczalinaia, 1

Branch Agriculturii

Main lines of activities carne, mezeluri

Land square 28.3 ha

Production square 5600 m.pt.

Number of employees 397

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 6 | 15 | 0 | 0 | 0 | |
| 0.020 | 0.000 | 0.000 | 0.000 | 0.000 | 0.016 |

## II. Technical-financial characteristics

Statutory capital 15600450 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4575600 | 91512 | 29.3 |
| Another share holders | 11032850 | 220657 | 70.6 |
| Total | 15600450 | 312169 | 100.0 |

Volume of output 6588.2 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 41.20 %

Risc factors

S.A."Lapte"

## I. General Information according to 01.07.94

Old name Asociatia de productie a industriei laptelui din Chisinau

Tel. 55-83-40

Address 277032, or.Chisinau, str.Sarmizegetusa, 90

Branch Agriculturii

Main lines of activities dezvoltarea producerii de prelucrare a laptelui si produselor lactate

Land square 9.0 ha

Production square 5500 m.pt.

Number of employees 663

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 3.940 | 0.000 | 0.000 | 0.000 | 0.000 | 3.937 |

## II. Technical-financial characteristics

Statutory capital 18016450 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3471600 | 69432 | 19.2 |
| Another share holders | 14544850 | 290897 | 80.7 |
| Total | 18016450 | 360329 | 100.0 |

Volume of output 10015.4 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 44.00 %

Risc factors Problemele realizarii productiei. Reutilarea tehnica pentru largirea asortimentului.

S.A."Combinatul de industrializarea laptelui din or.Balti"

## I. General Information according to 01.07.94

Old name Combinatul de produse lactate din Balti

Tel. 3-23-76

Address 279200, or.Balti, str.Calea Iesilor, 180

Branch Agriculturii

Main lines of activities: unt, lapte uscat, inghetata, produse lactate

Land square: 11.9 ha

Production square: 14600 m.pt.

Number of employees: 699

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 3.460 | 0.000 | 0.000 | 0.000 | 0.000 | 3.456 |

## II. Technical-financial characteristics

Statutory capital: 23134200 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4832950 | 96659 | 20.8 |
| Another share holders | 18301250 | 366025 | 79.1 |
| Total | 23134200 | 462684 | 100.0 |

Volume of output: 7375.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 48.00 %

Risc factors: Micsorarea volumului de furuizare. Uzura tehnicii. Poluarea mediului ambiat.

S.A."Combinatul de industrializare a laptelui din Cupcini "InLaC"

## I. General Information according to 01.01.94

Old name Combinatul de produse lactate din Cupcini

Tel. 2-20-50

Address 279560, r1.Edinet, s.Cupcini

Branch Agriculturii

Main lines of activities: lactate, unt, lapte-praf degresat

Land square: 9.9 ha

Production square: 12000 m.pt.

Number of employees: 386

Auction coefficient of demand/supply

| 1 | 2 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.370 | 1.880 | 0.000 | 0.000 | 0.000 | 0.953 |

## II. Technical-financial characteristics

Statutory capital: 14422100 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1777750 | 35555 | 12.3 |
| Another share holders | 12644350 | 252887 | 87.6 |
| Total | 14422100 | 288442 | 100.0 |

Volume of output: 5610.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 31.00 %

Risc factors: Scaderea puterii de cumparare a populatiei, lipsa pietii de desfacere. Uzura morala a utilajului, lipsa surselor de energie proprii. Sroparea procesului de productie din cauza lipsei cererilor la deseurile secundare.

S.A."Bucuria"

## I. General Information according to 01.07.94

Old name Societatea pe actiuni a industriei de cofetarie "Bucuria"

Tel. 24-67-88

Address 277004, or.Chisinau, str.Columna, 162

Branch Agriculturii

Main lines of activities producerea produselor de cofetarie

Land square 13.3 ha

Production square 48454 m.pt.

Number of employees 2669

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 3.410 | 0.000 | 0.000 | 0.000 | 0.000 | 3.406 |

## II. Technical-financial characteristics

Statutory capital 30167002 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 9489705 | 948970 | 31.4 |
| Another share holders | 20677297 | 2067730 | 68.5 |
| Total | 30167002 | 3016700 | 100.0 |

Volume of output 34761.3 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors Cerintele de consum scazute, impunerea impovarata, dependenta de importarea materiei prime si materialelor. Nivelul inalt de uzare al utilajului.

S.A."Alexandreni-Zahar"

## I. General Information according to 01.07.94

Old name Combinatul de zahar din Alexandreni

Tel.

Address 279244, r1.Singerei, s.Alexandreni, Biruinta, str.Independentei

Branch Agriculturii

Main lines of activities zahar-tos din sfecla, melasa si burnota

Land square 239.0 ha

Production square 10800 m.pt.

Number of employees 625

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.670 | 0.000 | 0.000 | 0.000 | 0.000 | 1.666 |

## II. Technical-financial characteristics

Statutory capital 24611165 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1759698 | 175970 | 7.1 |
| Another share holders | 22851467 | 2285146 | 92.8 |
| Total | 24611165 | 2461116 | 100.0 |

Volume of output 8954.1 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 32.00 %

Risc factors Scaderea capacitatii de plata a populatiei. Nivelul inalt de uzura mijloacelor fixe.

S.A."Fabraca de zahar Briceni"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Briceni

Tel.

Address 279620, or.Briceni, str.Uzinei, 30

Branch Agriculturii

Main lines of activities: zahar, melasa, burnota uscata si umeda

Land square: 231.2 ha

Production square: 79290 m.pt.

Number of employees: 727

Auction coefficient of demand/supply

| 4 | 7 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.280 | 1.230 | 0.000 | 0.000 | 0.000 | 0.674 |

## II. Technical-financial characteristics

Statutory capital: 68761410 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1925310 | 192531 | 2.8 |
| Another share holders | 66836100 | 6683610 | 97.2 |
| Total | 68761410 | 6876141 | 100.0 |

Volume of output: 8983.4 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 4.20 %

Risc factors: Lipsa de materii prima, scumpirea materialelor, resurselor energetice. Uzura fizica si morala, posibilitatea de reglarii a utilajului.

S.A."Fabrica de zahar din Ghindesti"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Ghindesti

Tel. 2-30-29 2-22-08

Address 279820, r1.Floresti, s.Ghindesti, str.Fabricii, 1

Branch Agriculturii

Main lines of activities zahar-tos

Land square 225.7 ha

Production square 27250 m.pt.

Number of employees 644

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.090 | 0.000 | 0.000 | 0.000 | 0.000 | 1.094 |

## II. Technical-financial characteristics

Statutory capital 20453040 lei

Share price 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2415500 | 120775 | 11.8 |
| Another share holders | 18037540 | 901877 | 88.1 |
| Total | 20453040 | 1022652 | 100.0 |

Volume of output 4076.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors In stabilitatea preturilor. Amortizarea fizica si morala a utilajului. Poluarea.

S.A.pentru producerea zaharului si acidului citric "Frunza"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Girbova

Tel.

Address 279546, r1.Ocnita, s.Frunza

Branch Agriculturii

Main lines of activities: producerea zaharalui, sarii de lamie,taitelor uscati si acri, melasei si comercializarea lor

Land square: 214.3 ha

Production square: 1489800 m.pt.

Number of employees: 567

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 7 | 0 | 0 | 0 | |
| 0.900 | 3.320 | 0.000 | 0.000 | 0.000 | 1.122 |

## II. Technical-financial characteristics

Statutory capital: 19439820 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2332770 | 155518 | 12.0 |
| Another share holders | 17107050 | 1140470 | 88.0 |
| Total | 19439820 | 1295988 | 100.0 |

Volume of output: 2604.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 56.00 %

Risc factors: Scumpirea materii prime, resurselor energetice. Uzura fizica si morala a utilajului. Pericol exploziv, inpurificarea mediului ambiant.

S.A."Fabrica de zahar din Donduseni"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Donduseni

Tel. 2-27-62 2-28-62

Address 279450, or.Donduseni, str.Karl Marx, 1

Branch Agriculturii

Main lines of activities: zahar din sfecla, conserve din fructe si legume

Land square: 164.1 ha

Production square: 15121 m.pt.

Number of employees: 737

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 3.170 | 0.000 | 0.000 | 0.000 | 0.000 | 3.169 |

## II. Technical-financial characteristics

Statutory capital: 14343764 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1695434 | 169543 | 11.8 |
| Another share holders | 12648330 | 1264833 | 88.1 |
| Total | 14343764 | 1434376 | 100.0 |

Volume of output: 6385.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 30.00 %

Risc factors: Scumpirea materii prime agricole si a resurselor energetice si combustibului. Uzura morala a utilajukui. Impurificarea mediului inconjurator.

S.A."Glodeni-Zahar"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Glodeni

Tel.

Address 279200, or.Glodeni, str.Stefan cel Mare, 4B

Branch Agriculturii

Main lines of activities zaharul-tos din sfecla

Land square 193.0 ha

Production square 1296352 m.pt.

Number of employees 782

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.970 | 0.000 | 0.000 | 0.000 | 0.000 | 1.968 |

## II. Technical-financial characteristics

Statutory capital 30322000 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3517350 | 70347 | 11.6 |
| Another share holders | 26804650 | 536093 | 88.4 |
| Total | 30322000 | 606440 | 100.0 |

Volume of output 11936.8 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors Cresterea semicostului a productiei, scaderea capacitatii de plata a populatiei. Posibilitatea poluarii aerului.

S.A."Drohia-zahar"

## I. General Information according to 01.07.94

Old name Combinatul de zahar din Drochia

Tel.

Address 279400, or.Drochia, str.27 august, 1

Branch Agriculturii

Main lines of activities zahar-fos, conserve de legume si fructe

Land square 0.0 ha

Production square 15192 m.pt.

Number of employees 686

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 6.520 | 0.000 | 0.000 | 0.000 | 0.000 | 6.521 |

## II. Technical-financial characteristics

Statutory capital 11258040 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2251610 | 225161 | 20.0 |
| Another share holders | 9006430 | 900643 | 80.0 |
| Total | 11258040 | 1125804 | 100.0 |

Volume of output 6616.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 67.00 %

Risc factors Scaderea posibilitatii platilor a populatiei. Nivelul inalt uzurei a utilajului. Impurificare.

S.A."Cupcini-Cristal"

## I. General Information according to 01.07.94

Old name Combinatul de zahar din Cupcini

Tel.

Address 279560, r1.Edinet, s.Cupcini, str.Renasterii, 3

Branch Agriculturii

Main lines of activities zahar, bauturi alcoolice si fara alcool

Land square 284.0 ha

Production square 30765 m.pt.

Number of employees 859

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.160 | 0.000 | 0.000 | 0.000 | 0.000 | 1.161 |

## II. Technical-financial characteristics

Statutory capital 19214201 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1366130 | 136613 | 7.1 |
| Another share holders | 17848071 | 1784807 | 92.8 |
| Total | 19214201 | 1921420 | 100.0 |

Volume of output 11259.7 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 51.90 %

Risc factors Scumpirea materiei prima, resurselor energetice. Uzura fondurului fixe.

S.A."Fabrica de zahar Falesti"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Falesti

Tel.

Address 279150, or.Falesti, str.Iasi, 19

Branch Agriculturii

Main lines of activities: zahar, bornot, melasa, conserve din legume si fructe

Land square: 221.4 ha

Production square: 197500 m.pt.

Number of employees: 920

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 2.190 | 0.000 | 0.000 | 0.000 | 0.000 | 2.188 |

## II. Technical-financial characteristics

Statutory capital: 22192572 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4438512 | 221926 | 20.0 |
| Another share holders | 17754060 | 887703 | 80.0 |
| Total | 22192572 | 1109629 | 100.0 |

Volume of output: 13293.8 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 52.00 %

Risc factors: Scaderea capacitatii de plata a populatiei. Nivelul inalt de uzura a mijloacelor fixe. Poluareamediului incunjurator.

S.A."Floarea soarelui"

## I. General Information according to 01.07.94

Old name Combinatul de uleiuri si grasimi din Balti

Tel.

Address 279200, or.Balti, str.31 August, 6

Branch Agriculturii

Main lines of activities: ulei vegetal si sapun de rufe

Land square: 12.4 ha

Production square: 48296 m.pt.

Number of employees: 689

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 2.390 | 0.000 | 0.000 | 0.000 | 0.000 | 2.392 |

## II. Technical-financial characteristics

Statutory capital: 14899580 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3220940 | 161047 | 21.6 |
| Another share holders | 11678640 | 583932 | 78.3 |
| Total | 14899580 | 744979 | 100.0 |

Volume of output: 7354.9 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 57.00 %

Risc factors: Lipsa materiei prime, majorarea pretului de cost. Uzarea utilajului. Pericol de inflamare.

S.A.pentru producerea uleiului vegetal "ULEEX"

## I. General Information according to 01.01.94

Old name Fabrica de extractie a uleiurilor din Otaci

Tel.

Address 279500, r1.Ocnita, or.Otaci, str.Stefan cel Mare, 116

Branch Agriculturii

Main lines of activities: uleiul vegetal, uleiul rafinat

Land square: 11.0 ha

Production square: 19500 m.pt.

Number of employees: 325

Auction coefficient of demand/supply

| 1 | 2 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.880 | 4.030 | 0.000 | 0.000 | 0.000 | 1.217 |

## II. Technical-financial characteristics

Statutory capital: 7041090 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1465950 | 146595 | 20.8 |
| Another share holders | 5575140 | 557514 | 79.1 |
| Total | 7041090 | 704109 | 100.0 |

Volume of output: 4283.8 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 37.00 %

Risc factors: Lipsul materiei prime. Utilajul invechit. Exploziv.

S.A."Ambalaj"

## I. General Information according to 01.07.94

Old name Combinatul experimental de ambalaje din Drochia

Tel. 2-32-98 2-32-67

Address 279400, or.Drochia, str.Lermontov, 8

Branch Agriculturii

Main lines of activities: confectionarea ambalajului de lemn si polimer

Land square: 3.0 ha

Production square: 7846 m.pt.

Number of employees: 341

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 3 | 0 | 0 | 0 | 0 | |
| 1.450 | 0.000 | 0.000 | 0.000 | 0.000 | 1.448 |

## II. Technical-financial characteristics

Statutory capital: 6051885 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1210350 | 24207 | 20.0 |
| Another share holders | 4841535 | 96830 | 80.0 |
| Total | 6051885 | 121037 | 100.0 |

Volume of output: 930.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 59.50 %

Risc factors: Cresterea sinecostului, capacitatea joasa de cumparare a consumatorilor. Uzura inalta a utilajului.

S.A."Fabrica de sticla din Chisinau"

## I. General Information according to 01.07.94

Old name Fabrica de sticla din Chisinau

Tel. 47-39-26 48-90-95

Address or.Chisinau

Branch Agriculturii

Main lines of activities butelii si borcane din sticla

Land square 0.0 ha

Production square 6847 m.pt.

Number of employees 1268

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 3 | 0 | 0 | 0 | 0 | |
| 2.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.996 |

## II. Technical-financial characteristics

Statutory capital 17523280 lei

Share price 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3704660 | 185233 | 21.1 |
| Another share holders | 13818620 | 690931 | 78.8 |
| Total | 17523280 | 876164 | 100.0 |

Volume of output 9487.9 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors

S.A."Dacia-Universal"

## I. General Information according to 01.07.94

Old name Intreprinderea raionala de reparatia si deservire a tehnicii din Anenii-Noi

Tel. 2-24-34 2-24-34

Address 278230, r1.Anenii-Noi, s.Bulboaca, str.Stefan cel Mare, 1

Branch Agriculturii

Main lines of activities: repararea si deservirea tehnicii agricole, utilajului electric, utilajului fermelor si complexelor zootehnice

Land square: 9.8 ha

Production square: 9300 m.pt.

Number of employees: 345

Auction coefficient of demand/supply

| 3 | 7 | 15 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.770 | 0.670 | 0.000 | 0.000 | 0.000 | 0.708 |

## II. Technical-financial characteristics

Statutory capital: 3686244 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 737200 | 73720 | 20.0 |
| Another share holders | 2949000 | 294900 | 80.0 |
| Total | 3686244 | 368620 | 100.0 |

Volume of output: 519.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Folimentul societatii, regim temporar a descresterii economiei in rezultatul perepof. si moder. productiei. Situatia de avarii , care au adus la ineptivitatea folosirii de mai departe a fondurilor fixe. In rezultatul cataclizmelor naturale inundatiilor.

S.A."Niscon"

## I. General Information according to 01.07.95

Old name Asociatia intergospodareasca de constructii nr.1 din Nisporeni

Tel. 2-36-88 2-33-96

Address 278360, or.Nisporeni, str.Industriala, 1

Branch Agriculturii

Main lines of activities: lucrari de constructii

Land square: 5.7 ha

Production square: 50000 m.pt.

Number of employees: 323

Auction coefficient of demand/supply: 15 0 0 0 0
0.000 0.000 0.000 0.000 0.000 0.000

## II. Technical-financial characteristics

Statutory capital: 2351784 lei

Share price: 12.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1080360 | 90030 | 45.9 |
| Another share holders | 1271424 | 105952 | 54.0 |
| Total | 2351784 | 195982 | 100.0 |

Volume of output: 97.4 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.001 leu/leu

The depreciation level of machinery of equipment: 92.60 %

Risc factors: Scaderea capacitatii de plata a intreprinderilor si populatiei. Uzura inalta fizica si morala a utilajului.

S.A."Constructorul"

## I. General Information according to 01.04.95

Old name Asociatia intergos.cooper.de stat de proiectare si constructie "Constructorul"

Tel. 2-29-19 2-00-50

Address 279800, or.Floresti, str.Mihai Viteazul, 31

Branch Agriculturii

Main lines of activities constructii, montaj, proiectare si reparatii

Land square 10.7 ha

Production square 84087 m.pt.

Number of employees 321

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 12 | 15 | 0 | 0 | 0 | |
| 0.010 | 0.000 | 0.000 | 0.000 | 0.000 | 0.004 |

## II. Technical-financial characteristics

Statutory capital 1981750 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 771870 | 77187 | 38.9 |
| Another share holders | 1209880 | 120988 | 61.0 |
| Total | 1981750 | 198175 | 100.0 |

Volume of output 587.9 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.001 leu/leu

The depreciation level of machinery of equipment 75.00 %

Risc factors Inrautatirea capacitatilor de plata, cresterea vaduta a pretului de cost. Uzura fizica a utilajului, mijloacelor de transport si mecahizmelor.

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S.A."Combinatul de constructie a caselor "Zidarul"

## I. General Information according to 01.07.95

Old name Combinatul de constructie a caselor la sate din Cahul

Tel.

Address 278830, or.Cahul, str.Grivitei, 25

Branch Agriculturii

Main lines of activities constructia caselor

Land square 9.0 ha

Production square 71760 m.pt.

Number of employees 389

Auction coefficient of demand/supply

| 14 | 15 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

## II. Technical-financial characteristics

Statutory capital 13549275 lei

Share price 5.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2587910 | 517582 | 19.1 |
| Another share holders | 10961365 | 2192273 | 80.9 |
| Total | 13549275 | 2709855 | 100.0 |

Volume of output 584.7 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 39.40 %

Risc factors Insolvabilitatea comandatarilor. Uzura mijloacelor fixe.

S.A."Hidroimpex"

## I. General Information according to 01.10.94

Old name Uzina "Ghidroprivod"

Tel. 2-32-02 2-65-39

Address 279900, or.Soroca, str.Vasile Stroiescu, 118a

Branch Industriei

Main lines of activities: hidromotoare, panouri electrice

Land square: 24.6 ha

Production square: 11276 m.pt.

Number of employees: 584

Auction coefficient of demand/supply

| 5 | 7 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.800 | 0.870 | 0.000 | 0.000 | 0.000 | 0.811 |

## II. Technical-financial characteristics

Statutory capital: 11441400 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1681880 | 84094 | 14.7 |
| Another share holders | 9759520 | 487976 | 85.3 |
| Total | 11441400 | 572070 | 100.0 |

Volume of output: 293.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Cresterea cheltuielilor, lipsa pietelor de desfacere, incapacitatea de plata. Posibilitatea suspendarii activitatii de producere, din cauza uzurii, deteriorarii utilajului, alimentarii cu surse energetice.

S.A.pentru producerea aparatajului de joasa tensiune "ELCOM"

## I. General Information according to 01.01.94

Old name Uzina de aparate de joasa tensiune

Tel. 2-16-45 2-14-65

Address 278400, or.Orhei, str.Mihai Eminescu,10

Branch Industriei

Main lines of activities fabricarea productiei de menire tehnica

Land square 0.6 ha

Production square 2640 m.pt.

Number of employees 603

Auction coefficient of demand/supply

| 1 | 2 | 7 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.300 | 0.400 | 2.500 | 0.000 | 0.000 | 0.693 |

## II. Technical-financial characteristics

Statutory capital 2189520 lei

Share price 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 738240 | 36912 | 33.7 |
| Another share holders | 1451280 | 72564 | 66.2 |
| Total | 2189520 | 109476 | 100.0 |

Volume of output 150.8 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 54.20 %

Risc factors Cresterea sinecostului productiei fabricate, scaderea puterii de cumparare a populatiei. Stoparea procesului de productie din cauza uzuri inalte a utilajului. Stoparea procesului de productie din cauzaa poluarii mediului ambiant.

S.A."Electrotehnica"

## I. General Information according to 01.01.95

Old name Uzina electrotehnica din Balti

Tel. 2-33-45 2-25-33

Address 279200, or.Balti, str.Stefan cel Mare, 160

Branch Industriei

Main lines of activities: producerea si repararea stivuitoarelor electrice, carucioarelor, altor masini si utilaje

Land square: 4.8 ha

Production square: 24600 m.pt.

Number of employees: 422

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 10 | 12 | 15 | 0 | 0 | |
| 0.010 | 0.140 | 0.000 | 0.000 | 0.000 | 0.054 |

## II. Technical-financial characteristics

Statutory capital: 6055460 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 623710 | 62371 | 10.3 |
| Another share holders | 5431750 | 543175 | 89.7 |
| Total | 6055460 | 605546 | 100.0 |

Volume of output: 1406.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 88.40 %

Risc factors: Capacitatea redusa de plata a consumatorilor; lipsa unor produse concurente. Gradul inalt de uzura a utilajului, lipsa bazei tehnice.

S.A."Flamingo"

## I. General Information according to 01.07.95

Old name Uzina de armatura electrica

Tel. 2-04-07 2-42-29

Address 279200, or.Balti, str.Stefan cel Mare, 146

Branch Industriei

Main lines of activities fabricarea articolelor din sticla si ceramica

Land square 11.3 ha

Production square 20000 m.pt.

Number of employees 1346

Auction coefficient of demand/supply

| 13 | 15 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.300 | 0.000 | 0.000 | 0.000 | 0.000 | 0.226 |

## II. Technical-financial characteristics

Statutory capital 9570662 lei

Share price 1.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1914132 | 1914132 | 20.0 |
| Another share holders | 7656530 | 7656530 | 80.0 |
| Total | 9570662 | 9570662 | 100.0 |

Volume of output 4839.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.001 leu/leu

The depreciation level of machinery of equipment 0.75 %

Risc factors

S.A."PRUT"

## I. General Information according to 01.10.94

Old name Uzina constructoare de masini din Falesti

Tel.

Address 279150, or.Falesti, str.Mihai Eminescu, 63

Branch Industriei

Main lines of activities utilaj pentru spalatorii, marfuri de larg consum

Land square 7.3 ha

Production square 4600 m.pt.

Number of employees 491

Auction coefficient of demand/supply

| 8 | 10 | 12 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.020 | 0.000 | 1.310 | 0.000 | 0.000 | 0.271 |

## II. Technical-financial characteristics

Statutory capital 10061840 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1811130 | 181113 | 18.0 |
| Another share holders | 8250710 | 825071 | 82.0 |
| Total | 10061840 | 1006184 | 100.0 |

Volume of output 1644.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 42.00 %

Risc factors Majorarea preturilor la materia prima, materialele si energie.

S.A."Nistru"

## I. General Information according to 01.10.94

Old name Uzina de utilaj tehnologic din Soroca

Tel. 2-37-98 2-21-85

Address 279900, or.Soroca, str.Egorov, 5

Branch Industriei

Main lines of activities producerea marfurilor de larg consum, a utilajului tehnologic

Land square 13.0 ha

Production square 79500 m.pt.

Number of employees 1056

Auction coefficient of demand/supply

| 6 | 10 | 12 | 15 | 0 | |
|---|---|---|---|---|---|
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.003 |

## II. Technical-financial characteristics

Statutory capital 13480951 lei

Share price 30.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2696190 | 89873 | 20.0 |
| Another share holders | 10784761 | 359492 | 80.0 |
| Total | 13480951 | 449365 | 100.0 |

Volume of output 1666.7 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 42.80 %

Risc factors Dificultati cu materii prime.

S.A."Centru tehnic comercial"

## I. General Information according to 01.10.94

Old name Intreprinderea republicana gestionara "Centrul tehnic de comert"

Tel. 24-01-56

Address 277020, or.Chisinau, str.Calea Orheiului, 110a

Branch Industriei

Main lines of activities servicii de reparare a automobilelor si realizarea pieselor auto

Land square 3.5 ha

Production square 7165 m.pt.

Number of employees 520

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 1.160 | 0.000 | 0.000 | 0.000 | 0.000 | 1.158 |

## II. Technical-financial characteristics

Statutory capital 2828024 lei

Share price 16.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 628536 | 39284 | 22.2 |
| Another share holders | 2199488 | 137468 | 77.7 |
| Total | 2828024 | 176752 | 100.0 |

Volume of output 2869.1 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 6.00 %

Risc factors Scaderea capacitatii de plata a populatiei si a intreprinderilor. Procentul inalt de uzura tehnica si morala.

S.A."Monolit"

## I. General Information according to 01.10.94

Old name Uzina "Monolit"

Tel. 2-36-87 2-34-26

Address 279900, or.Soroca, str.Calea Baltului, 35

Branch Industriei

Main lines of activities producerea si realizarea marfurilor de larg consum

Land square 2.8 ha

Production square 13000 m.pt.

Number of employees 469

Auction coefficient of demand/supply

| 6 | 10 | 12 | 15 | 0 | |
|---|---|---|---|---|---|
| 0.110 | 0.020 | 0.490 | 0.000 | 0.000 | 0.179 |

## II. Technical-financial characteristics

Statutory capital 7937622 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1652852 | 165285 | 20.8 |
| Another share holders | 6284770 | 628477 | 79.1 |
| Total | 7937622 | 793762 | 100.0 |

Volume of output 1708.8 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.001 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors

S.A."Uzina de masini de salubritate din Falesti"

## I. General Information according to 01.04.95

Old name Uzina de masini de salubritate din Falesti

Tel. 2-20-40 2-20-62

Address 279150, or.Falesti, str.Eminescu, 61

Branch Industriei

Main lines of activities: producerea masinilor de salubritate

Land square: 23.8 ha

Production square: 237500 m.pt.

Number of employees: 340

Auction coefficient of demand/supply

| 14 | 15 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

## II. Technical-financial characteristics

Statutory capital: 14827777 lei

Share price: 1.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 874839 | 874839 | 5.9 |
| Another share holders | 13952938 | 13952938 | 94.1 |
| Total | 14827777 | 14827777 | 100.0 |

Volume of output: 510.6 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 31.00 %

Risc factors: Solvabilitatea joasa a comandatarilor. Uzura inalta a mijloacelor fixe.

S.A."ELCAS"

## I. General Information according to 01.10.94

Old name Asociatia de productie "Chisinauelectromas"

Tel. 22-64-92

Address 277074, or.Chisinau, str.P.Rares, 77

Branch Industriei

Main lines of activities masini de spalat, centrifugi de uz casnic, masini de gatit electrice si cu gaze

Land square 4.8 ha

Production square 32000 m.pt.

Number of employees 1509

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 1.530 | 0.000 | 0.000 | 0.000 | 0.000 | 1.532 |

## II. Technical-financial characteristics

Statutory capital 24137960 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 11485780 | 1148578 | 47.5 |
| Another share holders | 12652180 | 1265218 | 52.4 |
| Total | 24137960 | 2413796 | 100.0 |

Volume of output 8813.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 45.00 %

Risc factors Scaderea capcitatii de cumparare a populatiei, criza platilor. Gradul inalt de uzura fizica (72%) si morala a masinilor utilajelor. Uzina urmeaza a fi evacuata din zona sanatara a orasului.

S.A."INTEH"

## I. General Information according to 01.10.94

Old name Uzina experimentala de utilaj tehnologic a ASP "Tehnologia"

Tel. 17-22-11

Address 277066, or.Chisinau, str.Mesterul Manole, 14

Branch Industriei

Main lines of activities: utilaj tehnologic pentru intreprinderile Ministerului Industriei si marfuri de larg consum

Land square: 3.1 ha

Production square: 6308 m.pt.

Number of employees: 490

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 6 | 0 | 0 | 0 | 0 | |
| 1.080 | 0.000 | 0.000 | 0.000 | 0.000 | 1.078 |

## II. Technical-financial characteristics

Statutory capital: 6020454 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 800720 | 80072 | 13.3 |
| Another share holders | 5219734 | 521973 | 86.7 |
| Total | 6020454 | 602045 | 100.0 |

Volume of output: 1200.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 31.55 %

Risc factors: Dificultat la decontarile banesti din alte tari, scaderea puterii de cumparare a clientilor. Uzarea fizica a utilajului.

S.A."Moldagrotehnica"

## I. General Information according to 01.04.95

Agromaş ?

Old name Asociatia de productie "Moldagrotehnica"

Tel. 2-02-20 2-15-22

Address 279200, or.Balti, str.Pionerilor, 17

Branch Industriei

Main lines of activities: producerea masinelor de prelucrare a productiei agricole

Land square: 4.9 ha

Production square: 49000 m.pt.

Number of employees: 826

Auction coefficient of demand/supply: 15 0 0 0 0
0.000 0.000 0.000 0.000 0.000 0.000

## II. Technical-financial characteristics

Statutory capital: 15940517 lei

Share price: 1.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 797026 | 797026 | 5.0 |
| Another share holders | 15143491 | 15143491 | 95.0 |
| Total | 15940517 | 15940517 | 100.0 |

Volume of output: 356.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 36.00 %

Risc factors: Solvabilitatea joasa a clientilor. Uzura inalta a mijloacelor fixe.

S.A."Moldovahidromas"

## I. General Information according to 01.01.94

Old name Societatea pe actiuni "Moldavhidromas"

Tel. 47-37-78

Address 277036, or.Chisinau, str.Mesterul Manole,7

Branch Industriei

Main lines of activities: producerea pompelor ermetice, speciale, de fecalii, circulare, de mare, pentru transformatoare, de suspensie si de uz casnic

Land square 0.8 ha

Production square 3450 m.pt.

Number of employees 2388

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 1 | 0 | 0 | 0 | 0 | |
| 0.200 | 0.000 | 0.000 | 0.000 | 0.000 | 0.196 |

## II. Technical-financial characteristics

Statutory capital 51854956 lei

Share price 1.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 34512062 | 34512062 | 66.5 |
| Another share holders | 17342894 | 17342894 | 33.4 |
| Total | 51854956 | 51854956 | 100.0 |

Volume of output 17216.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 57.00 %

Risc factors Scaderea brusca a puterii de cumparatori a intreprinderilor.

S.A."Hidropompa"

## I. General Information according to 01.01.94

Old name Intreprinderea de arenda - uzina de pompe submersibile

Tel.

Address 277001, or.Chisinau, bd.Gagarin,2

Branch Industriei

Main lines of activities pompe, centrifigi

Land square 4.5 ha

Production square 16559 m.pt.

Number of employees 1325

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 1 | 15 | 0 | 0 | 0 | |
| 0.780 | 0.000 | 0.000 | 0.000 | 0.000 | 0.635 |

## II. Technical-financial characteristics

Statutory capital 11141960 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 6842032 | 678707 | 61.4 |
| Another share holders | 4299928 | 429993 | 38.5 |
| Total | 11141960 | 1108700 | 100.0 |

Volume of output 11410.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 48.70 %

Risc factors Stationari posibile din cauza neachitarii platii. Mari (48.7%) uzarea utilajului. Complicatii cu reconstructia fiindca se afla in centrul orasului.

S.A."Agromasina"

## I. General Information according to 01.10.94

Old name Asociatia de productie "Agromasina"

Tel. 47-51-69

Address 277036, or.Chisinau, str.Uzinelor, 21

Branch Industriei

Main lines of activities proiectarea, producerea si repararea masinilor agricole

Land square 8.0 ha

Production square 27440 m.pt.

Number of employees 1054

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 7 | 0 | 0 | 0 | |
| 0.560 | 1.190 | 0.000 | 0.000 | 0.000 | 0.722 |

## II. Technical-financial characteristics

Statutory capital 13973510 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 928780 | 92878 | 6.6 |
| Another share holders | 13044730 | 1304473 | 93.3 |
| Total | 13973510 | 1397351 | 100.0 |

Volume of output 2117.5 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 39.70 %

Risc factors Stationari posibile din cauza neachitarii platilor la timp.

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S.A."ICAM"

## I. General Information according to 01.10.94

Old name Intreprinderea colectiva "Icam"

Tel. 22-92-92 22-89-63

Address 277001, or.Chisinau, str.Tighina, 65

Branch Industriei

Main lines of activities: mobila capitonata, repararea mobilei capitonate

Land square: 6.0 ha

Production square: 8620 m.pt.

Number of employees: 579

Auction coefficient of demand/supply

| 6 | 15 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.530 | 0.000 | 0.000 | 0.000 | 0.000 | 0.521 |

## II. Technical-financial characteristics

Statutory capital: 15942600 lei

Share price: 100.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 9734400 | 1946880 | 61.0 |
| Another share holders | 6208200 | 1241640 | 38.9 |
| Total | 15942600 | 3188520 | 100.0 |

Volume of output: 10888.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 73.00 %

Risc factors: Cresterea sinecostului productiei, scaderea capacitatii de plata a populatiei. Uzarea ridicata a utilajului.

S.A."Stejaur"

## I. General Information according to 01.10.94

Old name Intreprinderea colectiva "Aurica"

Tel. 24-67-60

Address 277012, or.Chisinau, str.Stefan cel Mare, 196

Branch Industriei

Main lines of activities garnitura de mobila pentru sufragerie

Land square 6.9 ha

Production square 23948 m.pt.

Number of employees 764

Auction coefficient of demand/supply

| 6 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.580 | 0.000 | 0.000 | 0.000 | 0.000 | 0.580 |

## II. Technical-financial characteristics

Statutory capital 16514400 lei

Share price 100.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 10579900 | 105799 | 64.0 |
| Another share holders | 5934500 | 59345 | 35.9 |
| Total | 16514400 | 165144 | 100.0 |

Volume of output 8440.3 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 68.90 %

Risc factors Micsorarea cerintei de piata de desfaceri in legetura cu scaderea posibilitatii de plata a cumparatorilor.

S.A."Combinatul de mobila din Balti"

## I. General Information according to 01.10.94

Old name Combinatul de mobila nr.3 din Balti

Tel.

Address 279200, or.Balti, str.Stefan cel Mare, 128

Branch Industriei

| | |
|---|---|
| Main lines of activities | mobila, organizarea comertului |
| Land square | 10.0 ha |
| Production square | 17500 m.pt. |
| Number of employees | 827 |

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| B | 0 | 0 | 0 | 0 | |
| 1.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.083 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 13024290 lei |
| Share price | 10.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 5692340 | 569234 | 43.7 |
| Another share holders | 7331950 | 733195 | 56.2 |
| Total | 13024290 | 1302429 | 100.0 |

| | |
|---|---|
| Volume of output | 4227.6 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 40.00 % |
| Risc factors | |

S.A."Fabrica de mobila "Viitorul"

## I. General Information according to 01.01.95

Old name Fabrica de mobila de arenda "Viitorul"

Tel.

Address 277005, or.Chisinau, str.Botezatu, 13

Branch Industriei

| | |
|---|---|
| Main lines of activities | mobila |
| Land square | 1.0 ha |
| Production square | 10000 m.pt. |
| Number of employees | 340 |
| Auction coefficient of demand/supply | 9 0 0 0 0<br>3.260 0.000 0.000 0.000 0.000 3.257 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 3655904 lei |
| Share price | 50.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2204254 | 44085 | 60.2 |
| Another share holders | 1451650 | 29033 | 39.7 |
| Total | 3655904 | 73118 | 100.0 |

| | |
|---|---|
| Volume of output | 5598.0 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 29.90 % |
| Risc factors | Neachitarea in termen a documentelor de decontare, capacitatea de cumparare joasa a populatiei. |

S.A."Comod"

## I. General Information according to 01.01.95

Old name Intreprinderea de arenda colectiva "Fabrica de mobila nr.8"

Tel. 2-22-34 2-15-31

Address 278400, or.Orhei, str.Unirii, 57

Branch Industriei

Main lines of activities mobila

Land square 7.0 ha

Production square 24374 m.pt.

Number of employees 484

Auction coefficient of demand/supply

| 9 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 1.770 | 0.000 | 0.000 | 0.000 | 0.000 | 1.772 |

## II. Technical-financial characteristics

Statutory capital 3622270 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1108500 | 110850 | 30.6 |
| Another share holders | 2513770 | 251377 | 69.4 |
| Total | 3622270 | 362227 | 100.0 |

Volume of output 5653.6 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors Scaderea capacitatii de plata a populatiei, preturile inalte pe materia prima. Gradul inalt de uzarii a utilajului tehnologic.

S.A."Nord-Mobila"

## I. General Information according to 01.01.95

Old name Intreprinderea de arenda "31 August" din Drochia

Tel. 2-22-71

Address 279400, or.Drochia, str.31 August, 33

Branch Industriei

Main lines of activities: producerea mobilei

Land square: 5.9 ha

Production square: 3754 m.pt.

Number of employees: 465

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 10 | 12 | 0 | 0 | 0 | |
| 0.040 | 1.350 | 0.000 | 0.000 | 0.000 | 0.497 |

## II. Technical-financial characteristics

Statutory capital: 3708660 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1008650 | 100865 | 27.2 |
| Another share holders | 2700010 | 270001 | 72.8 |
| Total | 3708660 | 370866 | 100.0 |

Volume of output: 7666.4 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 72.10 %

Risc factors: Solvabilitatea joasa a clientilor. Gradul inald a uzurii mijloacelor fixe.

S.A."CAC"

## I. General Information according to 01.10.94

Old name Intreprinderea de arenda - combinatul de articole din carton

Tel.

Address 277036, or.Chisinau, str.Transnistria, 16

Branch Industriei

Main lines of activities producerea cartonului ondulat si ambalajului de carton

Land square 5.6 ha

Production square 0 m.pt.

Number of employees 349

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 8 | 0 | 0 | 0 | 0 | |
| 2.250 | 0.000 | 0.000 | 0.000 | 0.000 | 2.253 |

## II. Technical-financial characteristics

Statutory capital 14754400 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 8581050 | 171621 | 58.1 |
| Another share holders | 6173350 | 123467 | 41.8 |
| Total | 14754400 | 295088 | 100.0 |

Volume of output 16479.8 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 85.00 %

Risc factors Scaderea solvabilitatii consumatorilor de articole din carton. Gradul inalt (85%) e uzura fizica utilajului si masinilor.

S.A."Lemnar"

## I. General Information according to 01.04.95

Old name S.A."Lemnar"

Tel. 47-04-50

Address 277066, or.Chisinau, str.Maria Dragan, 11

Branch Industriei

Main lines of activities producerea mobilei

Land square 1.7 ha

Production square 3207 m.pt.

Number of employees 355

Auction coefficient of demand/supply

| 12 | 15 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.300 | 0.000 | 0.000 | 0.000 | 0.000 | 0.216 |

## II. Technical-financial characteristics

Statutory capital 6589680 lei

Share price 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3496560 | 233104 | 53.0 |
| Another share holders | 3093120 | 206208 | 46.9 |
| Total | 6589680 | 439312 | 100.0 |

Volume of output 2509.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.001 leu/leu

The depreciation level of machinery of equipment 48.50 %

Risc factors

S.A."Artizana"

## I. General Information according to 01.10.94

Old name Asociatia mesterilor populari "Artizana"

Tel. 73-70-06 73-54-07

Address 277028, or.Chisinau, str.Academiei, 13

Branch Marfconsum

Main lines of activities: proiectarea, producerea si desfacerea marfurilor de larg consum si a colectiilor

Land square: 0.5 ha

Production square: 1727 m.pt.

Number of employees: 579

Auction coefficient of demand/supply

| | | | | | | |
|---|---|---|---|---|---|---|
| | 5 | 0 | 0 | 0 | 0 | |
| | 1.580 | 0.000 | 0.000 | 0.000 | 0.000 | 1.582 |

## II. Technical-financial characteristics

Statutory capital: 1845621 lei

Share price: 30.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 362040 | 12068 | 19.6 |
| Another share holders | 1483581 | 49453 | 80.3 |
| Total | 1845621 | 61521 | 100.0 |

Volume of output: 1203.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 80.00 %

Risc factors: Neasiguraea cu resurse circulante proprii, situatia financiara nefavorabila, lipsa resurselor banesti la cumparatori. Uzura utilajului (80%).

S.A."Succes"

## I. General Information according to 01.10.94

Old name Asociatia raionala de productie "Succes"

Tel. 2-23-62 2-23-25

Address 278660, or.Basarabeasca, str.Putilovskaia, 103

Branch Marfconsum

Main lines of activities: producerea pinzei de bumbac, articolelor de cusatorie, confectionarea materialelor de constructie

Land square: 17.2 ha

Production square: 660 m.pt.

Number of employees: 441

Auction coefficient of demand/supply

| 8 | 10 | 12 | 14 | 15 | |
|---|---|---|---|---|---|
| 0.100 | 0.120 | 0.140 | 0.450 | 0.000 | 0.155 |

## II. Technical-financial characteristics

Statutory capital: 7350000 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1470000 | 147000 | 20.0 |
| Another share holders | 5880000 | 588000 | 80.0 |
| Total | 7350000 | 735000 | 100.0 |

Volume of output: 399.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 % ?

Risc factors: Scaderea incapacitatii de plata a populatiei. Gradul inalt de uzura utilajului.

S.A."Colomit"

## I. General Information according to 01.07.94

Old name Asociatia oraseneasca de productie "Colomit"

Tel. 2-53-91

Address 279200, or.Balti, str.Stefan cel Mare, 115

Branch Marfconsum

Main lines of activities textile, tesaturi din bumbac

Land square 3.6 ha

Production square 6327 m.pt.

Number of employees 760

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 1.510 | 0.000 | 0.000 | 0.000 | 0.000 | 1.515 |

## II. Technical-financial characteristics

Statutory capital 8502330 lei

Share price 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3606930 | 180346 | 42.4 |
| Another share holders | 4895400 | 244770 | 57.5 |
| Total | 8502330 | 425116 | 100.0 |

Volume of output 844.2 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors Lipsa materiei prime. Uzarea masinelor de cusut.

S.A."Tricon"

## I. General Information according to 01.10.94

Old name Asociatia oraseneasca de productie "Tricon" din Cahul

Tel. 2-07-46 2-21-72

Address 278830, or.Cahul, str.Stefan cel Mare, 20

Branch Marfconsum

| | |
|---|---|
| Main lines of activities | confectii, articole tricotate, caramida |
| Land square | 17.5 ha |
| Production square | 11020 m.pt. |
| Number of employees | 1957 |

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 6 | 10 | 12 | 0 | 0 | |
| 0.760 | 0.170 | 0.900 | 0.000 | 0.000 | 0.680 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 14122200 lei |
| Share price | 30.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 5329200 | 177640 | 37.7 |
| Another share holders | 8793000 | 293100 | 62.2 |
| Total | 14122200 | 470740 | 100.0 |

| | |
|---|---|
| Volume of output | 3176.7 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 70.90 % |
| Risc factors | Lipsa de materie prima, dificultati financiare. Starea morala si fizica scazuta a masinilor si utilajelor. |

S.A."Aschim"

## I. General Information according to 01.07.94

Old name Asociatia intreprinderilor chimice "Aschim"

Tel. 62-25-64 62-25-66

Address 278270, or.Chisinau, s.Durlesti,str.Vladimirescu,70

Branch Marfconsum

Main lines of activities marfuri de larg consum

Land square 0.0 ha

Production square 95568 m.pt.

Number of employees 2037

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 3 | 0 | 0 | 0 | 0 | |
| 1.310 | 0.000 | 0.000 | 0.000 | 0.000 | 1.311 |

## II. Technical-financial characteristics

Statutory capital 23796020 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4852820 | 485282 | 20.3 |
| Another share holders | 18943200 | 1894320 | 79.6 |
| Total | 23796020 | 2379602 | 100.0 |

Volume of output 2754.6 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors

S.A."Monolit"

## I. General Information according to 01.07.94

Old name S.A."Monolit"

Tel.

Address 277005, or.Chisinau, str.Renasterii, 22/1

Branch Arhitecturii

Main lines of activities: Efectuarea lucrarilor de constructii-montaj, prelucrarea materialelor de constructii

Land square: 12.7 ha

Production square: 9594 m.pt.

Number of employees: 1205

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 0.900 | 0.000 | 0.000 | 0.000 | 0.000 | 0.895 |

## II. Technical-financial characteristics

Statutory capital: 11642033 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 5100599 | 340040 | 43.8 |
| Another share holders | 6541434 | 436095 | 56.1 |
| Total | 11642033 | 776135 | 100.0 |

Volume of output: 5386.7 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Scaderea cerintelor la constructia caselor si micsorarea investitiilor in constructia capitala , semicostul productiei mereu in cresterea. Uzura cofrajului morala si fizica pana la 17%.

S.A."Chisinau-Coninvest"

## I. General Information according to 01.07.95

Old name S.A."Chisinau"

Tel. 47-34-36 47-63-92

Address 277036, or.Chisinau, str.Mesterul Manole, 5

Branch Moldovaconstr

| | |
|---|---|
| Main lines of activities | lucrari de constructii a spatiului locativ |
| Land square | 4.9 ha |
| Production square | 36000 m.pt. |
| Number of employees | 680 |
| Auction coefficient of demand/supply | 15 0 0 0 0<br>0.000 0.000 0.000 0.000 0.000 0.000 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 3632020 lei |
| Share price | 35.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 743400 | 21240 | 20.4 |
| Another share holders | 2888620 | 82532 | 79.5 |
| Total | 3632020 | 103772 | 100.0 |

| | |
|---|---|
| Volume of output | 7052.8 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.002 leu/leu |
| The depreciation level of machinery of equipment | 79.20 % |
| Risc factors | Scaderea capacitatii de plata a populatiei. Uzura inalta fizica si morala a utilajului. |

S.A.pentru constructii si amenajari "Consam"

## I. General Information according to 01.01.94

Old name S.A."Consam"

Tel. 56-15-85

Address 277043, or.Chisinau, str.Teilor, 7/2

Branch Arhitecturii

Main lines of activities: lucrari de constructie si montaj

Land square: 6.1 ha

Production square: 3000 m.pt.

Number of employees: 1035

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 1 | 0 | 0 | 0 | 0 | |
| 1.120 | 0.000 | 0.000 | 0.000 | 0.000 | 1.116 |

## II. Technical-financial characteristics

Statutory capital: 5927464 lei

Share price: 1.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2454962 | 2454962 | 41.4 |
| Another share holders | 3472502 | 3472502 | 58.5 |
| Total | 5927464 | 5927464 | 100.0 |

Volume of output: 3664.9 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Scaderea volumului de lucru. Uzura mijloacelor fixe.

S.A."Lusmecon"

## I. General Information according to 01.01.95

Old name Trustul "Spetstroimehanizatia" nr.1

Tel.

Address 277005, or.Chisinau, str.Renasterii, 22/1

Branch Moldovaconstr

Main lines of activities: constructia retelelor exterioare de alimentare cu apa si cu gaz, de canalizare, a traseurilor tehnice

Land square: 22.2 ha

Production square: 15415 m.pt.

Number of employees: 1333

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 11 | 0 | 0 | 0 | 0 | |
| 0.950 | 0.000 | 0.000 | 0.000 | 0.000 | 0.952 |

## II. Technical-financial characteristics

Statutory capital: 13058231 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 3917478 | 78349 | 30.0 |
| The quota of employees | 5078553 | 101571 | 38.8 |
| Another share holders | 4062200 | 81244 | 31.1 |
| Total | 13058231 | 261164 | 100.0 |

Volume of output: 14901.6 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 52.00 %

Risc factors: Micsorarea volumului de lucrari de constructie, lipsa beneficiarilor salvabili, utilizarea capacitilor disponibile cu 20%. Invechirea morala si fizica a parcului de masini mecanizme. Functionarea masinilor si mecanizmelor disponibile in parcul de masini ce degajeaza ramasite nicive de la combustibilul si lubriianti.

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S.A."Constructii industriale"

I. General Information according to 01.10.94

Old name S.A."Consindservice"

Tel.

Address 277068, or.Chisinau, str.Miron Costin, 25

Branch Moldovaconstr

Main lines of activities: lucrari de constructie-montaj, fabricarea constructiilor si a articolelor

Land square: 15.7 ha

Production square: 16950 m.pt.

Number of employees: 1434

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 6 | 15 | 0 | 0 | 0 | |
| 0.050 | 0.000 | 0.000 | 0.000 | 0.000 | 0.027 |

II. Technical-financial characteristics

Statutory capital: 9171290 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 1391830 | 139183 | 15.1 |
| The quota of employees | 5459760 | 545976 | 59.5 |
| Another share holders | 2319700 | 231970 | 25.2 |
| Total | 9171290 | 917129 | 100.0 |

Volume of output: 8927.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.001 leu/leu

The depreciation level of machinery of equipment: 56.00 %

Risc factors: Solvabilitatea insuficienta a beneficiarilor, comanditarilor. Uzura inalta a utilajului.

S.A."Consindal"

## I. General Information according to 01.01.95

Old name Trustul "Promstroi - 2"

Tel. 22-32-61 22-92-29

Address or.Chisinau, str.Industriala, 7

Branch Moldovaconstr

| | |
|---|---|
| Main lines of activities | constructii si montaj |
| Land square | 3.2 ha |
| Production square | 10051 m.pt. |
| Number of employees | 349 |

Auction coefficient of demand/supply

| 10 | 12 | 15 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.480 | 0.000 | 0.000 | 0.000 | 0.000 | 0.297 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 1958230 lei |
| Share price | 10.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 400770 | 40077 | 20.4 |
| Another share holders | 1557460 | 155746 | 79.5 |
| Total | 1958230 | 195823 | 100.0 |

| | |
|---|---|
| Volume of output | 138.8 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 15.60 % |
| Risc factors | Lipsa posibilitatilor de achitare a bineficiarilor. Necomplectarea cu mijloace mecanizate de constructii-montaj. Lipsa mijloace de curatire a deleurilor la baza de productie. |

S.A."Constructorul"

## I. General Information according to 01.10.94

Old name Trustul de constructii S.A."Constructorul"

Tel. 2-53-38 2-63-16

Address 279200, or.Balti, str.Stefan cel Mare, 196

Branch Moldovaconstr

Main lines of activities: constructia si montaj

Land square: 18.3 ha

Production square: 152600 m.pt.

Number of employees: 1571

Auction coefficient of demand/supply

| 9 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 1.070 | 0.000 | 0.000 | 0.000 | 0.000 | 1.065 |

## II. Technical-financial characteristics

Statutory capital: 19460060 lei

Share price: 30.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4064600 | 135486 | 20.8 |
| Another share holders | 15395460 | 513182 | 79.1 |
| Total | 19460060 | 648668 | 100.0 |

Volume of output: 9365.7 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 64.00 %

Risc factors: Gradul mic de plata a clientilor. Gradul inalt de uzare a mijloacelor fixe.

S.A."Intercons"

## I. General Information according to 01.04.95

Old name Trustul interraional de constructii din Balti

Tel. 2-25-71 2-73-26

Address 279200, or.Balti, str.Mihai Viteazul, 18

Branch Moldovaconstr

Main lines of activities: lucrari de montare si reglare

Land square: 19.9 ha

Production square: 145930 m.pt.

Number of employees: 642

Auction coefficient of demand/supply

| 11 | 13 | 15 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.001 |

## II. Technical-financial characteristics

Statutory capital: 7416490 lei

Share price: 5.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1487305 | 297461 | 20.0 |
| Another share holders | 5929185 | 1185837 | 79.9 |
| Total | 7416490 | 1483298 | 100.0 |

Volume of output: 566.1 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 50.00 %

Risc factors: Lipsa resurselor financiare, micsorarea solvabilitatii. Uzura inalta a mijloacelor fixe.

S.A."Fabrica de conserve din Cantemir"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Cantemir

Tel.

Address 278597, or.Cantemir, str.Stefan Voda, 2

Branch Agriculturii

Main lines of activities: conserve din legume si fructe

Land square: 0.0 ha

Production square: 2500 m.pt.

Number of employees: 1202

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 2.980 | 0.000 | 0.000 | 0.000 | 0.000 | 2.985 |

## II. Technical-financial characteristics

Statutory capital: 20114910 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4023010 | 80460 | 20.0 |
| Another share holders | 16091900 | 321838 | 80.0 |
| Total | 20114910 | 402298 | 100.0 |

Volume of output: 8219.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 44.00 %

Risc factors: Intreruperea achizitionarii materiei prime in legatura cu conditiile nefavorabile a timpului.

S.A."Fabrica de conserve din Causeni"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Causeni

Tel. 2-32-65 2-34-37

Address 278120, or.Causeni, sos.Tighinei, 5

Branch Agriculturii

Main lines of activities: conserve din carne, fructe si legume

Land square: 47.7 ha

Production square: 102197 m.pt.

Number of employees: 1189

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.060 | 0.000 | 0.000 | 0.000 | 0.000 | 1.064 |

## II. Technical-financial characteristics

Statutory capital: 22174000 lei

Share price: 30.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2461330 | 82044 | 11.1 |
| Another share holders | 19712670 | 657089 | 88.9 |
| Total | 22174000 | 739133 | 100.0 |

Volume of output: 6255.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Reducerea bazii de materia prima. Nivelul inalt de uzare al utilajului tehnologic.

S.A."Fabrica de conserve din Cosnita"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Cosnita

Tel.

Address 278304, r1.Dubasari, s.Cosnita

Branch Agriculturii

Main lines of activities: conserve din legume si fructe

Land square: 33.9 ha

Production square: 339400 m.pt.

Number of employees: 947

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 7 | 0 | 0 | 0 | |
| 0.050 | 1.100 | 0.000 | 0.000 | 0.000 | 0.542 |

## II. Technical-financial characteristics

Statutory capital: 18889002 lei

Share price: 11.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2264790 | 205890 | 11.9 |
| Another share holders | 16624212 | 1511292 | 88.0 |
| Total | 18889002 | 1717182 | 100.0 |

Volume of output: 3960.3 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Criza platilor si problema cu aprovizionarea cu materii prime. Uzura fizica inalta si invechirea morala a utilajului tehnologic. Lipsa de instalatii pentru curatirea gazelor.

S.A."Faconis"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Nisporeni

Tel.

Address 278360, or.Nisporeni, str.Industriala, 1

Branch Agriculturii

Main lines of activities: conserve din legume si fructe, fructe uscate

Land square: 34.9 ha

Production square: 47582 m.pt.

Number of employees: 710

Auction coefficient of demand/supply

| 4 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 1.210 | 0.000 | 0.000 | 0.000 | 0.000 | 1.211 |

## II. Technical-financial characteristics

Statutory capital: 14378000 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2631200 | 131560 | 18.3 |
| Another share holders | 11746800 | 587340 | 81.7 |
| Total | 14378000 | 718900 | 100.0 |

Volume of output: 1624.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 0.00 %

Risc factors: Ecsorarea zonei materiei prima, caderea ofertei la conserve. Nivelul inalt a uzurei utilajului. Neajuns al capacitatilor retelei de purificare.

S.A."Fabrica de conserve Anenii-Noi"

## I. General Information according to 01.10.94

Old name Fabrica de conserve din Anenii-Noi

Tel. 2-25-53 2-25-53

Address 278210, or.Anenii-Noi, str.C.Nationale, 2

Branch Agriculturii

Main lines of activities: conserve si sucuri de legume si fructe

Land square: 9.6 ha

Production square: 25000 m.pt.

Number of employees: 522

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 2.720 | 0.000 | 0.000 | 0.000 | 0.000 | 2.715 |

## II. Technical-financial characteristics

Statutory capital: 9035240 lei

Share price: 40.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1174600 | 29365 | 13.0 |
| Another share holders | 7860640 | 196516 | 87.0 |
| Total | 9035240 | 225881 | 100.0 |

Volume of output: 1951.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 59.50 %

Risc factors: Cresterea sinecostului productiei, scaderea nivelului de cumparare. Gradul inalt de uzura a utilajului. Lipsa instalatiilor de purificare proprii.

S.A."Fabrica de conserve din Olanesti"

## I. General Information according to 01.10.94

Old name Fabrica de conserve din Olanesti

Tel. 2-35-87 2-35-87

Address 278164, r1.Stefan Voda, s.Olanesti

Branch Agriculturii

Main lines of activities: conserve din legume si fructe, sucuri

Land square: 20.4 ha

Production square: 14760 m.pt.

Number of employees: 362

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 1.460 | 0.000 | 0.000 | 0.000 | 0.000 | 1.461 |

## II. Technical-financial characteristics

Statutory capital: 15337705 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4929700 | 492970 | 32.1 |
| Another share holders | 10408005 | 1040800 | 67.8 |
| Total | 15337705 | 1533770 | 100.0 |

Volume of output: 3521.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 51.50 %

Risc factors: Majorarea senicostului productiei, scaderea capacitatilor de cumpararea. Inalta uzura fizica a utilajului. Purificaria in complecta a opelor reziduale.

S.A."Fabrica de conserve din Orhei"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Orhei

Tel. 2-29-92 2-13-70

Address 278400, or.Orhei, str.Stejarilor, 20

Branch Agriculturii

| | |
|---|---|
| Main lines of activities | conserve din fructe si legume, uscaturi, sucuri concentrate |
| Land square | 18.8 ha |
| Production square | 15695 m.pt. |
| Number of employees | 530 |
| Auction coefficient of demand/supply | 2 0 0 0 0<br>3.420 0.000 0.000 0.000 0.000 3.425 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 30241035 lei |
| Share price | 15.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 13808280 | 920552 | 45.6 |
| Another share holders | 16432755 | 1095517 | 54.3 |
| Total | 30241035 | 2016069 | 100.0 |

| | |
|---|---|
| Volume of output | 7999.2 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 0.00 % |
| Risc factors | Ridicarea sinecostului, lipsa pietei de desfacere. |

S.A."Fabrica de conserve Ungheni "Rozmiar"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Ungheni

Tel. 3-22-61

Address 279100, or.Ungheni, str.Gh.Crestiuc, 1

Branch Agriculturii

Main lines of activities: conserve, fructe congelate rapid, fructe uscate, bauturi spirtoase si nealcoolice

Land square: 25.3 ha

Production square: 75600 m.pt.

Number of employees

Auction coefficient of demand/supply: 976

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.300 | 0.000 | 0.000 | 0.000 | 0.000 | 1.297 |

## II. Technical-financial characteristics

Statutory capital: 18713690 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3792570 | 379257 | 20.2 |
| Another share holders | 14921120 | 1492112 | 79.7 |
| Total | 18713690 | 1871369 | 100.0 |

Volume of output: 12143.5 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 13.70 %

Risc factors: Reducerea pietii de desfacere a productiei finite. Utilajul tehnologic invechit tehnic (cu 42 %) si moral.

S.A."Fabrica de conserve din Floresti"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Floresti

Tel. 2-23-79 2-23-79

Address 279800, or.Floresti, str.Mihai Viteazul, 3

Branch Agriculturii

Main lines of activities: conserve, fructe uscate, sucuri, pasta de rosii, compoturi, magiun

Land square: 16.5 ha

Production square: 85000 m.pt.

Number of employees: 372

Auction coefficient of demand/supply

| 4 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 1.540 | 0.000 | 0.000 | 0.000 | 0.000 | 1.542 |

## II. Technical-financial characteristics

Statutory capital: 9210552 lei

Share price: 40.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1856510 | 46413 | 20.1 |
| Another share holders | 7354042 | 183851 | 79.8 |
| Total | 9210552 | 230264 | 100.0 |

Volume of output: 2943.3 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 25.00 %

Risc factors: Ecsorarea capacitatii de cumparare a populatiei.

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S.A."Fabrica de conserve Calarasi"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Calarasi

Tel.

Address 279000, or.Calarasi, str.Calarasilor, 5

Branch Agriculturii

Main lines of activities: producerea conservelor din fructe si legume

Land square: 18.2 ha

Production square: 600000 m.pt.

Number of employees: 956

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 7 | 0 | 0 | 0 | |
| 0.120 | 1.350 | 0.000 | 0.000 | 0.000 | 0.689 |

## II. Technical-financial characteristics

Statutory capital: 15785200 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1846850 | 36937 | 11.7 |
| Another share holders | 13938350 | 278767 | 88.3 |
| Total | 15785200 | 315704 | 100.0 |

Volume of output: 1996.6 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 68.00 %

Risc factors: Micsorarea realizarilor. Stationarea evidentuala a producerii din cauza lipsei de apa. Uzura fizica a utilajului.

S.A."Agroconservit"

## I. General Information according to 01.07.94

Old name Fabrica de conserve din Chisinau

Tel. 47-12-43 47-71-85

Address 277023, or.Chisinau, str.Uzinelor, 19

Branch Agriculturii

Main lines of activities: conserve din fructe si legume

Land square: 9.2 ha

Production square: 17700 m.pt.

Number of employees: 841

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 0.990 | 0.000 | 0.000 | 0.000 | 0.000 | 0.986 |

## II. Technical-financial characteristics

Statutory capital: 13410630 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2109495 | 140633 | 15.7 |
| Another share holders | 11301135 | 753409 | 84.2 |
| Total | 13410630 | 894042 | 100.0 |

Volume of output: 4618.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 7.00 %

Risc factors: Criza platilor si problema cu aprovizionarea cu materii prime. Uzura fizica inalta si invechirea morala a utilajului.

S.A."Compania Bugeac"

## I. General Information according to 01.01.95

Old name "Compania Bugeac" SRL

Tel. 2-20-90

Address 278810, or.Vulcanesti, str.Gagarin, 62

Branch Agriculturii

Main lines of activities: producerea, prelucrarea, colectarea si desfacerea productiei agricole

Land square: 60.3 ha

Production square: 20521 m.pt.

Number of employees: 454

Auction coefficient of demand/supply

| 10 | 12 | 14 | 15 | 0 | |
|---|---|---|---|---|---|
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

## II. Technical-financial characteristics

Statutory capital: 4057482 lei

Share price: 11.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 564685 | 51335 | 13.9 |
| Another share holders | 3492797 | 317527 | 86.0 |
| Total | 4057482 | 368862 | 100.0 |

Volume of output: 1538.1 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.001 leu/leu

The depreciation level of machinery of equipment: 70.20 %

Risc factors: Scaderea capacitatii de plata a clientilor.

S.A."Termotransauto"

## I. General Information according to 01.10.94

Old name Intreprinderea de transport auto nr.4 din Straseni

Tel. 2-21-54 2-24-54

Address 278250, or.Straseni, str.Orhei, 18

Branch Agriculturii

Main lines of activities servicii de transport auto

Land square 7.0 ha

Production square 6500 m.pt.

Number of employees 578

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 8 | 0 | 0 | 0 | 0 | |
| 2.740 | 0.000 | 0.000 | 0.000 | 0.000 | 2.737 |

## II. Technical-financial characteristics

Statutory capital 5669800 lei

Share price 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1111280 | 55564 | 19.6 |
| Another share holders | 4558520 | 227926 | 80.4 |
| Total | 5669800 | 283490 | 100.0 |

Volume of output 3125.6 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 75.70 %

Risc factors Micsorarea volumului servicii de transport. Nivelul inalt a uzurii transportului.

S.A."Combinatul de vinuri din Taraclia"

## I. General Information according to 01.10.94

Old name Combinatul de colectare si prelucrare a strugurilor din Taraclia

Tel. 2-54-80

Address 278740, or.Taraclia, str.Voczalinaia, 74

Branch Agriculturii

Main lines of activities: vinuri imbutiliate, de butoi, prelucrarea vinurilor brute, sampanizate, bauturi nationale alcoolizate

Land square: 17.0 ha

Production square: 20567 m.pt.

Number of employees: 318

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 5 | 0 | 0 | 0 | 0 | |
| 2.440 | 0.000 | 0.000 | 0.000 | 0.000 | 2.444 |

## II. Technical-financial characteristics

Statutory capital: 16233770 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 10206440 | 1020644 | 62.8 |
| Another share holders | 6027330 | 602733 | 37.1 |
| Total | 16233770 | 1623377 | 100.0 |

Volume of output: 2884.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 33.70 %

Risc factors: Insolvabilitatea cumparatorilor. Defectarea instalatiilor de purificare.

S.A."Ialserviceauto"

## I. General Information according to 01.10.94

Old name Intreprinderea de transport auto nr.9

Tel.

Address 278272, or.Ialoveni, str.Alexandru cel Bun

Branch Agriculturii

Main lines of activities servicii de transport

Land square 4.0 ha

Production square 14602 m.pt.

Number of employees 465

Auction coefficient of demand/supply

| 6 | 9 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.730 | 0.900 | 0.000 | 0.000 | 0.000 | 0.766 |

## II. Technical-financial characteristics

Statutory capital 5350380 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 754400 | 75440 | 14.1 |
| Another share holders | 4595980 | 459598 | 85.9 |
| Total | 5350380 | 535038 | 100.0 |

Volume of output 1274.1 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 85.60 %

Risc factors Scaderea capacitatii de plata a populatiei. Gradul inalt a uzurii utilajului 85%.

S.A."Carnez"

## I. General Information according to 01.10.94

Old name Combinatul de carne din Chisinau

Tel. 55-04-41 55-43-31

Address 277018, or.Chisinau, str.Muncesti, 121

Branch Agriculturii

Main lines of activities carne si produse din carne

Land square 19.5 ha

Production square 80000 m.pt.

Number of employees 1015

Auction coefficient of demand/supply

| 9 | 0 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.820 | 0.000 | 0.000 | 0.000 | 0.000 | 0.818 |

## II. Technical-financial characteristics

Statutory capital 41609050 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 655040 | 65504 | 1.5 |
| The quota of employees | 19704400 | 1970440 | 47.3 |
| Another share holders | 21249610 | 2124961 | 51.0 |
| Total | 41609050 | 4160905 | 100.0 |

Volume of output 45542.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 67.00 %

Risc factors Depinderea directa de calamnitatile natrii si de starea firmelor agricole. Uzura fizica inalta si invechirea morala a utilajului tehnologic. Starea nesatisfacatoare a instalatilor de purificare.

S.A."Iug"

## I. General Information according to 01.04.95

Old name Combinatul de carne din Ciadir-Lunga

Tel. 2-16-71

Address 278700, or.Ciadir-Lunga, str.Dzerjinskii, 1

Branch Agriculturii

| | |
|---|---|
| Main lines of activities | prelucrarea si comercializarea carnii |
| Land square | 16.0 ha |
| Production square | 22050 m.pt. |
| Number of employees | 436 |
| Auction coefficient of demand/supply | 15 0 0 0 0<br>0.000 0.000 0.000 0.000 0.000 0.000 |

## II. Technical-financial characteristics

| | |
|---|---|
| Statutory capital | 12775180 lei |
| Share price | 10.00 lei |

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 6635480 | 663548 | 51.9 |
| Another share holders | 6139700 | 613970 | 48.0 |
| Total | 12775180 | 1277518 | 100.0 |

| | |
|---|---|
| Volume of output | 3248.9 mii lei |
| Net profit per 1 lei from statutory capital | 0.00 leu/leu |
| Accounts payable & received debts per 1 lei from statutory capital | 0.000 leu/leu |
| The depreciation level of machinery of equipment | 50.10 % |
| Risc factors | Insolvabilitatea clientilor. Uzura mijloacelor fixe. |

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S.A."Frigo"

## I. General Information according to 01.07.94

Old name Combinatul frigorific din Chisinau

Tel. 55-23-21

Address 277018, or.Chisinau, str.Valea Bicului, 9

Branch Agriculturii

Main lines of activities: producerea semifabricatelor din carne ambalata, produse de mezeluri, inghetata si brinzeturi topite

Land square: 6.6 ha

Production square: 10322 m.pt.

Number of employees

Auction coefficient of demand/supply: 416

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 2.060 | 0.000 | 0.000 | 0.000 | 0.000 | 2.059 |

## II. Technical-financial characteristics

Statutory capital: 7460240 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1492060 | 74603 | 20.0 |
| Another share holders | 5968180 | 298409 | 80.0 |
| Total | 7460240 | 373012 | 100.0 |

Volume of output: 235.1 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 52.40 %

Risc factors: Scaderea numarului de animale domestice in urma secetei 1994, cresterea preturilor de achizitie la materia prima, cresterea pretului de cost din cauza scumpirii resurselor energetice. Este necesar schimul utilajului de amoniac in volum capital. Uzarea fizica si morala inalta al masinilor si utilajului.

S.A."Speranta"

## I. General Information according to 01.10.94

Old name Cooperativa "Speranta" din Donduseni

Tel. 2-32-49 2-20-82

Address 279450, or.Donduseni, str.Voczalinaia, 1

Branch Agriculturii

Main lines of activities carne, mezeluri

Land square 28.3 ha

Production square 5600 m.pt.

Number of employees 397

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 6 | 15 | 0 | 0 | 0 | |
| 0.020 | 0.000 | 0.000 | 0.000 | 0.000 | 0.016 |

## II. Technical-financial characteristics

Statutory capital 15608450 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4575600 | 91512 | 29.3 |
| Another share holders | 11032850 | 220657 | 70.6 |
| Total | 15608450 | 312169 | 100.0 |

Volume of output 6588.2 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 41.20 %

Risc factors

S.A."Lapte"

## I. General Information according to 01.07.94

Old name Asociatia de productie a industriei laptelui din Chisinau

Tel. 55-83-40

Address 277032, or.Chisinau, str.Sarmizegetusa, 90

Branch Agriculturii

Main lines of activities dezvoltarea producerii de prelucrare a laptelui si produselor lactate

Land square 9.0 ha

Production square 5500 m.pt.

Number of employees 663

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 3.940 | 0.000 | 0.000 | 0.000 | 0.000 | 3.937 |

## II. Technical-financial characteristics

Statutory capital 18016450 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3471600 | 69432 | 19.2 |
| Another share holders | 14544850 | 290897 | 80.7 |
| Total | 18016450 | 360329 | 100.0 |

Volume of output 10015.4 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 44.00 %

Risc factors Problemele realizarii productiei. Reutilarea tehnica pentru largirea asortimentului.

S.A."Combinatul de industrializarea laptelui din or.Balti"

I. General Information according to 01.07.94

Old name Combinatul de produse lactate din Balti

Tel. 3-23-76

Address 279200, or.Balti, str.Calea Iesilor, 180

Branch Agriculturii

Main lines of activities: unt, lapte uscat, inghetata, produse lactate

Land square: 11.9 ha

Production square: 14600 m.pt.

Number of employees: 699

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 3.460 | 0.000 | 0.000 | 0.000 | 0.000 | 3.456 |

II. Technical-financial characteristics

Statutory capital: 23134200 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4832950 | 96659 | 20.8 |
| Another share holders | 18301250 | 366025 | 79.1 |
| Total | 23134200 | 462684 | 100.0 |

Volume of output: 7375.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 48.00 %

Risc factors: Micsorarea volumului de furuizare. Uzura tehnicii. Poluarea mediului ambiat.

S.A."Combinatul de industrializare a laptelui din Cupcini "InLaC"

## I. General Information according to 01.01.94

Old name Combinatul de produse lactate din Cupcini

Tel. 2-20-50

Address 279560, r1.Edinet, s.Cupcini

Branch Agriculturii

Main lines of activities: lactate, unt, lapte-praf degresat

Land square: 9.9 ha

Production square: 12000 m.pt.

Number of employees: 386

Auction coefficient of demand/supply

| 1 | 2 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.370 | 1.880 | 0.000 | 0.000 | 0.000 | 0.953 |

## II. Technical-financial characteristics

Statutory capital: 14422100 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1777750 | 35555 | 12.3 |
| Another share holders | 12644350 | 252887 | 87.6 |
| Total | 14422100 | 288442 | 100.0 |

Volume of output: 5610.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 31.00 %

Risc factors: Scaderea puterii de cumparare a populatiei, lipsa pietii de desfacere. Uzura morala a utilajului, lipsa surselor de energie proprii. Sroparea procesului de productie din cauza lipsei cererilor la deseurile secundare.

S.A."Bucuria"

## I. General Information according to 01.07.94

Old name Societatea pe actiuni a industriei de cofetarie "Bucuria"

Tel. 24-67-88

Address 277004, or.Chisinau, str.Columna, 162

Branch Agriculturii

Main lines of activities producerea produselor de cofetarie

Land square 13.3 ha

Production square 48454 m.pt.

Number of employees 2669

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 3.410 | 0.000 | 0.000 | 0.000 | 0.000 | 3.406 |

## II. Technical-financial characteristics

Statutory capital 30167002 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 9489705 | 948970 | 31.4 |
| Another share holders | 20677297 | 2067730 | 68.5 |
| Total | 30167002 | 3016700 | 100.0 |

Volume of output 34761.3 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors Cerintele de consum scazute, impunerea impovarata, dependenta de importarea materiei prime si materialelor. Nivelul inalt de uzare al utilajului.

S.A."Alexandreni-Zahar"

## I. General Information according to 01.07.94

Old name Combinatul de zahar din Alexandreni

Tel.

Address 279244, r1.Singerei, s.Alexandreni, Biruinta, str.Independentei

Branch Agriculturii

Main lines of activities zahar-tos din sfecla, melasa si burnota

Land square 239.0 ha

Production square 10000 m.pt.

Number of employees 625

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.670 | 0.000 | 0.000 | 0.000 | 0.000 | 1.666 |

## II. Technical-financial characteristics

Statutory capital 24611165 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1759698 | 175970 | 7.1 |
| Another share holders | 22851467 | 2285146 | 92.8 |
| Total | 24611165 | 2461116 | 100.0 |

Volume of output 8954.1 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 32.00 %

Risc factors Scaderea capacitatii de plata a populatiei. Nivelul inalt de uzura mijloacelor fixe.

S.A."Fabraca de zahar Briceni"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Briceni

Tel.

Address 279620, or.Briceni, str.Uzinei, 30

Branch Agriculturii

Main lines of activities: zahar, melasa, burnota uscata si umeda

Land square: 231.2 ha

Production square: 79290 m.pt.

Number of employees: 727

Auction coefficient of demand/supply

| 4 | 7 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.280 | 1.230 | 0.000 | 0.000 | 0.000 | 0.674 |

## II. Technical-financial characteristics

Statutory capital: 68761410 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1925310 | 192531 | .2.8 |
| Another share holders | 66836100 | 6683610 | 97.2 |
| Total | 68761410 | 6876141 | 100.0 |

Volume of output: 8983.4 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 4.20 %

Risc factors: Lipsa de materii prima, scumpirea materialelor, resurselor energetice. Uzura fizica si morala, posibilitatea de reglarii a utilajului.

170

S.A."Fabrica de zahar din Ghindesti"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Ghindesti

Tel. 2-30-29 2-22-08

Address 279820, r1.Floresti, s.Ghindesti, str.Fabricii, 1

Branch Agriculturii

Main lines of activities zahar-tos

Land square 225.7 ha

Production square 27250 m.pt.

Number of employees 644

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.090 | 0.000 | 0.000 | 0.000 | 0.000 | 1.094 |

## II. Technical-financial characteristics

Statutory capital 20453040 lei

Share price 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2415500 | 120775 | 11.8 |
| Another share holders | 18037540 | 901877 | 88.1 |
| Total | 20453040 | 1022652 | 100.0 |

Volume of output 4076.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors In stabilitatea preturilor. Amortizarea fizica si morala a utilajului. Poluarea.

S.A.pentru producerea zaharului si acidului citric "Frunza"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Birbova

Tel.

Address 279546, r1.Ocnita, s.Frunza

Branch Agriculturii

Main lines of activities: producerea zaharalui, sarii de lamie,taitelor uscati si acri, melasei si comercializarea lor

Land square: 214.3 ha

Production square: 1489800 m.pt.

Number of employees: 567

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 7 | 0 | 0 | 0 | |
| 0.900 | 3.320 | 0.000 | 0.000 | 0.000 | 1.122 |

## II. Technical-financial characteristics

Statutory capital: 19439820 lei

Share price: 15.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2332770 | 155518 | 12.0 |
| Another share holders | 17107050 | 1140470 | 88.0 |
| Total | 19439820 | 1295988 | 100.0 |

Volume of output: 2604.2 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 56.00 %

Risc factors: Scumpirea materii prime, resurselor energetice. Uzura fizica si morala a utilajului. Pericol exploziv, inpurificarea mediului ambiant.

S.A."Fabrica de zahar din Donduseni"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Donduseni

Tel. 2-27-62 2-28-62

Address 279450, or.Donduseni, str.Karl Marx, 1

Branch Agriculturii

Main lines of activities: zahar din sfecla, conserve din fructe si legume

Land square: 164.1 ha

Production square: 15121 m.pt.

Number of employees: 737

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 3.170 | 0.000 | 0.000 | 0.000 | 0.000 | 3.169 |

## II. Technical-financial characteristics

Statutory capital: 14343764 lei

Share price: 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1695434 | 169543 | 11.8 |
| Another share holders | 12648330 | 1264833 | 88.1 |
| Total | 14343764 | 1434376 | 100.0 |

Volume of output: 6385.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 30.00 %

Risc factors: Scumpirea materii prime agricole si a resurselor energetice si combustibului. Uzura morala a utilajukui. Impurificarea mediului inconjurator.

S.A."Glodeni-Zahar"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Glodeni

Tel.

Address 279200, or.Glodeni, str.Stefan cel Mare, 48

Branch Agriculturii

Main lines of activities zaharul-tos din sfecla

Land square 193.0 ha

Production square 1296352 m.pt.

Number of employees 782

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.970 | 0.000 | 0.000 | 0.000 | 0.000 | 1.968 |

## II. Technical-financial characteristics

Statutory capital 30322000 lei

Share price 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3517350 | 70347 | 11.6 |
| Another share holders | 26804650 | 536093 | 88.4 |
| Total | 30322000 | 606440 | 100.0 |

Volume of output 11936.8 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 0.00 %

Risc factors Cresterea semicostului a productiei, scaderea capacitatii de plata a populatiei. Posibilitatea poluarii aerului.

174

S.A."Drohia-zahar"

## I. General Information according to 01.07.94

Old name Combinatul de zahar din Drochia

Tel.

Address 279400, or.Drochia, str.27 august, 1

Branch Agriculturii

Main lines of activities zahar-fos, conserve de legume si fructe

Land square 0.0 ha

Production square 15192 m.pt.

Number of employees 686

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 2 | 0 | 0 | 0 | 0 | |
| 6.520 | 0.000 | 0.000 | 0.000 | 0.000 | 6.521 |

## II. Technical-financial characteristics

Statutory capital 11258040 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 2251610 | 225161 | 20.0 |
| Another share holders | 9006430 | 900643 | 80.0 |
| Total | 11258040 | 1125804 | 100.0 |

Volume of output 6616.0 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 67.00 %

Risc factors Scaderea posibilitatii platilor a populatiei. Nivelul inalt uzurei a utilajului. Impurificare.

175

S.A."Cupcini-Cristal"

## I. General Information according to 01.07.94

Old name Combinatul de zahar din Cupcini

Tel.

Address 279560, rl.Edinet, s.Cupcini, str.Renasterii, 3

Branch Agriculturii

Main lines of activities zahar, bauturi alcoolice si fara alcool

Land square 284.0 ha

Production square 30765 m.pt.

Number of employees 859

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 1.160 | 0.000 | 0.000 | 0.000 | 0.000 | 1.161 |

## II. Technical-financial characteristics

Statutory capital 19214201 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1366130 | 136613 | 7.1 |
| Another share holders | 17848071 | 1784807 | 92.8 |
| Total | 19214201 | 1921420 | 100.0 |

Volume of output 11259.7 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 51.90 %

Risc factors Scumpirea materiei prima, resurselor energetice. Uzura fondurului fixe.

S.A."Fabrica de zahar Falesti"

## I. General Information according to 01.07.94

Old name Fabrica de zahar din Falesti

Tel.

Address 279150, or.Falesti, str.Iasi, 19

Branch Agriculturii

Main lines of activities: zahar, bornot, melasa, conserve din legume si fructe

Land square: 221.4 ha

Production square: 197500 m.pt.

Number of employees: 920

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 2.190 | 0.000 | 0.000 | 0.000 | 0.000 | 2.188 |

## II. Technical-financial characteristics

Statutory capital: 22192572 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 4438512 | 221926 | 20.0 |
| Another share holders | 17754060 | 887703 | 80.0 |
| Total | 22192572 | 1109629 | 100.0 |

Volume of output: 13293.8 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 52.00 %

Risc factors: Scaderea capacitatii de plata a populatiei. Nivelul inalt de uzura a mijloacelor fixe. Poluareamediului incunjurator.

S.A."Floarea soarelui"

I. General Information according to 01.07.94

Old name Combinatul de uleiuri si grasimi din Balti

Tel.

Address 279200, or.Balti, str.31 August, 6

Branch Agriculturii

Main lines of activities: ulei vegetal si sapun de rufe

Land square: 12.4 ha

Production square: 48296 m.pt.

Number of employees: 689

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 4 | 0 | 0 | 0 | 0 | |
| 2.390 | 0.000 | 0.000 | 0.000 | 0.000 | 2.392 |

II. Technical-financial characteristics

Statutory capital: 14899580 lei

Share price: 20.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 3220940 | 161047 | 21.6 |
| Another share holders | 11678640 | 583932 | 78.3 |
| Total | 14899580 | 744979 | 100.0 |

Volume of output: 7354.9 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 57.00 %

Risc factors: Lipsa materiei prime, majorarea pretului de cost. Uzarea utilajului. Pericol de inflamare.

178

S.A.pentru producerea uleiului vegetal "ULEEX"

## I. General Information according to 01.01.94

Old name Fabrica de extractie a uleiurilor din Otaci

Tel.

Address 279500, rl.Ocnita, or.Otaci, str.Stefan cel Mare, 116

Branch Agriculturii

Main lines of activities uleiul vegetal, uleiul rafinat

Land square 11.0 ha

Production square 19500 m.pt.

Number of employees 325

Auction coefficient of demand/supply

| 1 | 2 | 0 | 0 | 0 | |
|---|---|---|---|---|---|
| 0.880 | 4.030 | 0.000 | 0.000 | 0.000 | 1.217 |

## II. Technical-financial characteristics

Statutory capital 7041090 lei

Share price 10.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1465950 | 146595 | 20.8 |
| Another share holders | 5575140 | 557514 | 79.1 |
| Total | 7041090 | 704109 | 100.0 |

Volume of output 4283.8 mii lei

Net profit per 1 lei from statutory capital 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital 0.000 leu/leu

The depreciation level of machinery of equipment 37.00 %

Risc factors Lipsul materiei prime. Utilajul invechit. Exploziv.

S.A."Ambalaj"

## I. General Information according to 01.07.94

Old name Combinatul experimental de ambalaje din Drochia

Tel. 2-32-98 2-32-67

Address 279400, or.Drochia, str.Lermontov, 8

Branch Agriculturii

Main lines of activities: confectionarea ambalajului de lemn si polimer

Land square: 3.0 ha

Production square: 7846 m.pt.

Number of employees: 341

Auction coefficient of demand/supply

| | | | | | |
|---|---|---|---|---|---|
| 3 | 0 | 0 | 0 | 0 | |
| 1.450 | 0.000 | 0.000 | 0.000 | 0.000 | 1.448 |

## II. Technical-financial characteristics

Statutory capital: 6051885 lei

Share price: 50.00 lei

| The structure of statutory capital | Lei | Shares | % |
|---|---|---|---|
| State property | 0 | 0 | 0.0 |
| The quota of employees | 1210350 | 24207 | 20.0 |
| Another share holders | 4841535 | 96830 | 80.0 |
| Total | 6051885 | 121037 | 100.0 |

Volume of output: 930.0 mii lei

Net profit per 1 lei from statutory capital: 0.00 leu/leu

Accounts payable & received debts per 1 lei from statutory capital: 0.000 leu/leu

The depreciation level of machinery of equipment: 59.50 %

Risc factors: Cresterea sinecostului, capacitatea joasa de cumparare a consumatorilor. Uzura inalta a utilajului.

POST-PRIVATIZATION RESTRUCTURING PROJECT

# ENTERPRISE SELECTION

Signatures: MOP _____ CPBR _____

| No | Enterprise | Progressive management | Financial soudness | Physical resources commitment | Financial resources commitment | Clarity of request | Public relations | #Employees (>300=5) | Alternate consulting resources | Corporate governance | Demonstrated markets | Company potential & industry importance | Export emphasis | Finance inovativeness (e.g. sell excess assets etc.) | Territorial diversity | TOTAL RANKING | Committe selection order | NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | B | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | C | | D |
| 1 | Galanta | 5 | 5 | 5 | 0 | 5 | 5 | 5 | 0 | 5 | 5 | 4 | 5 | 5 | 5 | 88.00 | 1 | Approved |
| 2 | Nord Mobila Drochia | 5 | 4 | 5 | 0 | 4 | 5 | 5 | 0 | 4 | 5 | 4 | 5 | 5 | 5 | 83.80 | 2 | Approved |
| 3 | InLac Cupcini | 5 | 3 | 5 | 0 | 5 | 5 | 5 | 0 | 5 | 4 | 5 | 5 | 4 | 5 | 83.00 | 3 | Approved |
| 4 | BASARABIA -NORD , BALTI | 5 | 5 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 4 | 4 | 5 | 5 | 5 | 81.50 | 4 | Approved |
| 5 | ROMANITA Hâncesti | 5 | 4 | 5 | 0 | 3 | 5 | 5 | 0 | 5 | 4 | 3 | 5 | 4 | 5 | 78.60 | 5 | Approved |
| 6 | Garant Impex | 5 | 3 | 5 | 0 | 5 | 5 | 0 | 0 | 5 | 5 | 3 | 5 | 5 | 5 | 77.00 | | Helped by CORANA (USAID) |
| 7 | Bucuria | 5 | 2 | 5 | 0 | 5 | 5 | 5 | 0 | 5 | 5 | 5 | 5 | 3 | 1 | 77.00 | 17 | Approved provisionally (in reserve). |
| 8 | ICAM | 5 | 3 | 5 | 4 | 5 | 5 | 5 | 0 | 4 | 3 | 4 | 5 | 4 | 1 | 76.50 | | Nord Drochia chosen instead. |
| 9 | ARTIMA | 5 | 4 | 5 | 5 | 4 | 5 | 5 | 0 | 2 | 4 | 4 | 4 | 4 | 1 | 75.50 | 6 | Approved |
| 10 | Nisporeni (Gosp.Agr.) | 5 | 4 | 5 | 0 | 5 | 5 | 5 | -2 | 3 | 4 | 2 | 5 | 5 | 5 | 74.50 | 7 | Approved this or other Colchoz |
| 11 | CUPCINI CRISTAL | 5 | 2 | 5 | 0 | 2 | 5 | 5 | 0 | 5 | 2 | 5 | 5 | 4 | 5 | 74.40 | 8 | Approved |
| 12 | UNGHENI-VIN | 4 | 4 | 4 | 0 | 2 | 5 | 3 | 0 | 5 | 5 | 5 | 5 | 2 | 5 | 73.90 | 9 | Approved |
| 13 | MOLD-ITEL | 5 | 5 | 5 | 0 | 5 | 5 | 5 | 0 | 5 | 5 | 4 | 0 | 4 | 1 | 73.50 | 10 | Approved |
| 14 | COLOMIT , BALTI | 3 | 3 | 5 | 0 | 4 | 5 | 5 | 0 | 5 | 4 | 4 | 4 | 4 | 5 | 72.00 | | Not approved (Rada chosen instead) |
| 15 | RADA BALTI | 5 | 4 | 3 | 0 | 3 | 5 | 5 | 0 | 5 | 5 | 4 | 0 | 4 | 5 | 71.10 | 16 | Approved |
| 16 | ZETO C.Lunga | 5 | 3 | 5 | 0 | 3 | 3 | 2 | 0 | 5 | 4 | 3 | 5 | 3 | 5 | 70.10 | 11 | Approved |
| 17 | Elcas | 5 | 2 | 5 | 0 | 5 | 5 | 5 | -3 | 4 | 5 | 3 | 5 | 5 | 1 | 69.00 | 12 | Approved |

POST-PRIVATIZATION RESTRUCTURING PROJECT

# ENTERPRISE SELECTION

Signatures: MOP _____ CPBR _____

| No | Enterprise | Progressive management | Financial soundness | Physical resources commitment | Financial resources commitment | Clarity of request | Public relations | # Employees (>300 =5) | Alternate consulting resources | Corporate governance | Demonstrated markets | Company potential & industry importance | Export emphasis | Finance innovativeness (e.g. sell excess assets etc.) | Territorial diversity | TOTAL RANKING | Committee selection order | NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | B | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | C | | D |
| 18 | BTA-18 S.A Criuleni | 5 | 3 | 5 | 0 | 4 | 5 | 4 | 0 | 2 | 5 | 3 | 0 | 5 | 5 | 67.80 | 13 | Approved |
| 19 | MATERIALE de CONSTRUCTIE, BALTI | 4 | 5 | 5 | 0 | 2 | 5 | 5 | 0 | 4 | 5 | 2 | 0 | 5 | 5 | 67.40 | 14 | Approved |
| 20 | Argon | 0 | 5 | 5 | 5 | 0 | 5 | 5 | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 66.50 | | |
| 21 | Prut-80 Falesti | 4 | 5 | 0 | 0 | 0 | 5 | 5 | -4 | 5 | 5 | 4 | 5 | 5 | 5 | 66.00 | | |
| 22 | Elcom Orhei | 3 | 2 | 5 | 0 | 3 | 5 | 5 | 0 | 3 | 5 | 2 | 5 | 3 | 5 | 64.60 | | |
| 23 | Bere Cahul | 5 | 4 | 5 | 0 | 2 | 5 | 3 | 0 | 5 | 3 | 4 | 0 | 2 | 5 | 63.90 | 15 | Approved |
| 24 | TORA, Orhei | 3 | 0 | 5 | 3 | 5 | 5 | 5 | 0 | 3 | 2 | 3 | 4 | 4 | 5 | 61.70 | | |
| 25 | ASPA, Orhei | 3 | 2 | 5 | 5 | 5 | 5 | 5 | 0 | 0 | 4 | 1 | 5 | 2 | 5 | 61.50 | | |
| 26 | Dar C.Lunga | 4 | 2 | 5 | 0 | 2 | 5 | 5 | 0 | 5 | 3 | 4 | 0 | 3 | 5 | 60.40 | | |
| 27 | Agrotehnica Cahul | 4 | 5 | 5 | 0 | 0 | 4 | 2 | 0 | 3 | 5 | 2 | 0 | 5 | 5 | 60.00 | | |
| 28 | Artizana | 4 | 1 | 5 | 0 | 4 | 5 | 5 | 0 | 2 | 3 | 4 | 2 | 3 | 1 | 57.40 | | |
| 29 | Iahny C.Lunga (lug) | 4 | 4 | 5 | 0 | 1 | 5 | 5 | 0 | 5 | 3 | 1 | 0 | 3 | 5 | 57.20 | | |
| 30 | COSNSTUCTORUL, BALTI | 3 | 2 | 5 | 0 | 0 | 5 | 5 | 0 | 5 | 5 | 1 | 3 | 1 | 5 | 54.40 | | |
| 31 | Fabrica de brânzeturi Cahul | 3 | 2 | 4 | 0 | 0 | 5 | 2 | 0 | 5 | 2 | 5 | 0 | 2 | 5 | 50.00 | | |
| 32 | INTERCONS BALTI | 3 | 1 | 5 | 0 | 3 | 5 | 5 | 0 | 4 | 3 | 1 | 1 | 2 | 5 | 49.90 | | |
| 33 | CA 2830 ORHEI | 3 | 1 | 1 | 0 | 0 | 5 | 5 | 0 | 3 | 4 | 1 | 0 | 4 | 5 | 44.00 | | |
| 34 | Hidroimpex Soroca | 3 | 2 | 1 | 0 | 2 | 1 | 5 | 0 | 3 | 2 | 2 | 5 | 2 | 5 | 49.40 | | |

POST-PRIVATIZATION RESTRUCTURING PROJECT

Signatures: MOP _____ CPBR _____

# ENTERPRISE SELECTION

| No | Enterprise | Progressive management | Financial soudness | Physical resources commitment | Financial resources commitment | Clarity of request | Public relations | #Employees (>300 =5) | Alternate consulting resources | Corporate governance | Demonstrated markets | Company potential & industry importance | Export emphasis | Finance inovativeness (e.g. sell access assets etc.) | Territorial diversity | TOTAL RANKING | Committe selection order | NOTES |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | B | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | C | | D |
| 35 | Atlant | 3 | 2 | 3 | 0 | 3 | 3 | 2 | 0 | 5 | 2 | 4 | 0 | 1 | 5 | 47.10 | | |
| 36 | Zidarul Cahul | 1 | 1 | 5 | 0 | 0 | 5 | 5 | 0 | 1 | 1 | 3 | 5 | 1 | 5 | 44.00 | | |
| 37 | Mobila Orhei | 2 | 1 | 1 | 0 | 0 | 5 | 5 | 0 | 5 | 1 | 3 | 3 | 1 | 5 | 43.40 | | |
| 38 | API Orhei | 2 | 1 | 5 | 0 | 1 | 1 | 2 | 0 | 5 | 1 | 5 | 0 | 1 | 5 | 40.20 | | |
| 39 | Moldelectromontaj | 2 | 1 | 5 | 0 | 0 | 5 | 5 | 0 | 0 | 1 | 2 | 2 | 1 | 1 | 34.60 | | |
| 40 | Tehnovin Chis. | | | | | | | | | | | | | | | 70.00 | | |
| 41 | FLAMINGO BALTI | | | | | | | | | | | | | | | 72.80 | | |
| 42 | MAGISTRALA , BALTI | | | | | | | | | | | | | | | 35.00 | | |
| 43 | Farmacia SRL Criuleni | | | | | | | | | | | | | | | 30.00 | | |

*POST-PRIVATIZATION RESTRUCTURING PROJECT*

# Selected enterprises

| No | Enterprise | Industry | Address | Manager | Tel., Fax | TOTAL RANKING | NOTES - I | NOTES - II |
|---|---|---|---|---|---|---|---|---|
| a | b | c | d | e | f | g | h | i |
| 1 | Galanta | Ladies' Textiles garments | No. 171, Vasile Lupu str., Orhey, Moldova. | Bezmenov, Valentina | (373-235) 2-35-10/ 2-35-01 | 88.00 | Approved | |
| 2 | Nord Mobila, Drockia | Furniture & Fixtures | No. 33, 31 August str., Town of Drockia, Moldova. | Lisu, Mihai Semion | (252) 2-30--00/ 2-22-63 | 83.80 | Approved | |
| 3 | InLac Cupcini | Milk Processing Enterprise (Powder milk, butter, etc.). | Village of Cupchini, Edinets District. | Cibotaru, Ion | (373-239) 2-50-51/ 7-10-01 | 83.00 | Approved | |
| 4 | BASARABIA-NORD, Baltsy | Meat Products and Technical Goods | No. 90-a, Victoria str., Baltsy, Moldova. | Chirtoca, A.A. | (373-231) 3-11-81/ 3-12-86 | 81.50 | Approved | |
| 5 | ROMANITA Hyncheshty | Footwear Factory | No. 72, 31 August str., Town of Hyncheshty, Moldova. | Musteatsa, Grigorii Ion | (373-234) 3-43-42/ | 78.60 | Approved | |
| 6 | ARTIMA | Fine leather goods and accessories for ladies. | No. 6, Calea Eshilor str., Chishinau, Moldova. | Kan, Alexandra Gavril | (3732) 62-07-79/ 63-07-81 | 75.50 | Approved | |
| 7 | Nisporeni (Gosp.Agr.) | Collective Farm (former colhoz with some industrial activirties). | No. 73, Stefan cel Mare str., Town of Nisporeni, Moldova. | Lazar, Mihail Ion | (373-264) 2-23-69/ 2-38-58, 2-21-86 | 74.50 | Approved this or other colhoz | |
| 8 | CUPCINI CRISTAL | Food Industry (Sugar factory) | No. 3, Renashterii str., Village of Cupchini, Edinets District. | Gyrlovanu, Constantin Ion | (373-264) 2-23-69/ 2-38-58 | 74.40 | Approved | |
| 9 | UNGHENI-VIN | Food Industry (Wine) | Village of Pyrlitsa, District Ungheni, Moldova. | Topor, Teodor Iosif | (373-236) 2-34-33/ 2-24-33, 2-21-86 | 73.90 | Approved | |
| 10 | MOLD-ITEL | Telecommunications (Design & Construction of Communications Objects) | No. 134, Stefan cel Mare blvd., Chishinau, Moldova. | Chiriac, Nicolae Vasile. | (373-2) 22-32-32/ 24-53-39 | 73.50 | Approved | |
| 11 | ZETO Chadyr Lunga | Thermal/ Heating Equipment | No. 2, Gorky str., Town of Chadyr-Lunga, Moldova. | Nedeoglo, Nikolai Teodor | (373-261) 2-26-92/ 2-02-76/ 2-26-92 | 70.10 | Approved | |
| 12 | Elcas | Washing-Machines and Cooking Stoves Manufacturer | No. 77, Petru Raresh str., Chishinau, Moldova. | Baban, Serghei | (373-2) 22-64-92/ 22-93-35 | 69.00 | Approved | |

| No | Enterprise | Industry | Address | Manager | Tel., Fax | TOTAL RANKING | NOTES - I | NOTES - II |
|---|---|---|---|---|---|---|---|---|
| a | b | c | d | e | f | g | h | i |
| 13 | BTA-18 S.A Criuleni | Transports/Services | No.1, 31 August str., Town of Criuleni, Moldova. | Panfilii, Mihail V. | (373-248) 22-643 | 67.80 | Approved | |
| 14 | Materiale de construcție, BALTI | Building Materials | No. 178, Stefan cel Mare str., Baltsy, Moldova. | Buzinkevichi, Caqzemir Vladimir | (373-231) 2-24-39/ 2-64-44. | 67.40 | Approved | |
| 15 | Bere Cahul | Food Industry | No. 22, Pacii str., Town of Cahul, Moldova. | Constantinica, Grigorii Teodor | (373-239) 2-24-08/ | 63.90 | Approved | |
| 16 | RADA BALTSY | Underwear Clothes Production | No. 12, Eminescu Blvd., Town of Baltsy, Moldova. | Batmanova, Valentina Egor | (373-231) 2-54-95/ 3-42-25 | 71.10 | Approved | |
| 17 | Bucuria | Candies & Confectioneries | No. 162, Columna str., Chishinau, Moldova. | Tarlev, Vassile Pavel | (373-2) 24-67-28/ 24-66-28 | 77.00 | Approved provisionally (in reserve) | |

# ANNEX VII

CPBR REQUEST FOR PROPOSALS FROM MOLDOVAN CONSULTING FIRMS

# *Ouali fying Ouestionnaire for Selection of Consulting Firms*

I) General Company Information

a. Name of Company ?

b. Legal Status (stock company, partnership, sole proprietorship ?);

c. Names of owners ?

d. Number of Years, Months, in Business ?

e. Date of official registration ?

f. Computers used ?, model or type ?; rented ?, owned ?

g. Offices, rented ?, owned ?

h. Commercial bank account established, if yes:

1. how long account open ?

2. name of reference(s) at bank ?

II) Area of Specialization? Please indicate if your firm has experience in any of the following areas:

- Standards and techniques of international double-entry accounting:
  yes / no ? Skill level: advanced / intermediate / basic / no exposure

- Credit analysis and financial restructuring:
  yes / no ? Skill level: advanced / intermediate / basic / no exposure



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- Procurement of letters of credit:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Techniques of competitive bidding and tendering:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Development of procurement specifications:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- In-plant technologies (production and manufacturing processes, materials conversion processes):
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Financial or business unit analysis:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Quality control techniques:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Restructuring of product lines; enterprise departments:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Business plan development:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

- Marketing and sales in private enterprise:
  yes / no ?  Skill level: advanced / intermediate / basic / no exposure

***Please Note: If your firm has experience in any of the above listed fields of expertise please attach to this application a brief description of the experience and in what type of project it was gained.***



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III) General Company Experience

Projects completed

a. Private industry or business

1. description of project or assignments your firm performed;

2. brief description of solutions suggested;

3.expertise of members of staff participating in the project;

4. brief description of their role in the project team;

5. attach copy of business plan, if any, devised during project.

b. State industry or government

1. description of project or assignments your firm performed;

2. brief description of solutions suggested;

3. expertise of members of staff participating in the project;

4. brief description of their role in the project team;

5. attach copy of business plan, if any, devised during project.

IV) Employee Qualifications:

(applicable only to those consultants proposed by your firm to work on with the CPBR)

a. Name(s) ?

b. Citizenship ?



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c. Academic Qualification(s):

1. school(s) attended, degree(s) achieved, area specialization ?

2. language(s) spoken; working knowledge ? fluently ?

3. work experience or study abroad ?

d. Computer Skills:

(please describe program known; degree of familiarity with each program: excellent, good, fair) ?

1. Word ? 2. Excel ? 3. Other ?

Please submit answers to this questionnaire on separate sheets of paper along with any additional information you can provide about your firm (annual financial reports, prospectuses,) and an official copy of your firm's registration with the appropriate state authorities.

***Please also provide us with the names of two business references, preferably clients of your firm. Please indicate in writing whether the CPBR may contact these persons for a recommendation of your firm?***

Please return the questionnaire completed and signed by an authorized officer of the applicant company by the _____ th of December, 1995 to the:

**Center for Private Business Reform**
Moldova 277001 Chisinau
str. Kogalniceanu 22/1

Attn: Mr. Vincent Morabito, Director



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# ANNEX VIII

CPBR-CONSULTING COMPANY SAMPLE CONTRACT

## *Cooperation Agreement*

**Whereas** *the Center for Private Business Reform, hereinafter "CPBR", is a project funded by the United States Agency for International Development, hereinafter "USAID", based in Chisinau, Moldova to train Moldovan business consultants in the skills of enterprise reform and support the restructuring of privatised businesses to render them more commercially viable,*

and

**Whereas it is** desired by the management of the enterprise: (name and address)

_____

_____

_____, hereinafter: "Enterprise",

that the Center for Private Business Reform, Moldova 277001, Chisinau, str. Kogalniceanu, should provide it with consultancy services in certain matters affecting its restructuring, hereinafter the "Assignment", therefore it is agreed between the CPBR and the Enterprise that the services shall be provided in accordance with this agreement as follows:

A. **Terms of Reference**

The staff of the CPBR and its affiliated consultants shall during the period from _____

_____ to _____

undertake with the co-operation of the Enterprise Management to develop jointly an action plan that will be based on diagnosis and evaluation of the problems faced by the enterprise (completed by February 10, 1996). The enterprise will work closely and co-operate fully with the "CPBR" to implement the plan prior to May 31.



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B) **Enterprise Obligations**

1) In order to further prompt and efficient completion of the task(s) set forth in (A) above the Enterprise hereby agrees to provide, in good faith, to the staff of the CPBR such working conditions and aid on site as shall be reasonably deemed necessary by the staff of the CPBR to further the completion of the Assignment. Such conditions and aid may include and are not necessarily limited to provision of:

a) transport between the Enterprise site and the offices of the CPBR in Chisinau;
b) office space, support staff and telephone (secretary; translator; others as necessary) at the Enterprise site;
c) access to Enterprise managers, and all documentation and financial records deemed necessary by the staff member of the CPBR assigned to the Enterprise for the informed and efficient completion of the task(s) set forth in (A) above;
d) a General Director or his designate from the Enterprise management team to work as permanent member of the CPBR consultant team;
e) any other physical or technical conditions necessary to the effective completion of the task(s) set forth in (A) above which may be identified by the CPBR during the course of the Assignment.

2) The Enterprise hereby further agrees to consider paying a cash contribution or services in kind, to an extent reasonable and possible given the financial condition of the Enterprise, for services provided to it by local consultants or local consultant firms acting as subcontractors to the CPBR in accord with the Assignment. It is understood and agreed that failure to provide such contribution, if in the opinion of the CPBR reasonably justified, will not result in the termination of the Assignment

3) The Enterprise hereby agrees to participate in a public awareness program to advertise its cooperation with the CPBR and its participation in the CPBR Enterprise Restructuring Program.

4) The Enterprise agrees to participate in other restructuring-related and capacity building programs sponsered in Moldova by USAID; including but not limited to the: land sales program, land titling program, initial public share offering program, capital markets development programs, accounting and public education programs.

C) **CPBR Obligations**

1) The CPBR hereby agrees to provide to the Enterprise a consultant team, including local consultant firms and local consultant trainees, with skills and expertise in those aspects of business restructuring appropriate to the specific needs of the Enterprise. The choice of consultants provided shall be determined, at the sole discretion of the CPBR, by preliminary analysis of the needs of the Enterprise undertaken by the CPBR in cooperation with Enterprise management. The CPBR shall provide the consultants to the Enterprise until such time as, in the sole judgement of the CPBR, the Assignment shall have been, in good faith and to the best of the ability of the staff of the CPBR, completed.



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2) The CPBR will provide its services as project organizer without charge to the Enterprise; it may, however request that the Enterprise make a contribution in cash to the local consultants or consultant firms providing services to the Enterprise. NO ENTERPRISE SELECTED FOR PARTICIPATION IN THE CPBR PROGRAM SHALL BE EXCLUDED FROM THE PROGRAM FOR REASONABLE INABILITY, AS DETERMINED BY THE CPBR, TO MAKE SUCH CONTRIBUTION.

D) **Termination of Agreement**

1) This Agreement may be terminated by mutual written agreement of the parties or upon written notice of either of the parties to the other. Termination may be without cause or for nonfulfillment by either of the parties of its obligations to the other as they are set forth in the foregoing paragraphs of this Agreement. Termination shall extinguish all rights, claims and obligations arising out of this Agreement which either party may have against or to the other.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____, day of

_____, 1996.

Enterprise:

By:_____

name:

title:

Center for Private Business Reform

By:_____

Vincent F. Morabito, Director



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# *Agreement for Sub-contractor's Services*

***This Agreement***, is made and entered into as of the _____ day of _____ 199____, between East-West Management Institute, Inc., 520 Madison Avenue, 38th Floor, New York, N.Y. USA, hereinafter referred to as "EWMI" or alternatively as "Contractor" and the Consultancy Firm:

Name: _____

_____

Address: _____

_____

whose business registration number is: _____,

hereinafter referred to as the "Sub-contractor".

The Contractor and Sub-contractor, jointly referred to hereinafter as the "parties", hereby agree as follows:

1) Contractor shall contract with the Sub-contractor for consulting services and Sub-contractor shall provide consulting services to the Center for Private Business Reform, Chisinau, Moldova, hereinafter:"CPBR"; or at the sole discretion of the CPBR, to selected Moldovan Enterprises, all according to the terms and conditions described herein below and in accordance with the Moldova Project for Enterprise Restructuring, Task Order No.EPE-0014-I-02-5076-00, under Contract No.EPE-0014-I-00-5076-00, between EWMI and USAID, hereinafter referred to as the "Project". Validity of this Agreement is subject to the approval of it terms by Contractor's counsel and, if Contractor deems it necessary, the approval of USAID and of the Ministry of Privatisation of the Republic of Moldova.

**Sub-contractor's obligations and conditions of engagement**

1) The Sub-contractor shall:



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A) provide to the CPBR, for the duration of the Project, a consultant-group acceptable to the CPBR and having, to the satisfaction of the CBPR, knowledge of the techniques of, or professional experience in the fields of:

a) international accounting;
b) credit analysis;
c) financial structuring;
d) international procurement skills;
e) in-plant technology;
f) finance and business unit analysis;
g) production and quality control skills;
h) restructuring of product lines and enterprise departments;
i) business plan development;
j) marketing and sales;
k law

as well as any other professional consultancy skills which the CPBR may from time to time, in its sole discretion, deem necessary to the successful progress and completion of the Project;

B) assure that its consultant-group shall consist of up to eight members who, upon approval and secondment by the CPBR to an internal CPBR consultant team, shall be continuously available, either individually or as a group, to the CPBR for the duration of any task assigned by the CPBR to the internal consultant team;

C) provide written project status reports, as required by the Contractor or USAID, both during and upon conclusion of the Project;

D) assure that for the duration of the Project the consultant-group shall perform its assigned duties faithfully and to the best of the ability of each of its members, and shall comply with local laws and customs.

E) hereby certifies that all of its employees assigned to work on this project shall be bona fide Moldovan nationals.

2) The Sub-contractor understands and agrees that the site of work shall be Chisinau *and other locations* in the Republic of Moldova; further, that it shall be necessary for the Sub-contractor's consultant-group to travel form time to time outside of Chisinau and remain for indefinite periods of time at the sites of various enterprises to which the CPBR shall provide its services, therefore:

A) The Sub-contractor hereby agrees to provide for its consultant-group, at its sole cost, an office in Chisinau, support staff, and technical equipment, as well



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as transport to and from work sites outside of Chisinau, all to the satisfaction of the CPBR; and, if not otherwise provided for, meals and lodging for its consultant group while at such locations.

B) The Sub-contractor hereby further agrees to maintain for its employees all legally required insurance and to pay for them all social taxes levied upon employers by the Government of Moldova.

3) The Sub-contractor shall be compensated at a rate of _____ United States Dollars, or its equivalent in Moldovan currency, per man/day per for each day actually worked by a CPBR approved member of its consultant-group on a Project-related task. Provided, however, that the Sub-contractor shall not bill the Contractor for more than a maximum of eight man/days for each day actually worked by a its consultant-group on a Project-related task assigned by the CPBR. Sub-contractor billings shall be submitted to the CPBR bi-weekly, and shall be paid by the CPBR within one month after submission.

4) The Sub-contractor will be paid in accordance with completed, submitted time sheets which shall be provided in blank to Sub-contractor by the Contractor who shall review such claims for payment and require, to its satisfaction, supporting documentation for claims made. Contractor shall not be required to pay claims which it, in its sole discretion, finds not to be reasonably made and supported by such documentation as it shall require.

5) The Sub-contractor shall be available from the period beginning: _____through _____, and shall be subject to a continuing condition of satisfactory performance as determined by the Contractor in its sole discretion. A consultant-group's work day shall commence at 9:30 a.m. and continue through 6:30 p.m., daily, to a maximum of six days per calendar week. The consultant-group may be required to work according to a modified schedule as determined from time to time by the Contractor in its sole discretion. The consultant-group shall be entitled daily to one hour for lunch.

6) The Sub-contractor shall report to Mr. Vincent F. Morabito, Director of the CPBR, his authorised delegate or such other person as he or his delegate may designate during the term of this Agreement.

**CPBR Obligations**

7) The CPBR hereby agrees to provide on-the-job training to the Sub-contractor and its consultant-group, as well as access on a reasonable, as needed basis, to the experts and



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offices of the CPBR in Chisinau. The CPBR shall provide the Sub-contractor's personnel with such training the CPBR staff deem necessary and appropriate to equip them with skills and expertise in fundamental aspects of enterprise restructuring so as to enable them, as far as practically possible, to be better qualified to continue work in the field of financial and business consulting on an professional level with knowledge of standard international techniques after the conclusion of the Project.

8) The choice of consultant teams provided to an Enterprise shall be determined, at the sole discretion of the CPBR, by preliminary analysis of the needs of the Enterprise undertaken by the CPBR or an authorised Sub-contractor in co-operation with Enterprise management. The Sub-contractor shall be, however, at all times supervised in its duties by CPBR staff and within the organisational framework of a CPBR consultant team. The CPBR shall provide a consultant team to the Enterprise until such time as, in the sole judgement of the CPBR, provision of consultancy services shall not be further efficacious or the tasks set forth in the Project shall have been completed.

9)The CPBR will provide its services as project organiser and expert resource to the Sub-contractor and assure provision of expert training to the Sub-contractor's consultant-group.

**Termination of Agreement**

10) This Agreement may be terminated or suspended, at any time, by mutual written agreement of the parties or upon one week's written notice of either of the parties to the other, in which case Sub-contractor may claim only such remuneration earned to the date of actual termination or suspension. Termination or suspension may be without cause, or for nonfulfillment by either of the parties of its obligations to the other, as they are set forth in the foregoing paragraphs of this Agreement. Termination shall extinguish all rights, claims and obligations arising out of this Agreement which either party may have against or to the other.

11) It is understood and agreed that the Sub-contractor is an independent contractor and solely responsible for the payment of all applicable income taxes imposed by the Republic of Moldova. The Sub-contractor further understands and agrees that the Contractor, if required by law, shall provide to the appropriate Moldovan governmental authority a roster of all its consultants and the amounts of their remuneration. The Contractor shall moreover, if required by law, deduct taxes from the Sub-contractor's gross remuneration and pay such amounts to such authority as appropriate in accordance with the law.



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12) The Sub-contractor hereby acknowledges and agrees that all information, communications, data and analysis in any format, relating to the Project are extremely sensitive and confidential. The Sub-contractor agrees that during the term of this Agreement and during a period of two years immediately succeeding its termination that the Sub-contractor shall hold all information relating to the Enterprise Restructuring Project in confidence and, further, shall not disclose any such information to anyone other than employees of EWMI or USAID. The Sub-contractor hereby agrees to use all appropriate caution and care to protect such information against unauthorised disclosure and further agrees not to use such information for personal gain. The Sub-contractor agrees to act at all times in good faith in accordance with the conditions and spirit of this clause and further agrees that any violation of its terms shall be cause for termination of this Agreement.

13) The Sub-contractor will not engage, during the term of this Agreement, in any business, profession or occupation that is in direct or indirect competition to the Project or any enterprise which the Project may assist. This includes loans or investments to or in any business in Moldova which the Project may assist, and extends to direct or indirect employment either in the Consultant's own name or through the agency of another person or entity.

14) This Agreement shall be governed by the law of _____(?).

15) This Agreement constitutes the final and complete agreement between the parties. No change to this Agreement shall be valid unless in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____, day of _____, 1995, evidencing their intention to be bound hereby.

| East-West Management Institute, Inc. | Sub-contractor |
|---|---|
| By: _____ | By: _____ |
| name: | name: |
| title: | title: |



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# ANNEX IX

CPBR-ENTERPRISE COOPERATION AGREEMENT

## *Cooperation Agreement*

**Whereas** *the Center for Private Business Reform, hereinafter "CPBR", is a project funded by the United States Agency for International Development, hereinafter "USAID", based in Chisinau, Moldova to train Moldovan business consultants in the skills of enterprise reform and support the restructuring of privatised businesses to render them more commercially viable,*

and

**Whereas it is** desired by the management of the enterprise: (name and address)

**"ELCAS" Joint Stock Company,**
**77, Petru Rares str. , Chisinau, Moldova**

_____, hereinafter: "Enterprise",

that the Center for Private Business Reform, Moldova 277001, Chisinau, str. Kogalniceanu, should provide it with consultancy services in certain matters affecting its restructuring, hereinafter the "Assignment", therefore it is agreed between the CPBR and the Enterprise that the services shall be provided in accordance with this agreement as follows:

A. **Terms of Reference**

The staff of the CPBR and its affiliated consultants shall during the period from January 26, 1996 to May 31, 1996.

undertake with the co-operation of the Enterprise Management to develop jointly an action plan that will be based on diagnosis and evaluation of the problems faced by the enterprise (completed by February 10, 1996). The enterprise will work closely and co-operate fully with the "CPBR" to implement the plan prior to May 31.



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B) **Enterprise Obligations**

1) In order to further prompt and efficient completion of the task(s) set forth in (A) above the Enterprise hereby agrees to provide, in good faith, to the staff of the CPBR such working conditions and aid on site as shall be reasonably deemed necessary by the staff of the CPBR to further the completion of the Assignment. Such conditions and aid may include and are not necessarily limited to provision of:

a) transport between the Enterprise site and the offices of the CPBR in Chisinau;
b) office space, support staff and telephone (secretary; translator; others as necessary) at the Enterprise site;
c) access to Enterprise managers, and all documentation and financial records deemed necessary by the staff member of the CPBR assigned to the Enterprise for the informed and efficient completion of the task(s) set forth in (A) above;
d) a General Director or his designate from the Enterprise management team to work as permanent member of the CPBR consultant team;
e) any other physical or technical conditions necessary to the effective completion of the task(s) set forth in (A) above which may be identified by the CPBR during the course of the Assignment.

2) The Enterprise hereby further agrees to consider paying a cash contribution or services in kind, to an extent reasonable and possible given the financial condition of the Enterprise, for services provided to it by local consultants or local consultant firms acting as subcontractors to the CPBR in accord with the Assignment. It is understood and agreed that failure to provide such contribution, if in the opinion of the CPBR reasonably justified, will not result in the termination of the Assignment

3) The Enterprise hereby agrees to participate in a public awareness program to advertise its cooperation with the CPBR and its participation in the CPBR Enterprise Restructuring Program.

4) The Enterprise agrees to participate in other restructuring-related and capacity building programs sponsered in Moldova by USAID; including but not limited to the: land sales program, land titling program, initial public share offering program, capital markets development programs, accounting and public education programs.

C) **CPBR Obligations**

1) The CPBR hereby agrees to provide to the Enterprise a consultant team, including local consultant firms and local consultant trainees, with skills and expertise in those aspects of business restructuring appropriate to the specific needs of the Enterprise. The choice of consultants provided shall be determined, at the sole discretion of the CPBR, by preliminary analysis of the needs of the Enterprise undertaken by the CPBR in cooperation with Enterprise management. The CPBR shall provide the consultants to the Enterprise until such time as, in the sole judgement of the CPBR, the Assignment shall have been, in good faith and to the best of the ability of the staff of the CPBR, completed.



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2) The CPBR will provide its services as project organizer without charge to the Enterprise: it may, however request that the Enterprise make a contribution in cash to the local consultants or consultant firms providing services to the Enterprise. NO ENTERPRISE SELECTED FOR PARTICIPATION IN THE CPBR PROGRAM SHALL BE EXCLUDED FROM THE PROGRAM FOR REASONABLE INABILITY. AS DETERMINED BY THE CPBR. TO MAKE SUCH CONTRIBUTION.

D) **Termination of Agreement**

1) This Agreement may be terminated by mutual written agreement of the parties or upon written notice of either of the parties to the other. Termination may be without cause or for nonfulfillment by either of the parties of its obligations to the other as they are set forth in the foregoing paragraphs of this Agreement. Termination shall extinguish all rights. claims and obligations arising out of this Agreement which either party may have against or to the other.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 26, day of January, 1996.

Enterprise:

By: S. [illegible]

name:

title: General Director

Center for Private Business Reform

By: Vincent F. Marabito

Vincent F. Morabito, Director



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## *ACORD DE COOPERARE*

***Luînd în consideraţie faprul,*** *că Centrul Reformelor Businessului Privat, numit ulterior "CRBP", este un proiect finanţat de către Agenţia SUA pentru Dezvoltare Internaţională, numită în continuare "USAID", cu sediul în or. Chişinău, Republica Moldova, pentru a pregăti Consultanţi ai Moldovei în Domeniul Businessului cu deprinderi de reformare a întreprinderilor şi susţinere a întreprinderilor privatizate, cu scopul de a le face mai viabile din punct de vedere comercial, şi*

***Întrucît*** conducerea întreprinderii : (numele şi adresa)

"ELCAS" S.A.
Republica Moldova, or. Chişinău, str. Petru Rareş - 77

numită ulterior "Întreprinderea", îşi exprimă dorinţa de a primi servicii consultative din partea Centrului Reformelor Businessului Privat, Republica Moldova, 2777001, or. Chişinău, str. Kogălniceanu - 22, în domeniul anumitor probleme ce ţin de restructurare, numită ulterior "Sarcina", între CRBP şi Întreprindere se închee un acord, ca serviciile să fie prestate în conformitate cu prevederile după cum urmează:

**(A) Termeni de Referinţă:**

Personalul CRBP şi consultanţii afiliaţi, pe perioada de la 26 Ianuarie an. 1996 pînă la 31 Mai an. 1996

vor efectua, în cooperare cu conducerea întreprinderii, măsuri pentru elaborarea în comun a unui plan de activitate pe baza unei diagnosticări şi evaluări a problemelor cu care se confruntă întreprinderea (termen limită - data de 10 februarie 1996). Întreprinderea va lucra în strînsă colaborare şi va coopera pe deplin cu "CRBP" în vederea implementării planului pînă la data de 31 mai anul curent.

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## (B) Obligaţiunile Întreprinderii

(1) Pentru a îndeplini prompt şi eficient sarcin(a)ile relatate în paragraful (A) menţionat mai sus, prin prezentul Acord Întreprinderea î-şi dă consimţămîntul de a acorda personalului CRBP, într-un mod demn de încredere, condiţii de muncă şi acea asistenţă care va fi considerată rezonabil necesară pentru D-lor, pentru îndeplinirea de mai departe a Sarcinii. Aceste condiţii şi asistenţa pot include, dar nu se limitează numai la, prevederile după cum urmează:

(a) transportare între locul aflării Întreprinderii şi oficiile CRBP din Chişinău;

(b) spaţiu pentru oficiu, personal de asistenţă şi telefon în localul Întreprinderii (secretar, translator ş.a., după necesităţi);

(c) acces la conducerea Întreprinderii şi toate registrele documentaţiei şi cele financiare considerate necesare de către membrii echipei CRBP desemnaţi la Întreprindere pentru a îndeplini cu succes şi eficient sarcin(a)ile expuse în paragraful (A) de mai sus;

(d) un Director General sau desemnatul său de la Întreprindere care va lucra permanent cu echipa de consultanţi ai CRBP;
oricare alte condiţii tehnic sau fizic necesare pentru îndeplinirea efectivă a sarcinei(lor) descrise în paragraful (A) de mai sus, care pot fi identificate de către CRBP pe parcursul duratei Acordului;

(2) Prin acordul prezent Întreprinderea cade de acord de a plăti o contribuţie în bani sau în servicii într-o măsură rezonabilă şi posibilă, reeşind din condiţiile financiare ale Întreprinderii, pentru serviciile acordate ei de către consultanţii locali sau firmele locale de consultanţi care activează în calitate de Sub-contractanţi ai CRBP în conformitate cu "Srcina" preconizată. Se subînţelege şi se convine, că imposibilitatea achitării unei atare contribuţii, justificată rezonabil după părerea CRBP, nu va cauza terminarea "Sarcinii".

(3) Prin acordul prezent Întreprinderea cade de acord să participe într-un program de informare în masă pentru a da publicităţii cooperarea ei cu CRBP şi participarea ei în programul de restructurare a Întreprinderilor sub egida CRBP.

(4) Întreprinderea cade de acord să participe în alte programe de restructurare şi consolidare a capacităţii întreprinderilor, sponsorizate de USAID în Moldova; care vor include, dar nu se vor limita doar la: programele de vînzare a pămîntului, programul de confirmare a titularilor, programul de ofertă iniţială a acţiunilor, programele de dezvoltare a pieţilor de capital, programe relative la contabilitate şi instruire în masă.

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## (C) Obligaţiunile CRBP

(1) CRBP prin acesta cade de acord să prezinte Întreprinderii o echipă de Consultanţi, inclusiv firme consultative locale şi consultanţi stagiari, cu priceperi şi experienţă în acele aspecte de restructurare a businessului care corespund necesităţilor specifice ale Întreprinderii. Alegerea consultanţilor desemnaţi va fi determinată la propria discreţie a CRBP, în urma unei analize preliminare a necesităţilor Întreprinderii, efectuate de către CRBP în cooperare cu conducerea acesteia.
CRBP va desemna consultanţi pentru Întreprindere pînă la momentul cînd, la propria discreţie a CRBP, "Sarcina" descrisă în paragraful (A) va fi îndeplinită de către personalul CRBP, într-un mod demn de încredere şi cel mai bine posibil.

(2) CRBP va acorda servicii pentru Întreprindere ca organizator al proiectului, fără plată din partea Întreprinderii; însă CRBP îi poate cere Întreprinderii o contribuţie bănească pentru consultanţii locali sau firmele de consutanţi care acordă servicii Întreprinderii. NICI O ÎNTREPRINDERE INCLUSĂ ÎN PROGRAMUL CRBP NU VA FI EXCLUSĂ DIN PROGRAM DIN CAUZA UNEI EVENTUALE IMPOSIBILITĂŢI, DUPĂ PĂREREA CRBP REZONABILE, DE A PLĂTI O ATARE CONTRIBUŢIE.

## (D) Reziliereerea Acordului

(1) Acordul prezent poate fi reziliat printr-o înţelegere reciprocă ale celor două părţi, în urma unui aviz în scris a oricăreia din părţi către cea de-a doua parte. Rezilierea poate fi fără motiv sau din cauza neîndeplinirii de către una din părţi a obligaţiunilor faţă de ce-a de a doua parte, stipulate în paragrafele anterioare ale acestui Acord. Rezilierea va anula toate drepturile, reclamaţiile şi obligaţiunile care rezultă din acest Acord şi pe care una din părţi le poate avea faţă de alta.

CA MĂRTURIE A CELOR RELATATE MAI SUS, părţile au încheiat prezentul Acordul pe data de

26, luna Ianuarie 1996.

Din partea Întreprinderii:

(numele)

Director General
(funcţia)

Din partea Centrului Reformelor Businessului Privat:

Vincent F. Morabito,

Director

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Supplement to the Cooperation Agreement between the Center for Private Business Reform and J-SC "Rada" to the points B.2. and C.2.

Taking into consideration the difficult financial situation of the factory, J-SC "Rada" cannot give any agreement to consider paying a cash contribution for services provided by CPBR.

Factory:

By: Mrs. Batmanova

Director

29.01.96

Center for Private Business Reform:

By: Vincent F. Morabito.

Director

## *Cooperation Agreement*

**Whereas** *the Center for Private Business Reform, hereinafter "CPBR", is a project funded by the United States Agency for International Development, hereinafter "USAID", based in Chisinau, Moldova to train Moldovan business consultants in the skills of enterprise reform and support the restructuring of privatised businesses to render them more commercially viable,* and

**Whereas it is** desired by the management of the enterprise: (name and address)

Joint-Stock Company "Rada"
Av. Eminescu 12, c.Beltsy, 279200, Republic of Moldova

_____, hereinafter: "Enterprise",

that the Center for Private Business Reform, Moldova 277001, Chisinau, str. Kogalniceanu, should provide it with consultancy services in certain matters affecting its restructuring, hereinafter the "Assignment", therefore it is agreed between the CPBR and the Enterprise that the services shall be provided in accordance with this agreement as follows:

A. **Terms of Reference**

The staff of the CPBR and its affiliated consultants shall during the period from _____

_____ to _____

undertake with the co-operation of the Enterprise Management to develop jointly an action plan that will be based on diagnosis and evaluation of the problems faced by the enterprise (completed by February 10, 1996). The enterprise will work closely and co-operate fully with the "CPBR" to implement the plan prior to May 31.



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B) **Enterprise Obligations**

1) In order to further prompt and efficient completion of the task(s) set forth in (A) above the Enterprise hereby agrees to provide, in good faith, to the staff of the CPBR such working conditions and aid on site as shall be reasonably deemed necessary by the staff of the CPBR to further the completion of the Assignment. Such conditions and aid may include and are not necessarily limited to provision of:

a) transport between the Enterprise site and the offices of the CPBR in Chisinau;
b) office space, support staff and telephone (secretary; translator; others as necessary) at the Enterprise site;
c) access to Enterprise managers, and all documentation and financial records deemed necessary by the staff member of the CPBR assigned to the Enterprise for the informed and efficient completion of the task(s) set forth in (A) above;
d) a General Director or his designate from the Enterprise management team to work as permanent member of the CPBR consultant team;
e) any other physical or technical conditions necessary to the effective completion of the task(s) set forth in (A) above which may be identified by the CPBR during the course of the Assignment.

2) The Enterprise hereby further agrees to consider paying a cash contribution or services in kind, to an extent reasonable and possible given the financial condition of the Enterprise, for services provided to it by local consultants or local consultant firms acting as subcontractors to the CPBR in accord with the Assignment. It is understood and agreed that failure to provide such contribution, if in the opinion of the CPBR reasonably justified, will not result in the termination of the Assignment

3) The Enterprise hereby agrees to participate in a public awareness program to advertise its cooperation with the CPBR and its participation in the CPBR Enterprise Restructuring Program.

4) The Enterprise agrees to participate in other restructuring-related and capacity building programs sponsered in Moldova by USAID; including but not limited to the: land sales program, land titling program, initial public share offering program, capital markets development programs, accounting and public education programs.

C) **CPBR Obligations**

1) The CPBR hereby agrees to provide to the Enterprise a consultant team, including local consultant firms and local consultant trainees, with skills and expertise in those aspects of business restructuring appropriate to the specific needs of the Enterprise. The choice of consultants provided shall be determined, at the sole discretion of the CPBR, by preliminary analysis of the needs of the Enterprise undertaken by the CPBR in cooperation with Enterprise management. The CPBR shall provide the consultants to the Enterprise until such time as, in the sole judgement of the CPBR, the Assignment shall have been, in good faith and to the best of the ability of the staff of the CPBR, completed.



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2) The CPBR will provide its services as project organizer without charge to the Enterprise: it may, however request that the Enterprise make a contribution in cash to the local consultants or consultant firms providing services to the Enterprise. NO ENTERPRISE SELECTED FOR PARTICIPATION IN THE CPBR PROGRAM SHALL BE EXCLUDED FROM THE PROGRAM FOR REASONABLE INABILITY, AS DETERMINED BY THE CPBR, TO MAKE SUCH CONTRIBUTION.

D) **Termination of Agreement**

1) This Agreement may be terminated by mutual written agreement of the parties or upon written notice of either of the parties to the other. Termination may be without cause or for nonfulfillment by either of the parties of its obligations to the other as they are set forth in the foregoing paragraphs of this Agreement. Termination shall extinguish all rights, claims and obligations arising out of this Agreement which either party may have against or to the other.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 29, day of _____, 1996.

Enterprise: "Rada"

By: _____
name: Ba Manova V.E.
title: Director

Center for Private Business Reform

By: _____
Vincent F. Morabito, Director



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## *Cooperation Agreement*

**Whereas** *the Center for Private Business Reform, hereinafter "CPBR", is a project funded by the United States Agency for International Development, hereinafter "USAID", based in Chisinau, Moldova to train Moldovan business consultants in the skills of enterprise reform and support the restructuring of privatised businesses to render them more commercially viable,*

and

**Whereas it is** desired by the management of the enterprise: (name and address)

Joint-Stock Company "Rada"
Av. Eminescu 12, c.Beltsy, 279200, Republic of Moldova

_____, hereinafter: "Enterprise",

that the Center for Private Business Reform, Moldova 277001, Chisinau, str. Kogalniceanu, should provide it with consultancy services in certain matters affecting its restructuring, hereinafter the "Assignment", therefore it is agreed between the CPBR and the Enterprise that the services shall be provided in accordance with this agreement as follows:

A. **Terms of Reference**

The staff of the CPBR and its affiliated consultants shall during the period from _____

_____ to _____

undertake with the co-operation of the Enterprise Management to develop jointly an action plan that will be based on diagnosis and evaluation of the problems faced by the enterprise (completed by February 10, 1996). The enterprise will work closely and co-operate fully with the "CPBR" to implement the plan prior to May 31.



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B) **Enterprise Obligations**

1) In order to further prompt and efficient completion of the task(s) set forth in (A) above the Enterprise hereby agrees to provide, in good faith, to the staff of the CPBR such working conditions and aid on site as shall be reasonably deemed necessary by the staff of the CPBR to further the completion of the Assignment. Such conditions and aid may include and are not necessarily limited to provision of:

a) transport between the Enterprise site and the offices of the CPBR in Chisinau;
b) office space, support staff and telephone (secretary; translator; others as necessary) at the Enterprise site;
c) access to Enterprise managers, and all documentation and financial records deemed necessary by the staff member of the CPBR assigned to the Enterprise for the informed and efficient completion of the task(s) set forth in (A) above;
d) a General Director or his designate from the Enterprise management team to work as permanent member of the CPBR consultant team;
e) any other physical or technical conditions necessary to the effective completion of the task(s) set forth in (A) above which may be identified by the CPBR during the course of the Assignment.

2) The Enterprise hereby further agrees to consider paying a cash contribution or services in kind, to an extent reasonable and possible given the financial condition of the Enterprise, for services provided to it by local consultants or local consultant firms acting as subcontractors to the CPBR in accord with the Assignment. It is understood and agreed that failure to provide such contribution, if in the opinion of the CPBR reasonably justified, will not result in the termination of the Assignment

3) The Enterprise hereby agrees to participate in a public awareness program to advertise its cooperation with the CPBR and its participation in the CPBR Enterprise Restructuring Program.

4) The Enterprise agrees to participate in other restructuring-related and capacity building programs sponsered in Moldova by USAID; including but not limited to the: land sales program, land titling program, initial public share offering program, capital markets development programs, accounting and public education programs.

C) **CPBR Obligations**

1) The CPBR hereby agrees to provide to the Enterprise a consultant team, including local consultant firms and local consultant trainees, with skills and expertise in those aspects of business restructuring appropriate to the specific needs of the Enterprise. The choice of consultants provided shall be determined, at the sole discretion of the CPBR, by preliminary analysis of the needs of the Enterprise undertaken by the CPBR in cooperation with Enterprise management. The CPBR shall provide the consultants to the Enterprise until such time as, in the sole judgement of the CPBR, the Assignment shall have been, in good faith and to the best of the ability of the staff of the CPBR, completed.



2/2

2) The CPBR will provide its services as project organizer without charge to the Enterprise: it may, however request that the Enterprise make a contribution in cash to the local consultants or consultant firms providing services to the Enterprise. NO ENTERPRISE SELECTED FOR PARTICIPATION IN THE CPBR PROGRAM SHALL BE EXCLUDED FROM THE PROGRAM FOR REASONABLE INABILITY, AS DETERMINED BY THE CPBR, TO MAKE SUCH CONTRIBUTION.

D) **Termination of Agreement**

1) This Agreement may be terminated by mutual written agreement of the parties or upon written notice of either of the parties to the other. Termination may be without cause or for nonfulfillment by either of the parties of its obligations to the other as they are set forth in the foregoing paragraphs of this Agreement. Termination shall extinguish all rights, claims and obligations arising out of this Agreement which either party may have against or to the other.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 29, day of

_____, 1996.

Enterprise:

By: [signature]

name: Bartlanova V.F.

title: Director

J-SC "Rada"

Center for Private Business Reform

By:_____

Vincent F. Morabito, Director



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*ACORD DE COOPERARE*

***Întrucît*** *Centrul Reformelor Businessului Privat, numit ulterior "CRBP", este un proiect finanțat de către Agenția SUA pentru Dezvoltare Internațională, numită în continuare "USAID", cu sediul în or. Chişinău, Republica Moldova, pentru a pregăti Consultanți ai Moldovei în Domeniul Businessului cu deprinderi de reformare a întreprinderilor şi susținere a întreprinderilor privatizate, cu scopul de a le face mai viabile din punct de vedere comercial, şi*

***Întrucît*** conducerea întreprinderii : (numele şi adresa)

„Rada" S.A.

Bd. Eminescu 12, orașul Bălți, 279200

Republica Moldova, numită ulterior "Întreprinderea", îşi exprimă dorința de a primi servicii de consultanță în domeniul anumitor probleme ce țin de restructurare din partea Centrului Reformelor Businessului Privat, Moldova 2777001, or. Chişinău, str. Kogălniceanu - 22, numit ulterior "Însărcinarea", între CRBP şi Întreprindere se închee o înțelegere, ca serviciile să fie prestate în conformitate cu prevederile după cum urmează:

**(A) Termeni de Referință:**

Personalul CRBP şi consultanții afiliați, pe perioada de la _____

_____pînă la_____

vor efectua, în cooperare cu conducerea întreprinderii, măsuri pentru elaborarea în comun a unui plan de activitate pe baza unei diagnosticări şi evaluări a problemelor cu care se confruntă întreprinderea (finisat pînă la data de 10 februarie 1996). Întreprinderea va lucra în strînsă colaborare şi va coopera pe deplin cu "CRBP" în vederea implementării planului pînă la data de 31 mai anul curent.

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## (B) Obligaţiunile Întreprinderii

(1) Pentru a îndeplini prompt şi eficient sarcin(a)ile relatate în paragraful (A) menţionat mai sus, prin prezentul Acord Întreprinderea î-şi dă consimţămîntul de a acorda personalului CRBP, într-un mod demn de încredere, condiţii de muncă şi acea asistenţă care va fi considerată rezonabil necesară pentru D-lor, pentru îndeplinirea de mai departe a Sarcinii. Aceste condiţii şi asistenţa pot include, dar nu se limitează numai la, prevederile după cum urmează:

(a) transportare între locul aflării Întreprinderii şi oficiile CRBP din Chişinău;

(b) spaţiu pentru oficiu, personal de asistenţă şi telefon în localul Întreprinderii (secretar, translator ş.a. după necesităţi);

(c) acces la conducerea Întreprinderii şi toate registrele documentaţiei şi cele financiare considerate necesare de către membrii echipei CRBP desemnaţi la Întreprindere pentru a îndeplini cu succes şi eficient sarcin(a)ile expuse în paragraful (A) de mai sus;

(d) un Director General sau delegatul său de la Întreprindere care va lucra permanent cu echipa de consultanţi ai CRBP;
oricare alte condiţii tehnic sau fizic necesare pentru îndeplinirea efectivă a sarcinei(lor) descrise în paragraful (A) de mai sus, care pot fi identificate de către CRBP pe parcursul Acordului;

(2) Prin acesta Întreprinderea cade de acord de a plăti o contribuţie în bani sau în servicii într-o măsură rezonabilă şi posibilă, reeşind din condiţiile financiare ale Întreprinderii, pentru serviciile acordate ei de către consultanţii locali sau firmele locale de consultanţi care activează în calitate de Sub-contractanţi ai CRBP în conformitate cu "Însărcinarea" preconizată. Se subînţelege şi se convine, că imposibilitatea achitării o atare contribuţii, după părerea CRBP rezonabil justificată, nu va cauza terminarea "Însărcinării".

(3) Prin acesta Întreprinderea cade de acord să participe într-un program de informare în masă pentru a da publicităţii cooperarea ei cu CRBP şi participarea ei în programul de restructurare a Întreprinderilor sub egida CRBP.

(4) Întreprinderea cade de acord să participe în alte programe alăturate restructurării şi de consolidare a capacităţii întreprinderilor, sponsorizate de USAID în Moldova; care vor include, dar nu se vor limita doar la: programele de vînzare a pămîntului, programul de confirmare a titularilor, programul de ofertă iniţială a cotelor (de pămînt), programele de dezvoltare a pieţilor de capital, programe de contabilitate şi instruire în masă.

## (C) Obligațiunile CRBP

(1) CRBP prin acesta cade de acord să prezinte Întreprinderii o echipă de Consultanți, inclusiv firme locale de consultanți și consultanți stagiari, cu priceperi și experiență în acele aspecte de restructurare a businessului care corespund necesitîților specifice ale Întreprinderii. Alegerea consultanților desemnați va fi determinată la propria discreție a CRBP, în urma unei analize preliminare a necesităților Întreprinderii efectuate de către CRBP în cooperare cu conducerea Întreprinderii.
CRBP va desemna consultanți pentru Întreprindere pînă la momentul cînd, la propria discreție a CRBP, "Însărcinarea" descrisă în paragraful (A) va fi îndeplinită de către personalul CRBP, într-un mod demn de încredere și cel mai bine posibil.

(2) CRBP va acorda servicii pentru Întreprindere ca organizator al proiectului, fără plată din partea Întreprinderii; însă CRBP îi poate cere, Întreprinderii o contribuție bănească pentru consultanții locali sau firmele de consutanți care acordă servicii Întreprinderii. NICI O ÎNTREPRINDERE INCLUSĂ ÎN PROGRAMUL CRBP NU VA FI EXCLUSĂ DIN PROGRAM DIN CAUZA UNEI EVENTUALE IMPOSIBILITĂȚI, DUPĂ PĂREREA CRBP REZONABILE, DE A PLĂTI O ATARE CONTRIBUȚIE.

(3)

(4)

## (D) Terminarea Acordului

(1) Acordul prezent poate fi terminat printr-o înțelgere reciprocă ale celor două părți, în urma unui aviz în scris a oricăreia din părți către cea de-a doua parte. Terminarea poate fi fără motiv sau din cauza neîndeplinirii de către una din părți a obligațiunilor față de ce-a de a doua parte, stipulate în paragrafele anterioare ale acestui Acord. Terminarea va opri toate drepturile, reclamările și obligațiunile care rezultă din acest Acord pe care una din părți le poate avea față de alta.

CA MĂRTURIE A CELOR RELATATE MAI SUS, părțile au încheiat prezentul Acordul pe data de

29, luna ianuarie 1996.

Din partea Întreprinderii:

Cu anexe la contract

(numele)

(funcția)

Din partea Centrului Reformelor Businessului Privat:

Vincent F. Morabito,

Director

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*ACORD DE COOPERARE*

***Întrucît*** *Centrul Reformelor Businessului Privat, numit ulterior "CRBP", este un proiect finanțat de către Agenția SUA pentru Dezvoltare Internațională, numită în continuare "USAID", cu sediul în or. Chișinău, Republica Moldova, pentru a pregăti Consultanți ai Moldovei în Domeniul Businessului cu deprinderi de reformare a întreprinderilor și susținere a întreprinderilor privatizate, cu scopul de a le face mai viabile din punct de vedere comercial, și*

***Întrucît*** conducerea întreprinderii : (numele și adresa)

„Rada" S. A.

Bd. Eminescu 12, orașul Bălți, 279200

Republica Moldova, numită ulterior "Întreprinderea", își exprimă dorința de a primi servicii de consultanță în domeniul anumitor probleme ce țin de restructurare din partea Centrului Reformelor Businessului Privat, Moldova 2777001, or. Chișinău, str. Kogălniceanu - 22, numit ulterior "Însărcinarea", între CRBP și Întreprindere se încheie o înțelegere, ca serviciile să fie prestate în conformitate cu prevederile după cum urmează:

**(A) Termeni de Referință:**

Personalul CRBP și consultanții afiliați, pe perioada de la _____

_____pînă la_____

vor efectua, în cooperare cu conducerea întreprinderii, măsuri pentru elaborarea în comun a unui plan de activitate pe baza unei diagnosticări și evaluări a problemelor cu care se confruntă întreprinderea (finisat pînă la data de 10 februarie 1996). Întreprinderea va lucra în strînsă colaborare și va coopera pe deplin cu "CRBP" în vederea implementării planului pînă la data de 31 mai anul curent.

217

## (B) Obligațiunile Întreprinderii

(1) Pentru a îndeplini prompt şi eficient sarcin(a)ile relatate în paragraful (A) menționat mai sus, prin prezentul Acord Întreprinderea î-şi dă consimțămîntul de a acorda personalului CRBP, într-un mod demn de încredere, condiții de muncă şi acea asistență care va fi considerată rezonabil necesară pentru D-lor, pentru îndeplinirea de mai departe a Sarcinii. Aceste condiții şi asistența pot include, dar nu se limitează numai la, prevederile după cum urmează:

(a) transportare între locul aflării Întreprinderii şi oficiile CRBP din Chişinău;

(b) spațiu pentru oficiu, personal de asistență şi telefon în localul Întreprinderii (secretar, translator ş.a. după necesități);

(c) acces la conducerea Întreprinderii şi toate registrele documentației şi cele financiare considerate necesare de către membrii echipei CRBP desemnați la Întreprindere pentru a îndeplini cu succes şi eficient sarcin(a)ile expuse în paragraful (A) de mai sus;

(d) un Director General sau delegatul său de la Întreprindere care va lucra permanent cu echipa de consultanți ai CRBP;
oricare alte condiții tehnic sau fizic necesare pentru îndeplinirea efectivă a sarcinei(lor) descrise în paragraful (A) de mai sus, care pot fi identificate de către CRBP pe parcursul Acordului;

(2) Prin acesta Întreprinderea cade de acord de a plăti o contribuție în bani sau în servicii într-o măsură rezonabilă şi posibilă, reeşind din condițiile financiare ale Întreprinderii, pentru serviciile acordate ei de către consultanții locali sau firmele locale de consultanți care activează în calitate de Sub-contractanți ai CRBP în conformitate cu "Însărcinarea" preconizată. Se subînțelege şi se convine, că imposibilitatea achitării o atare contribuții, după părerea CRBP rezonabil justificată, nu va cauza terminarea "Însărcinării".

(3) Prin acesta Întreprinderea cade de acord să participe într-un program de informare în masă pentru a da publicității cooperarea ei cu CRBP şi participarea ei în programul de restructurare a Întreprinderilor sub egida CRBP.

(4) Întreprinderea cade de acord să participe în alte programe alăturate restructurării şi de consolidare a capacității întreprinderilor, sponsorizate de USAID în Moldova; care vor include, dar nu se vor limita doar la: programele de vînzare a pămîntului, programul de confirmare a titularilor, programul de ofertă inițială a cotelor (de pămînt), programele de dezvoltare a pieților de capital, programe de contabilitate şi instruire în masă.

## (C) Obligațiunile CRBP

(1) CRBP prin acesta cade de acord să prezinte Întreprinderii o echipă de Consultanți, inclusiv firme locale de consultanți și consultanți stagiari, cu priceperi și experiență în acele aspecte de restructurare a businessului care corespund necesitîților specifice ale Întreprinderii. Alegerea consultanților desemnați va fi determinată la propria discreție a CRBP, în urma unei analize preliminare a necesităților Întreprinderii efectuate de către CRBP în cooperare cu conducerea Întreprinderii.
CRBP va desemna consultanți pentru Întreprindere pînă la momentul cînd, la propria discreție a CRBP, "Însărcinarea" descrisă în paragraful (A) va fi îndeplinită de către personalul CRBP, într-un mod demn de încredere și cel mai bine posibil.

(2) CRBP va acorda servicii pentru Întreprindere ca organizator al proiectului, fără plată din partea Întreprinderii; însă CRBP îi poate cere, Întreprinderii o contribuție bănească pentru consultanții locali sau firmele de consutanți care acordă servicii Întreprinderii. NICI O ÎNTREPRINDERE INCLUSĂ ÎN PROGRAMUL CRBP NU VA FI EXCLUSĂ DIN PROGRAM DIN CAUZA UNEI EVENTUALE IMPOSIBILITĂȚI, DUPĂ PĂREREA CRBP REZONABILE, DE A PLĂTI O ATARE CONTRIBUȚIE.

(3)

(4)

## (D) Terminarea Acordului

(1) Acordul prezent poate fi terminat printr-o înțelgere reciprocă ale celor două părți, în urma unui aviz în scris a oricăreia din părți către cea de-a doua parte. Terminarea poate fi fără motiv sau din cauza neîndeplinirii de către una din părți a obligațiunilor față de ce-a de a doua parte, stipulate în paragrafele anterioare ale acestui Acord. Terminarea va opri toate drepturile, reclamările și obligațiunile care rezultă din acest Acord pe care una din părți le poate avea față de alta.

CA MĂRTURIE A CELOR RELATATE MAI SUS, părțile au încheiat prezentul Acordul pe data de

29, luna ianuarie 1996.

Din partea Întreprinderii:

cu anexe la contract

(numele)

(funcția)

Din partea Centrului Reformelor Businessului Privat:

Vincent F. Morabito,

Director

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Д О П О Л Н Е Н И Е

к Договору о сотрудничестве между Центром Реформ Частного Бизнеса и АО"Рада" к п. Б.2. и п.В.2.

Учитывая трудное финансовое положение предприятия, АО"Рада" не может дать согласие на какую-либо оплату за оказанные услуги ЦРЧБ..

Со стороны предприятия:

Директор АО"Рада"

29.01.96

В.П.Батманова

Со стороны ЦРЧБ

Vincent F.Morabito,

Директор

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# Договор о сотрудничестве

**Поскольку** Центр Реформ Частного Бизнеса, именуемый в дальнейшем "ЦРЧБ" является проектом финансируемым Агентством Соединенных Штатов по Международному Развитию, в дальнейшем "USAID", с головным офисом в г. Кишинев, Республика Молдова, действующий с целью обучения консультантов в области реструктуризации и поддержки приватизированных предприятий, способствуя таким образом их коммерческой жизнеспособности

и

**Поскольку** этого желает руководство предприятия: (название и адрес)

Акционерное общество "Рада"

Бул.Емынеску 12, г.Бэлць, 279200, Республика Молдова

_____, именуемое в дальнейшем "Предприятие",

Центр Реформ Частного Бизнеса, находящийся по адресу: 277001 Республика Молдова, г. Кишинев ул. Когылничану - 22 , обязуется предоставлять "Предприятию" консультационные услуги по определенным вопросам касающихся реструктуризации, именуемые в дальнейшем "Задание", "ЦРЧБ" и "Предприятие" заключают соглашение о том, что услуги будут предоставлятся в соответствии с настоящим договором в следующем порядке :

**А. Предпосылки**

Персонал "ЦРЧБ" и подотчетные ему консультанты, в период с _____ по_____ в сотрудничестве с руководством "Предприятия" обязуются разработать план деятельности основанный на анализе и оценке проблем с которыми сталкивается Предприятие (завершение до 10 февраля, 1996 г.) Предприятие будет в полной мере сотрудничать с "ЦРЧБ" по выполнению плана до 31 мая сего года.

**Б) Обязанности предприятия**

1) Для дальнейшего быстрого и эффективного завершения задач изложенных выше в пункте (А), предприятие настоящим соглашается предоставить, с должным доверием, персоналу ЦРЧБ такие рабочие условия и поддержку на своей территории, которые персонал ЦРЧБ сочтет приемлемо необходимыми для дальнейшего выполнения Задачи. Подобные условия и поддержка могут включать, но не ограничиваться нижеследующим:

а) транспорт между местонахождением предприятия и офисами ЦРЧБ в Кишиневе;

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б) помещение для офиса, вспомогательный персонал и телефон (секретаря, переводчика и другое по необходимости) по месту нахождения Предприятия;
в) доступ к руководителям предприятия, всей документации и финансовым реестрам считающимися необходимыми для персонала ЦРЧБ, назначенного на предприятие для эффективного завершения задач изложенных выше в пункте (А);
г) назначить Генерального Директора или его уполномоченного из числа руководства предприятия для постоянной работы с групой консультантов ЦРЧБ;
д) создать любые другие техические условия необходимые для эффективного выполнения задач изложенных в пункте (А), которые могут быть выявлены во время выполнения Задачи.

2) Настоящим, Предприятие дает согласие на рассмотрение вопроса об уплате взноса в виде денежных сумм или услугами, в приемлемых: для предприятия объеме исходя из его финансовых возможостей, за услуги оказанные ему консультантами или местными консультационными фирмами которые действуют в качестве суб-подрядчиков ЦРЧБ в соответствии с Заданием. Обоюдно понимается и согласовывается, что невозможность уплаты подобного взноса, если по мнению ЦРЧБ таковое оправдано, не приведет к прекращению Задания.

3) Предприятие настоящим соглашается участвовать в программе по информированию общественности о результатах сотрудничества с ЦРЧБ и своего участия в Проекте по Реформе Предприятий.

4) Предприятие согалашается участвовать в других программах из области реструктуризации предприятий и созданию консультационных возможностей, финансируемых агенством USAID в Молдове: включая но не ограничвающихся только: программой по продаже земли, подтверждения прав землевладения, программе по публичному первоначальному предложению акций, программам по развитию фондовых рынков, по бухгалтерии и программам обучения общественности.

**В) Объязанности ЦРЧБ**

1) Настоящим ЦРЧБ соглашается предоставить Предприятию группу консультантов, включающую в себя специалистов из местных консультационных фирм и местных консультантов, владеющих навыками и опытом в тех аспектах реформы бизнеса, которые соответствут специфическим нуждам предприятий. Выбор консультантов будет произведен по собственному усмотрению ЦРЧБ, после предварительного анализа нужд Предприятия предпринятого ЦРЧБ в сотрудничестве с руководством Предприятия. ЦРЧБ предоставит Предприятию консультантов до того времени пока, по усмотрению ЦРЧБ, задачи изложенные в пункте (А) будут выполнены, должным и наилучшим образом персоналом ЦРЧБ.

2) ЦРЧБ окажет свои услуги и в качестве организатора проекта без какой-либо оплаты со стороны Предприятия; однако Центр может потребовать, чтобы предприятие внесло денежный вклад для местных консультантов или для консультационных фирм оказывающих услуги Предприятию. НИ ОДНО ПРЕДПРИЯТИЕ ИЗБРАННОЕ ДЛЯ УЧАСТИЯ В ПРОГРАММЕ ЦРЧБ НЕ БУДЕТ ОТСТРАНЕНО ОТ УЧАСТИЯ В ПРОЕКТЕ ИЗ-ЗА, ПО ПРИЧИНАМ ПОНЯТНЫМ ЦРЧБ, ОПРАВДАННОЙ НЕВОЗМОЖНОСТИ УПЛАТИТЬ ПОДОБНЫЙ ВЗНОС.

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1) Данный договор может быть расторгнут путем обоюдного письменного соглашения сторон или после письменного уведомлемния одной из сторон другою. Расторжение договора может иметь место из-за невыполнения одной из сторон своих объязанностей

по отношения к другой, а также без какой-либо уважительной причиныэ к ак это оговорено в предыдущих параграфах настоящего Договора. Расторжение договора будет означать упразднение всех прав, претензий и объязанностей исходящих из настоящего Договора, которые любая из сторон может иметь против другой.

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29 01 1996 г.

Со стороны Предприятия:

с доложением.

Батманова В.Е.

(Фамилия, Имя)

Директор

Должность:

Со стороны ЦРЧБ:

Vincent F. Morabito, Director.

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и

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29 01 1996 г.

Со стороны Предприятия:

с дополнением

Ватманова В.Е.

(Фамилия, Имя)

Должность: директор

Со стороны ЦРЧБ:

Vincent F. Morabito, Director.

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*Task Order Completion Report:*

# *MOLDOVA: Project for Enterprise Restructuring ("PER") - Capacity Building - ANNEX B*

*September 1996*

*Submitted to the United States Agency for International Development*
*Bureau for Europe and the Newly Independent States*

*East-West Management Institute*
*520 Madison Avenue, New York, NY 10022*

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# ANNEX B
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**Annex II** Action Plan Template

**Annex III** Marketing and Sales Checklist

**Annex IV** Business Plan Outline of Contents and Summary

# ANNEX I
## OUTLINE FOR CLIENT PROBLEM REVIEW

# PRELIMINARY OUTLINE FOR CLIENT PROBLEM REVIEW

**PROCEDURES FOR THE FIRST VISITS**

**CONSULTANT MANAGER**
**DEPUTY CPBR**

**1. GET ACQUANTED - PRESENT BREIF RESUME FOR EACH ENTERPRESE'S MANAGER.**
**SCOPE OF WORK AGREEMENT WORK**

**2. REVIEW CLIENTS APPLICATION - "HIS PROBLEMS"**
**HAVE HIM RESTATE THEM**

**3. CONSULTANTS DISCUSS WITH THEM - TO CONFIRM**
**THE CONSULTANT'S UNDERSTANDING OF ENTERPRISES INTERESTS AS HE KNOWS THEM**

**4. REVIEW THIS EXAMINATION PROCESS WITH ENTERPRISES**

**PROBLEM DEFINITION WILL INCLUDE REVIEWS IN THE FOLLOWING AREAS:**

## SALES REVENUE

**PRODUCTS**
**PLANNED NEW PRODUCTS - THIS YEAR - LONGER TERM**
**MARKET - SIZE/SHARE - SALES PLAN**
**PRICING PROBLEM CURRENT**

## PRODUCT

**PRODUCT FIT TO COSTUMER NEEDS (CURRENT)**
**REENGENIERING PLANS NEW OR DESIGNS FOR**

## MANUFACTURING

**QUALITY**
**PRODUCTION CAPACITY RELATED TO MARKET**
**COURSE MATERIAL - MANUFACTURABILITY**

## COST

**COST OF GOODS SOLD**
**MANAGEMENT PLAN FOR MARGIN/PRICE (CURRENT)**
**CHANGES POSSIBLE**
**MANUFACTURING PROCESSES - CURRENT**
**NEW PLANNED**
**NEW POSSIBLE**
**USE COURSE CHECKLISTS**

## SCHEDULING

MANUFACTURING CAPACITY REVIEW AND DATA LIMITATION - COURSE MATERIAL
REVIEW PLANNING PROCESS
1 MASTER SCHEDULE - ANNUAL UNITS SHARES
DESCRIBE

## LEAD-TIME-INVENTORY
## INTERNAL
## SUPPLIER

1 TOTAL SUPPLY CHAIN
2 TRANSPORT PROBLEMS
3 VENDOR DELIVERY PERFORMANCE
FACTORY PRODUCTION CONTROL PROCEDURES

## MAINTENANCE

ASSET UP TIME PROBLEMS - COURSE MATERIAL
ENERGY PROBLEMS
CONSURVATION POSSIBLE

## UTILIZING PEOPLE

TRAINING - TASK DEFINITION - ALL JOBS
MOTIVATION
SUPERVISION - QUALITY OF SHARING PROGRAME ( INCENTIVES, ATTITUDES ABOUT )

## INFORMATION SYSTEM

CUSTOMERS EXCHANGE INFORMATION
SUPPLIER
PRODUCTION CONTROL SHOP DISTRIBUTION
FOLLOW UP EXPEDITE PROBLEMS

# WHAT CAN WE DO IN 5 MONTHS?

## Memorandum

**Date:** February 1, 1996

**To:** Derek Wilson, Val Sibirsky,
Florin Patriciu, Charles Jelinek Francis,
Vince Morabito
cc: to consultants

**From:** C. Eugene Moore

- In preparing a review for Action Plan I have been using some of the training materials checklists and new information. I am taking the liberty of supplying copies of information that may be helpful for you also.
I will briefly describe this material herewith.

**1. Sales and Marketing.** This group is a sequence of consideration of the competition. The analysis of the competitors strength and a logical diagram analysis considering a profitability of the product increasing market share and lowing costs.The diagram produces basic items requiring analysis.

**2.Design and Manufacturability.** Many enterprises are considering new products and may wish procedures for orderly development of the new products. And for reasonable procedures to be sure that they are starting the new products with the lowest cost of a product.

**3.Value Analysis for Competitive Dominants.** This paper is the logical process for analysis that controls material cost and helps successful process improvements. I have successfully used Value Analysis and introduced new product during my career. The best description I can give in a summary is to disassemble your product down to basic parts: existing product, proposed new product and if it's possible secure competitive product and do the same thing. e.g. case cover, power supplier, control, functional area etc.
Use the enterprises' own cost and estimates and apply them to the existing new product and the competitors product grouping by functional area and forecast new product cost and competitive position. Of course, you take the steps for amendments/changes to the parts to win the competitors position.
This could also suggest alternative suppliers, materials or commercial substitutions.

**4.Process Design.** Is simply a list of sequence of goals for the factory processes. It does contain case study usual results of 7 companies who have followed similar procedures.

# How Market Leaders Keep Their EDGE

Instead of trying to do all things well, they pick just one discipline—best price, best product, or best solution—and execute like crazy. ■ *by Michael Treacy and Fred Wiersema*

WHY CAN CASIO sell a calculator more cheaply than Kellogg can sell a box of cornflakes? Does corn cost that much more than silicon?

➤ Why does it take only a few minutes and no paperwork to pick up or drop off a rental car at Hertz's #1 Club Gold, but twice that time and an annoying name/address form to check into a Hilton hotel? Are they afraid you'll steal the room?

➤ Why is it that Federal Express can "absolutely, positively" deliver a package overnight, but Delta, American, and United Airlines have trouble keeping your bags on your plane? Do they think you don't care?

➤ Why does Lands' End remember your last order and your family members' sizes, but after ten years of membership you are still being solicited by American Express to join? Don't the people at Amex know you're a customer?

➤ Why can you get patient help from a Home Depot clerk when selecting a $2.70 package of screws, but you can't get any advice when purchasing a $2,700 personal computer from IBM's direct-ordering service? Doesn't IBM think customer service is worth the time?

Why do some companies endear themselves to us while others just don't seem to know how to please? Don't the latter see what they are doing—and not doing? How long do they think they can get away with it? No one goes to work in the morning intending to fail. But managers at a great many companies, for all practical purposes, have chosen failure. Don't they see that the world has changed?

Customers today want more of those things they value. If they value low cost, they want it lower. If they value convenience or speed when they buy, they want it easier and faster. If they look for state-of-the-art design, they want to see the art pushed forward. If they need expert advice, they want companies to give them more depth, more time, and more of a feeling that they're the only customer. That's precisely why companies like Kellogg, Hilton, American Express, United, Delta, and IBM are on a slippery slope. One or more companies in their markets have increased the value offered to customers by improving products, cutting prices, or enhancing service. By raising the level of value that customers expect from everyone, leading companies are driving the market, and driving competitors downhill. Companies that can't hold their own will be pushed off a cliff.

Today's market leaders understand the battle they're in. They know they have to redefine value by raising customer expectations in the one component of value they choose to highlight. Casio, for instance, establishes new affordability levels for familiar

*This article is adapted from* The Discipline of Market Leaders, *a new book by Michael Treacy and Fred Wiersema, management consultants at CSC Index.*

FROM THE DISCIPLINE OF MARKET LEADERS BY MICHAEL TREACY AND FRED WIERSEMA. PUBLISHED BY ADDISON-WESLEY, INC. COPYRIGHT © 1995 MICHAEL TREACY, FRED WIERSEMA, AND CSC INDEX, INC.



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products; Hertz makes car rental nearly as convenient as taking a cab; Lands' End shows individuals that they're not just a number; and Home Depot proves that old-fashioned, knowledgeable advice hasn't gone the way of trading stamps.

But wait a minute. These companies don't shine in every way. A successful company like Wal-Mart doesn't peddle haute couture; Lands' End doesn't sell clothing for the lowest possible cost; and Starbucks, the Seattle coffee chain, doesn't slide a cup of java under your nose any faster or more conveniently than anyone else. Yet all of these companies are thriving because they shine in a way their customers care most about. They have honed at least one component of value to a level of excellence that puts all competitors to shame.

OUR RESEARCH shows that no company can succeed today by trying to be all things to all people. It must instead find the unique value that it alone can deliver to a chosen market. We have identified three distinct value disciplines, so called because each discipline produces a different kind of customer value. Choosing one discipline to master does not mean that a company abandons the other two, only that it picks a dimension of value on which to stake its market reputation over the long term.

The first value discipline we call operational excellence. Companies that pursue this are not primarily product or service innovators, nor do they cultivate deep, one-to-one relationships with customers. Instead, operationally excellent companies provide middle-of-the-market products at the best price with the least inconvenience. Their proposition to customers is simple: low price or hassle-free service, or both. Wal-Mart, Price/Costco, and Dell Computer epitomize this kind of company.

The second value discipline we call product leadership. Its practitioners concentrate on offering products that push performance boundaries. Their proposition to customers is an offer of the best product, period. Moreover, product leaders don't build their positions with just one innovation; they continue to innovate year after year, product cycle after product cycle. Johnson & Johnson, for instance, is a product leader in the medical equipment field. With Nike, the superior value does not reside just in its athletic footwear, but also in the comfort customers can take from knowing that whatever product they buy from Nike will represent the hottest style and technology on the market. For these product leaders, competition is not about price or customer service (though those can't be ignored), it's about product performance.

The third value discipline we have named customer intimacy. Its adherents focus on delivering not what the market wants but what specific customers want. Customer-intimate companies do not pursue one-time transactions; they cultivate relationships. They specialize in satisfying unique needs, which often only they recognize, through a close relationship with—and intimate knowledge of—the customer. Their proposition to the customer: We have the best solution for you, and we provide all the support you need to achieve optimum results, or value, or both, from whatever products you buy. Long-distance telephone carrier Cable & Wireless, for example, practices customer intimacy with a vengeance, achieving success in a highly competitive market by consistently going the extra mile for its selectively chosen, small-business customers.

Note well: Choosing to pursue a value discipline is not the same as choosing a strategic goal. A value discipline can't be grafted onto or integrated into a company's normal operating philosophy. It is not a marketing plan, a public relations campaign, or a way to chat up stockholders. The selection of a value discipline is a central act that shapes every subsequent plan and decision a company makes, coloring the entire organization, from its competencies to its culture (see table). The choice of value discipline, in effect, defines what a company does and therefore what it is.

Such thinking leads to ideas that will surprise you. They seem out of step with the current, widely held notion that to identify core competencies and to reengineer a company's business processes is to assure its competitive future. Sick or not, if a company is going to achieve and sustain dominance, it must first decide where it will stake its claim in the marketplace and what kind of value it will offer to customers. Then it can identify core competencies and reengineer the processes that make up the operating model required to get the job done. The success of these exercises depends entirely on whether and how well they are channeled toward the pivotal issue of increasing customer value, year after year. *continued*

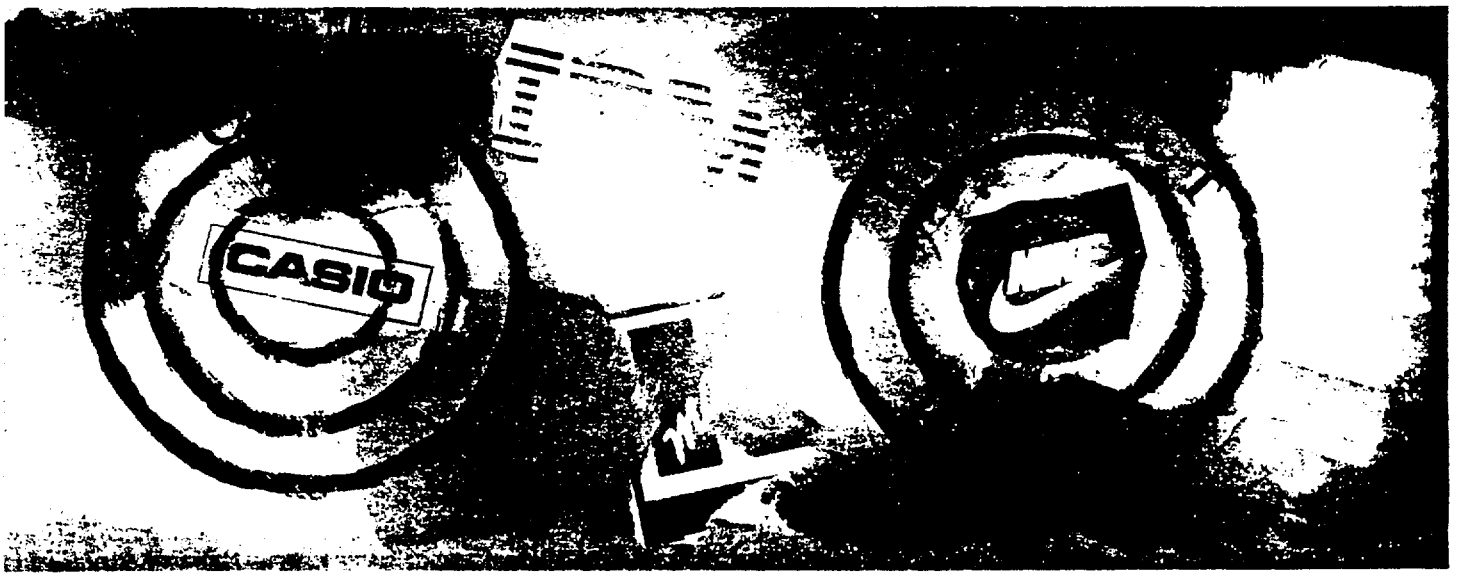


ILLUSTRATION BY GERALD BUSTAMANTE



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ROBERT MCELVANEY

Low prices and smart merchandising help Price/Costco attract customers to its warehouse stores.

## Winning Through Cost

Operationally excellent companies deliver a combination of quality, price, and ease of purchase that no one else in their market can match. They are not product or service innovators, nor do they cultivate one-to-one relationships with customers. They execute extraordinarily well, and their proposition to customers is guaranteed low price or hassle-free service, or both.

Price/Costco, the chain of warehouse club stores, doesn't provide a particularly rich selection of merchandise—only 3,500 items, vs. 50,000 or more in competing stores. But as a customer, you don't have to spend much time deliberating over what brand of coffee or home appliance to select. Price/Costco saves you that hassle by choosing for you. The company's *Consumer Reports* mentality leads to rigorous evaluation of leading brands and shrewd purchasing of just the one brand in each category that represents the best value. To add excitement to the shopping experience—that is, to get the customer to come again and again—new items are constantly sprinkled into the assortment to build anticipation and a value-of-the-week atmosphere, while the on-premise bakery wafts a delicious smell of fresh bread and pastry.

Behind the scenes, Price/Costco follows an operating model in which it buys larger quantities and negotiates better prices than competing stores. It carries only items that sell well. The company's information systems track product movement—and move it does. These data drive stocking decisions that optimize floor space usage. The place hums. It runs like a well-oiled machine, and customers love it.

Dell Computer is another master of operational excellence. Dell has shown PC buyers that they do not have to sacrifice quality or state-of-the-art technology to buy personal computers easily and inexpensively. In the mid-1980s, while Compaq concentrated on making its PCs cheaper and faster than IBM's, college student Michael Dell saw a chance to outdo both companies by focusing not on the product but on the delivery system. Out of a dorm room in Austin, Texas, Dell burst onto the scene with a radically different and far more efficient model for operational excellence.

Dell realized that he could outperform PC computer dealers by cutting them out of the distribution process. By selling to customers directly, building to order rather than to inventory, integrating his company's logistics with its suppliers', and creating a disciplined, extremely low-cost culture, Dell undercut Compaq and other PC makers in price while providing high-quality products and services.

Businesses like Price/Costco and Dell Computer, which have vigorously pursued a strategy of operational excellence, have built an operating model based on four distinct features:

- Supply chains and basic services that have been optimized and streamlined to minimize costs and hassle.
- Operations that are standardized, simplified, tightly controlled, and centrally planned, leaving few decisions to the discretion of rank-and-file employees.
- Management systems that focus on integrated, reliable, high-speed transactions and compliance to norms.
- A culture that abhors waste and rewards efficiency.

## Winning With Great Products

Companies pursuing product leadership continually push products into the realm of the unknown, the untried, or the highly desirable. Reaching that goal requires that they challenge themselves in three ways. First, they must be creative. More than anything else, being creative means recognizing and embracing ideas that may originate anywhere—inside the company or out. Second, they must commercialize their ideas quickly. To do so, all their business and management processes are engineered for speed. Third and most important, they must relentlessly pursue ways to leapfrog their own latest product or service. If anyone is going to render their technology obsolete, they prefer to do it themselves. Product leaders do not stop for self-congratulation. They are too busy raising the bar.

Johnson & Johnson meets all three of these challenges. It brings in new ideas, develops them quickly, and then looks for ways to improve them. The president of J&J's Vistakon, a maker of specialty contact lenses, heard in 1983 about a Copenhagen ophthalmologist who had conceived a way of manufacturing disposable contact lenses inexpensively. At the time, Vistakon generated only $20 million in annual sales, primarily from a single product, a contact lens for people with astigmatism.

Vistakon's president got his tip by telephone from a J&J employee who worked for Janssen Pharmaceutical, a Belgian drug subsidiary. Instead of dismissing the ophthalmologist as a mere tinkerer, these two executives speedily bought the rights to the technology, assembled a management team to oversee development, and built a state-of-the-art facility in Florida to manufacture disposable contact lenses called Acuvue.

By the summer of 1987, Acuvue was ready for test-marketing. In less than a year, Vistakon rolled out the product across the U.S. with a high-visibility ad campaign. Vistakon—and its parent, J&J—were willing to



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incur high manufacturing and inventory costs before a single lens was sold. Vistakon's high-speed production facility helped give the company a six-month head start over would-be rivals such as Bausch & Lomb and Ciba-Geigy. Caught off guard, the competition never caught up. Vistakon also took advantage of the benefits of decentralization—autonomous management, speed, and flexibility—without having to give up the resources, financial and otherwise, that only a giant corporation could provide.

Vistakon's sales topped $225 million worldwide in 1991, and the division had captured 25% of the U.S. contact lens market. This success resulted partly from directing much of the marketing effort to eye-care professionals to explain how they would profit if they prescribed the new lenses. In other words, Vistakon did not market just to consumers. It said, in effect, that it's not enough to come up with a new product; you have to come up with a new way to go to market as well.

J&J, like other product leaders, works hard at developing open-mindedness to new ideas. Vistakon continues to investigate new materials that would extend the wearability of the contact lenses and even some technologies that would make the lenses obsolete. Product leaders create and maintain an environment that encourages employees to bring ideas into the company and, just as important, to listen to and consider these ideas, however unconventional. Where others see glitches in their marketing plans or threats to their product lines, companies that focus on product leadership see opportunity and rush to capitalize on it.

Companies excelling in product leadership do not plan for every possible contingency, nor do they spend much time on detailed analysis. Their strength lies in reacting to situations as they occur. Fast reaction times are an advantage when dealing with the unknown. Vistakon's managers, for example, were quick to order changes to the Acuvue marketing program when early market tests were not as successful as they had expected. They also responded quickly when competitors challenged the safety of the lenses. They distributed data combating the charges, via Federal Express, to some 17,000 eye-care professionals. Vistakon's speedy response engendered goodwill in the marketplace.

ROBERT MC CLARAN

**Shoemaker Nike competes not on price but on product.**

Product leaders have a vested interest in protecting the entrepreneurial environment that they have created. To that end, they hire, recruit, and train employees in their own mold. When it is time for Vistakon to hire new salespeople, for example, its managers do not look for people experienced in selling contact lenses; they look for people who will fit in with J&J's culture. That means their first question isn't about a candidate's related experience; it's more likely to be, "Could you work cooperatively in teams?" or "How open are you to criticism?"

Product leaders are their own fiercest competitors. They no sooner cross a frontier than they are scouting the next. They must be adept at rendering obsolete the products and services they have created. They realize that if they don't develop a successor, another company will. J&J, Nike, and other innovators are willing to take the long view of profitability, recognizing that extracting the full profit potential from an existing product or service is less important than maintaining product leadership and momentum. These companies are never blinded by their own successes.

Not surprisingly, the operating model of the product leader is very different from that of a company like Price/Costco or Dell that's focused on cost. Its main features include:

- A focus on the core processes of invention, product development, and market exploitation.
- A business structure that is loosely knit, ad hoc, and ever-changing to adjust to the entrepreneurial initiatives and redirections that characterize working in unexplored territory.
- Management systems that are results-driven, that measure and reward new product success, and that don't punish the experimentation needed to get there.
- A culture that encourages individual imagination, accomplishment, out-of-the-box thinking, and a mindset driven by the desire to create the future.

## Winning Through Customer Intimacy

A company that delivers value via customer intimacy builds bonds with customers like those between good neighbors. Customer-intimate companies don't deliver what the market wants but what a specific customer wants. The customer-intimate company makes a business of knowing the people it sells to and the products and services they need. It continually tailors its products and services and does so at reasonable prices. Its proposition is: "We take care of you and all your needs," or "We get you the best total solution." The customer-intimate company's greatest asset is its customers' loyalty.

Customers don't have to be resold through expensive advertising and promotion. Customer-intimate companies don't pursue transactions; they cultivate relationships. They are adept at giving the customer more than he or she expects. By constantly upgrading offerings, customer-intimate companies stay ahead of customers' rising expectations—expectations that, by the way, they themselves create. Cable & Wireless, a long-distance carrier, is a good example of a company that is better than most at building relationships that pay off in repeat sales from loyal customers.

Cable & Wireless Communications,



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based in Vienna, Virginia, has worked for years to become a customer-intimate organization. It is a subsidiary of Britain's Cable & Wireless, and focuses principally on business clients. The company attributes its 20% annual growth rate in number of long-distance customer minutes to its striving continuously to serve customers better than bigger competitors, such as MCI.

Company executives knew long ago that their long-distance operation couldn't compete on price with the Big Three, AT&T, MCI, and Sprint. So they sought to differentiate themselves by providing the best customer support in the industry, along with direct sales consultation that gives salespeople intimate knowledge of what makes its customers successful. The result is that Cable & Wireless has turned itself from a mundane commodity business peddling long-distance service into a sophisticated telemanager, a partner with its customers. Does the customer need an 800 service that routes calls, blocks calls, or captures data? Cable & Wireless supplies the expertise and information systems. "The product is conceived at the customer's office," says the president and chief operating officer, Gabriel Battista.

Cable & Wireless pins its success on choosing the customers it can serve best—small to medium-size businesses with monthly billings of $500 to $15,000. In such small businesses, Cable & Wireless's 500 U.S. salespeople, working out of 36 regional offices, can act like telecommunications managers. Corporations too small to hire their own telecom gurus value the advice and expertise Cable & Wireless people can offer.

The key is to segment the market vertically. This enables the company to pitch specific customers with specialized services that no other company can begin to provide. Example: One customer segment is the legal profession. Cable & Wireless is developing features and functions that have tremendous appeal to lawyers, such as innovative ways to track and segment billing of calls linked to specific client accounts. "We want to sell products that fit the legal industry like a glove," says Battista.

KATHERINE LAMBERT

**Cable & Wireless's Battista wins through customer intimacy.**

Next Cable & Wireless fine-tunes its services to each customer. If that means something as simple as printing its bills on both sides of the paper, Cable & Wireless obliges. The company wants customers to feel they're getting the support of not just the sales force but of the entire company.

Top management empowers all employees who work with customers to make sophisticated decisions. Pricing was once the domain of corporate pricing gurus. No longer. Now it's in the hands of the 50 local managers. The same thing goes for promotional, advertising, and trade-show money. Local managers allocate it as they see fit, preparing budgets and sending them up the corporate ladder to keep supervisors informed.

Do managers run amok with so much authority? It can happen, executives concede. But they figure the occasional screw-up is worth it. Executives go on to audit all deci-

## WHICH DISCIPLINE SHOULD YOU CHOOSE?

Market leaders pick one of these disciplines and then build their organizations around it in the following ways.

| Company Traits | Disciplines | | |
|---|---|---|---|
| | **Operational Excellence** | **Product Leadership** | **Customer Intimacy** |
| Core business processes that... | Sharpen distribution systems and provide no-hassle service | Nurture ideas, translate them into products, and market them skillfully | Provide solutions and help customers run their businesses |
| Structure that... | Has strong, central authority and a finite level of empowerment | Acts in an ad hoc, organic, loosely knit, and ever-changing way | Pushes empowerment close to customer contact |
| Management systems that... | Maintain standard operating procedures | Reward individuals' innovative capacity and new product success | Measure the cost of providing service and of maintaining customer loyalty |
| Culture that... | Acts predictably and believes "one size fits all" | Experiments and thinks "out-of-the-box" | Is flexible and thinks "have it your way" |



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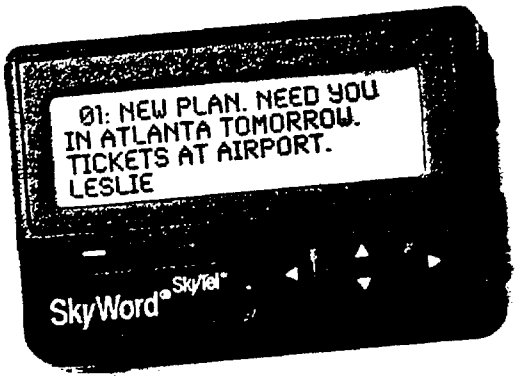
or thousands of business travelers,
the original information highway.

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sions and practices to catch blunders and help the front lines learn from them.

All these practices help Cable & Wireless people build tight relationships with customers. The result is extremely high customer-retention rates: Cable & Wireless loses only 2% of long-distance minutes billed each month, vs. an industry standard of 3% to 5%.

The company holds out a big carrot to keep everyone focused on customer retention: It pays salespeople based on how long a customer remains with the company. Salespeople thus don't hesitate to suggest that customers switch to more appropriate services, even if these bring in less money. Result: happier, more loyal customers.

Again, the operating model of the customer-intimate company is quite different from that of businesses pursuing other disciplines. Its features include:

- An obsession with helping the customer understand exactly what's needed and ensuring the solution gets implemented properly.
- A business structure that delegates decision-making to employees who are close to the customer.
- Management systems that are geared toward creating results for carefully selected and nurtured clients.
- A culture that embraces specific rather than general solutions and thrives on deep and lasting client relationships.

DESPITE the specialization required of market leaders, we regularly come across managers who don't buy the idea of having to narrow their operational focus. "What you're saying about making hard choices doesn't apply to us," they say. "We're good at all three disciplines."

Yet when we look at these managers' businesses, we invariably find companies that don't excel but are merely mediocre in the three disciplines. Sure, as the ante has risen in their markets, they've improved their cost structure and become more aware of their customers. They've added new products and line extensions over the years. They've kept up with rising parity levels to stay in the game. What they haven't done is create a breakthrough in any one dimension to reach new heights of performance. They have not traveled past competence to reach excellence. To these managers we say that if you decide to play an average game, to dabble in all areas, don't expect to become a market leader. Choosing a discipline is the choice of winners. F



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# OUR CUSTOMER

He determines the successful strate
yet, most businessmen act as if they are
full command with customers taking wh
company offers.

## KNOW THEM!

# CUMPĂRĂTORUL NOSTRU

**El determină strategia de succes, şi totuşi cel mai mare număr de businessmani acţionează aşa, de parcă ei ar dicta cumpărătorilor să cumpere ceia ce oferă compania.**

**CUNOAŞTEŢI-I PE EI !**

WHO ARE THEY ?

CAN THEY BE CLASSIFIED ?

WHY DO THEY BUY ?

WHAT COULD CHANGE HIM ?

WHAT ARE IMPLICATIONS OF HIS CHANGES ?

WHAT THEN ?

**CINE SUNT EI ?**

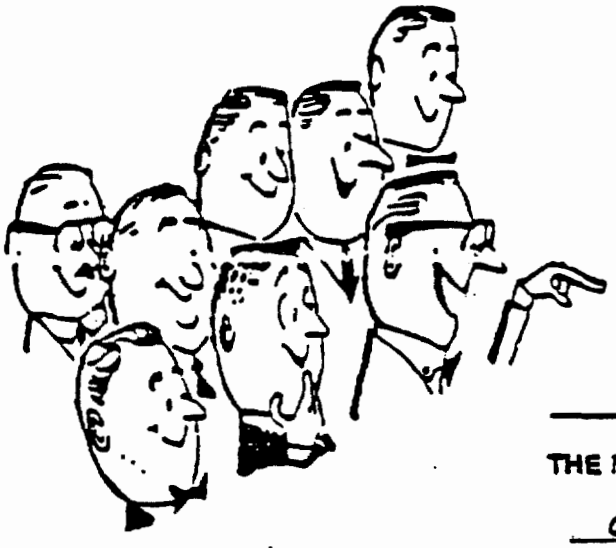
**POT EI FI CLASIFICAȚI ?**

**DE CE EI CUMPĂRĂ ?**

**CE - AR PUTEA SĂ-I SCHIMBE PE EI ?**

**CARE ESTE SENSUL SCHIMBĂRILOR LOR ?**

**CE URMEAZĂ APOI ?**



## THE NAME OF THE GAME

*Competitive Scene*

Participants
- Types
- Number (Level of concentration)
- Size
- Location
- Exits

New Competitors
- Other regions
- Related industries
- Customers
- Suppliers
- Horizontal integration
- Conglomerates
- Diversifiers

Other forms of competition
- Functional substitution
- Innovators
- Discretionary dollars
- Investors' dollars
- Manpower

*Industry characteristics*

Trend setters
Distribution
Dealers
Service
Warranties
Capacity
Values
Suppliers
Financial characteristics

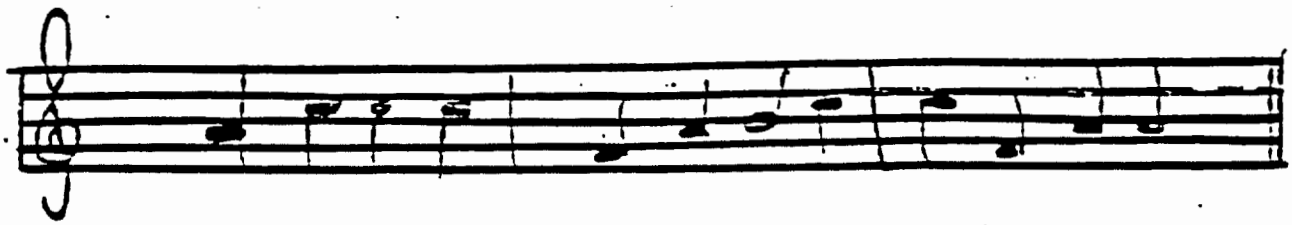
**DENUMIREA JOCULUI**
Scenă competitivă

**Participanţii**
Tipurile
Numărul ( Nivelul de concentrare)
Mărimea
Localzarea
Eşirile
**Concurenţii noi**
Alte regiuni
Industriile asociate
Cumpărtorii
Furnizorii
Integrarea orizontală
Conglomerarea
Diversificatorii
**Alte forme de concurenţă**
Substituirea funcţională
Inovatorii
Dolarii discreţionari
Dolarii investitorilor
Om-puterea

Caracteristica industriei

Reglorii direcţiei
Distribuirea
Negustorii
Serviciile
Garanţiile
Capacitatea
Valorile
Furnizorii
Caracteristicile financiare

# OUR COMPETITORS



Get ting to know all about you...

ARE THEY

- DIRECT
- FUNCTIONAL
- INDIRECT

# CONCURENȚII NOȘTRI

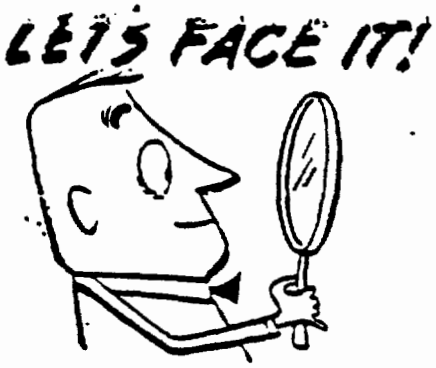
## SUNT EI

◊ DIRECȚI

◊ FUNCȚIONALI

◊ INDIRECȚI

# KNOW THYSELF




WHAT ARE OUR RESOURCES ?

IN:

CONCEPT / DESIGN / PRODUCT

MFG. / PRODUCTION

MARKET

FINANCE

MANAGEMENT

# CUNOAȘTE -TE PE SINE

*HAI SĂ NE PRIVIM !*

**CARE SUNT RESURSELE NOASTRE ?**

**ÎN:**

**CONCEPȚIE / DIZAIN / PRODUS**

**PRODUCȚIE**

**PIAȚĂ**

**FINANȚE**

**MANAGEMENT**

## Summary of Competitor Analysis*

| Conceive/Design | Produce | Market | Finance | Manage |
|---|---|---|---|---|
| ***Technical resources***<br>Concepts<br>Patents and copyrights<br>Technological sophistication<br>Technical integration<br><br>***Human resources***<br>Key people and skills<br>Use of external technical groups<br><br>***Funding***<br>Total<br>Percentage of sales<br>Consistency over time<br>Internally generated<br>Government-supplied | ***Physical resources***<br>Capacity<br>Plant<br>Size<br>Location<br>Age<br>Equipment<br>Automation<br>Maintenance<br>Flexibility<br>Processes<br>Uniqueness<br>Flexibility<br>Degree of integration<br><br>***Human resources***<br>Key people and skills<br>Workforce<br>Skills mix<br>Unions<br>Turnover | ***Sales force***<br>Skills<br>Size<br>Type<br>Location<br><br>***Distribution network***<br><br>***Research***<br>Skills<br>Type<br><br>***Service and sales policies***<br><br>***Advertising***<br>Skills<br>Type<br><br>***Human resources***<br>Key people and skills<br>Turnover<br><br>***Funding***<br>Total<br>Consistency over time<br>Percentage of sales<br>Reward systems | ***Long-term***<br>Debt/equity ratio<br>Cost of debt<br><br>***Short-term***<br>Line of credit<br>Type of debt<br>Cost of debt<br><br>***Liquidity***<br><br>***Cash flow***<br>Days of receivables<br>Inventory turnover<br>Accounting practices<br><br>***Human resources***<br>Key people and skills<br>Turnover<br><br>***Systems***<br>Budgeting<br>Forecasting<br>Controlling | ***Key people***<br>Objectives and priorities<br>Values<br>Reward systems<br><br>***Decision making***<br>Location<br>Type<br>Speed<br><br>***Planning***<br>Type<br>Emphasis<br>Time span<br><br>***Staffing***<br>Longevity and turnover<br>Experience<br>Replacement policies<br><br>***Organization***<br>Centralization<br>Functions<br>Use of staff |

*If *multi-industry*, examine portfolio of businesses (sizes, priorities, importance to company) and resources provided by parent company. If *foreign*, examine national priorities of home country; degree of government ownership; supports and incentives; home-market environment.

## SUMARUL ANALIZEI COMPETITORULUI[a]

| | | | | |
|---|---|---|---|---|
| Conceperea/ Dizainul<br>Resurse tehnice<br>*Concepţii* | Producerea<br>Resurse fizice<br>Capacitate | Piaţa<br>Forţa de vînzare<br>Experienţe | Finanţele<br>De termen lung<br>Coeficientul datorie / capital propriu | Conducerea<br>Oameni de bază<br>Obiective şi priorităţi |
| Patente şi drepturi de autor | Uzină | Mărime | Suma datoriei | Valori |
| Sofisticare tehnologică<br>Integrare tehnologică | Mărimea<br>Localizarea | Tip<br>Localizare<br>Reţiaua de distribuire<br>Cercetări<br>Tactici de deservire şi vînzare | *De termen scurt*<br>Linia de credit | *Sisteme de remunerare*<br>*Luarea deciziei* |
| Resurse de forţă de muncă | Vîrsta | Publicitate (reclamă) | Tipul datoriei | Localizarea |
| Oameni cheie şi experienţele lor | Utilajul | Experienţe | Mărimea datoriei | Tipul |
| Utilizare grupelor tehnice externe | Automatizarea | Tip | Lichidarea datoriei | Viteza |
| Finanţarea<br>În total | *Menţinerea*<br>Flexibilitatea | *Resurse de forţă de muncă*<br>Oameni cheie şi experienţa lor | *Afluxul de bani*<br>Zilele primirii conturilor de la debitori | *Planifcarea*<br>Tipul |
| Procentul vînzării<br>Consecvenţa suplimentară | Gradul de integrare<br>Resurse de forţă de muncă | Beneficiul<br>Finanţarea | Fluctuaţia inventarului<br>Practici de contabilitate | Accentul<br>Durata de timp |
| Generată în interior | Oameni şi experienţe de bază | În total | Resurse de forţă de muncă | Angajarea personalului |
| Oferită de către Guvern | Forţă de muncă | Consecvenţa suplimentară | Oameni cheie şi experienţele lor | Longevitatea şi schimbarea |
| | Experienţă vaiată<br>Asociaţii (sindicate)<br>Beneficiul | Procentul vînzării<br>Sisteme de remunerare | Fluctuaţie<br>Sisteme<br>Bugetare<br>De prevedere<br>De control | Experienţa<br>*Politica de substituire*<br>Organizarea<br>Centralizarea<br>Funcţiile<br>Utilizarea personalului |

[a]În cazul unui concurent de tipul poli-industrie, examinaţi portofoliul de întreprinderi ( Mărimile, priorităţile,importanţa pentru companie) şi resursele furnizate de către compania mamă. În cazul unui concurent străin, examinaţi priorităţile naţionale a ţării proprii, gradul de proprietate de stat; susţinerea şi stimulenţii; mediul pieţii interne.

## Summary of Resource Analysis

| Conceive/ Design | Produce | Market | Finance | Manage |
|---|---|---|---|---|
| Basic research | Materials | Knowledge of Customers | Cost of forecasting ( Estimating) | Overall leadership |
| Concepts and studies | Key people and skills | Forecasting needs and expectations | Total cost Analysis | Specialist leadership |
| Emotions | Sources | Market research | Accounts receivable management | Turnover / experience |
| Key people and skills | Substitutes | Response to customers | Credit collections | Values / style |
| Ability to convert to application | Flow planning and transportation | Products' quality and scope | Financial analysis | Strategic emphasis |
| | | Distributor | Obtaining long-term financing | |
| | | Locations | Auditing | Organisation |
| Applied research | Physical resources | Size by volume | Flexibility of accounting policies/ procedures | Type |
| Findings | Capacity utilization | Warehousing | Expense control | Size |
| Emphasis | Time/ cost of adding capacity | Transportation | Monetary management | Location |
| Use of external vs. internal research | Plant | | Tax accounting | |
| Key people and skills | Size | Influencing Customers | | Control |
| Ability to convert to prototypes | Location | Sales force | | Financial |
| | Age | Key people and skills | | Human |
| | Equipment | Size | | |
| Basic Engineering | Automation | Type | | Decision Making |
| Prototypes | Maintenance | Location | | Planning |
| Emphasis | Flexibility | Advertising | | Type |
| Key people and skills | Processes | National | | Degree |
| Ability to convert to product designs | Uniqueness | Regional | | Time horizon |

**Sumarul Analizei Resurselor**

| Imaginarea /Modelarea | Producere | Piaţă | Fonduri | Conducere |
|---|---|---|---|---|
| Cercetări de Bază | Materiale | Cunoaşterea cumpărătorilor | C | |
| Concepţii şi studii | Oameni cheie şi experienţa lor | Prevederea ofertei şi aşteptările | | |
| Emoţii | Surse | Studierea Pieţii | | |
| Oameni cheie şi experienţa lor | Suplinitori | Răspuns la cererea cumpărătorilor | | |
| Capacitatea de a preschimba aplicarea | Planificarea fluxului şi transportarea | Calitatea şi scopul produsului | | |
| Cercetări aplicate | | Distribuitorii | | |
| Descoperiri | Resursele fizice | Localizările | | |
| Accent | Utilizarea capacitatăţii | Mărimea volumului | | |
| Utilizarea cercetărilor externe contra celor intrne | Timpul / cheltuielile capacităţii suplimentare | Depozitarea | | |
| Oameni cheie şi experienţa lor | Uzina | Transportarea | | |
| Capacitatea de a schimba prototipurile | Mărimea | | | |
| Inginerie de bază | Localizarea | Influenţarea cumpărătorilor | | |
| Prototipuri | Vîrsta | Forţa de vînzare | | |
| Accent | Utilajul | Oameni cheie şi experienţa lor | | |
| Oameni cheie şi experienţa lor | Automatizarea | Mărimea | | |
| Capacitatea de a schimba modelul produsului | Menţinerea | Tipul | | |
| Ingineria de modelare | Flexibilitatea | Localizarea | | |
| Modele | Procese | Publicitatea /Reclama | | |

| | | | | |
|---|---|---|---|---|
| | Flexibility | Corporative | | Location |
| | Degree of integration | Promotion devices | | Contingency |
| Design | Manufacturing | | | Criteria used |
| Engineering | | | | |
| Designs | | Service Policies | | |
| Patents and copyrights | Engineering | Before- sale | | Staff |
| Emphasis | Key people and skills in process and tool design, cost improvement, time standards | After-sale | | Type |
| | | | | Use |
| Key people and skills | | | | |
| Ability to design for production | Quality control | Credit Policies | | |
| | Key people and skills | Long-term | | |
| | Standards and specifications | Short-term | | |
| Funding | Supplies inspections | | | |
| Size | Product inspections | | | |
| Consistency over time | Audits | | | |
| Sources | Vendor evaluations | | | |
| Own organization | | | | |
| Parent corporation | Shop operation | | | |
| Government | Key people and skills | | | |
| Other external source | Work requirements | | | |
| | Workforce | | | |
| | Skills mix | | | |
| | Utilization | | | |
| | Ability and turnover | | | |
| | Costs | | | |
| | Unionization | | | |
| | Productivity | | | |

| | | | | |
|---|---|---|---|---|
| Patente şi drepturi de autor | Unitatea | Naţională | | |
| Accent | Flexibilitatea | Regională | | |
| Oameni cheie şi experienţa lor | Gradul de intergrare | Cooperativă | | |
| Capacitatea de a modela pentru producţie | Producerea | Planuri de promovare | | |
| | | | | |
| Fondul | Ingineria | Politici de deservire | | |
| Mărimea | Oameni cheie şi experienţa lor la modelarea procesului şi a uneltelor, micşorarea cheltuielilor şi standardele de timp | Înainte de deservire | | |
| Consecvenţa suplimentară | | După deservire | | |
| Sursele | Controlul calităţii | | | |
| Întreprinderea proprie | Oameni cheie şi experienţa lor | Politici de creditare | | |
| Corporaţia mamă | Standarde şi specificaţii | De termen lung | | |
| Guvernul | Inspecţiile furnizărilor | de termen scurt | | |
| Alte surse externe | Inspecţiile produsului | | | |
| Mărimea | Audituri | | | |
| | Evaluările vînzătorului | | | |
| | | | | |
| | Activitatea magazinului | | | |
| | Oameni cheie şi experienţa lor | | | |
| | Cerinţe de lucru | | | |
| | Forţa de muncă | | | |
| | Capacităţi variate | | | |

| | | | | |
|---|---|---|---|---|
| | Utlizarea | | | |
| | Disponibilitate şi profit | | | |
| | Cheltuieli | | | |
| | Unionizare | | | |
| | Productivitate | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Cheltuieli | | | |

| Market attractiveness | Low | Medium | High |
|---|---|---|---|
| High | **Serious entry into the market**<br>Opportunistic position to test growth prospects; withdraw if indications of sustainable growth are lacking. | **Selective growth**<br>Select areas where strength can be maintained, and concentrate investment in those areas. | **All-out struggle**<br>Concentrate entire effort on maintaining strength; if necessary maintain profit structure by investment. |
| Medium | **Limited expansion or withdrawal**<br>Look for ways of achieving expansion without high risk; if unsuccessful, withdraw before involved too deeply. | **Selective expansion**<br>Concentrate investment, and expand only in segments where profitability is good and risk is relatively low. | **Maintenance of superiority**<br>Build up ability to counter competition, avoiding large-scale investment; emphasize profitability by raising productivity. |
| Low | **Loss-minimizing**<br>Prevent losses before they occur by avoiding investment and by lowering fixed costs; when loss is unavoidable, withdraw. | **Overall harvesting**<br>Promote switch from fixed to variable costs; emphasize profitability through VA and VE of variable costs. | **Limited harvesting**<br>Reduce degree of risk to a minimum in several segments; emphasize profit by protecting profitability even if loss of market position is involved. |

Corporate strengths: Low — Medium — High

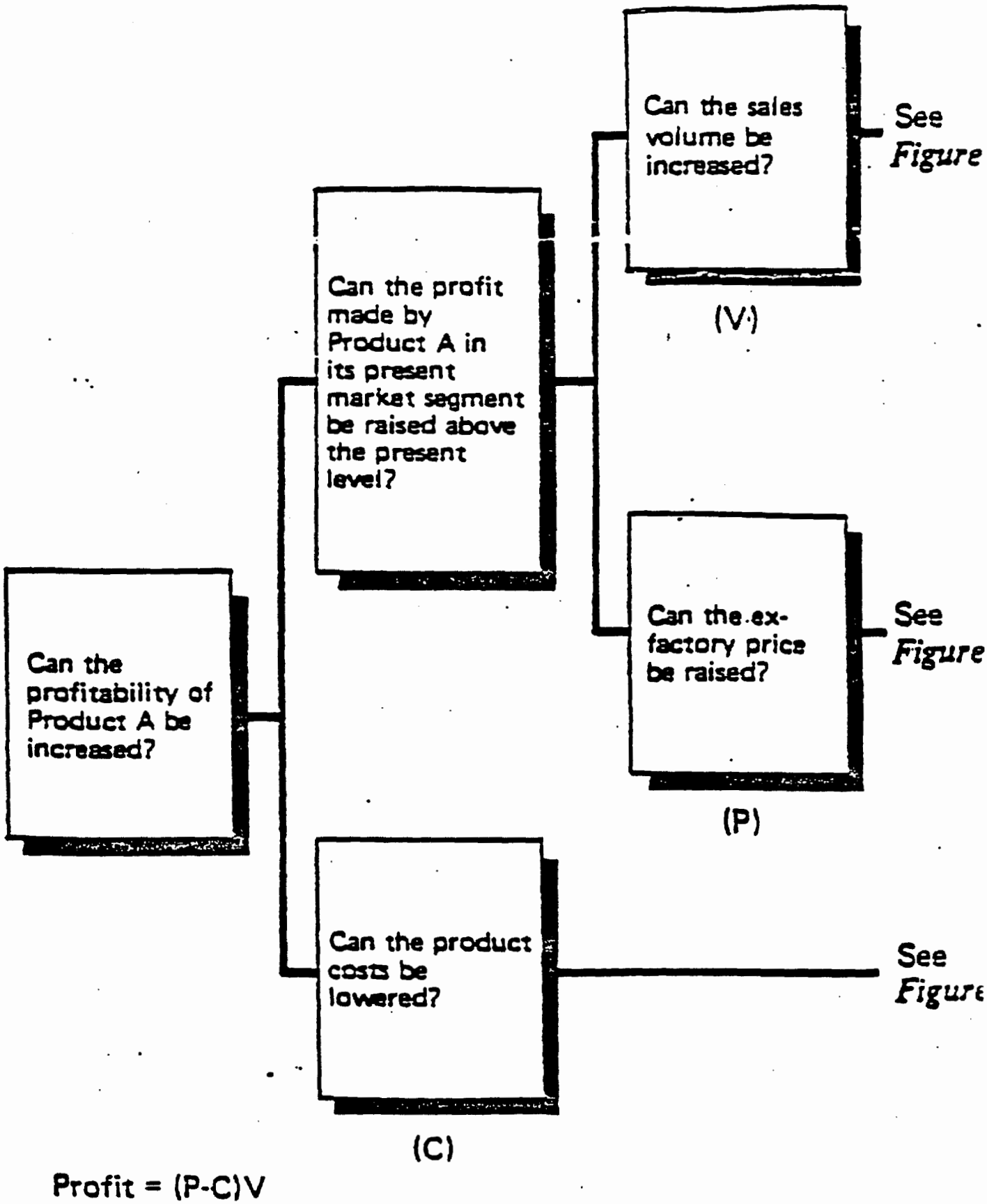
*Figure 12–2* Nine specimen standardized strategies.

## Nouă modele de strategii standard

| Farmecul Pieței | Scăzut | Mediu | Înalt |
|---|---|---|---|
| Înalt | **Intrarea hotărîtă pe piață**<br>Stabiliți o poziție oportunistică de a controla perspectivele de avansare; retrăgeti-vă în caz dacă indicatorii confirmați ai avansării lipsesc. | **Avansarea selectivă**<br>Selectați sectoarele unde s-ar putea menține puterea și concentrați investițiile în aceste domenii. | **Lupta globală**<br>Concentrați toate eforturile menținerea puterii; dacă es necesar, apoi mențineți volumul profitului prin investire. |
| Mediu | **Extinderea limitată ori retragerea**<br>Căutați căi de atingere a extinderii fără un mare risc; în caz de insucces retrăgeti-vă înainte de a fi implicați prea mult. | **Extinderea selectivă**<br>Concentrați investițiile și extindeti-vă numai pe sectoarele în care aveți profit și riscul este relativ mic. | **Mentinerea superiorităţii**<br>Creați o capacitate de a înfrunta concurența, evitîn investițiile pe scară largă; accentuați rentabilitatea ridicînd productivitatea. |
| Scăzut | **Minimalizarea pierderilor**<br>Preveniți pierderile înainte ca ele să se întîmple evitînd investirea și micșorînd prețurile fixe; atunci cînd pierderile sunt inevitabile retrageti-vă. | **Roada totală**<br>Promovați schimbarea de la prețuri fixe la prețuri variabile; accentuați rentabilitatea prin VA și VE a prețurilor variabile. | **Roada limitată**<br>Reduceți gradul de risc pîn minimum în cîteva sectoar accentuați profitul protejî rentabilitatea chiar dacă pierderea poziției pe piață în joc. |

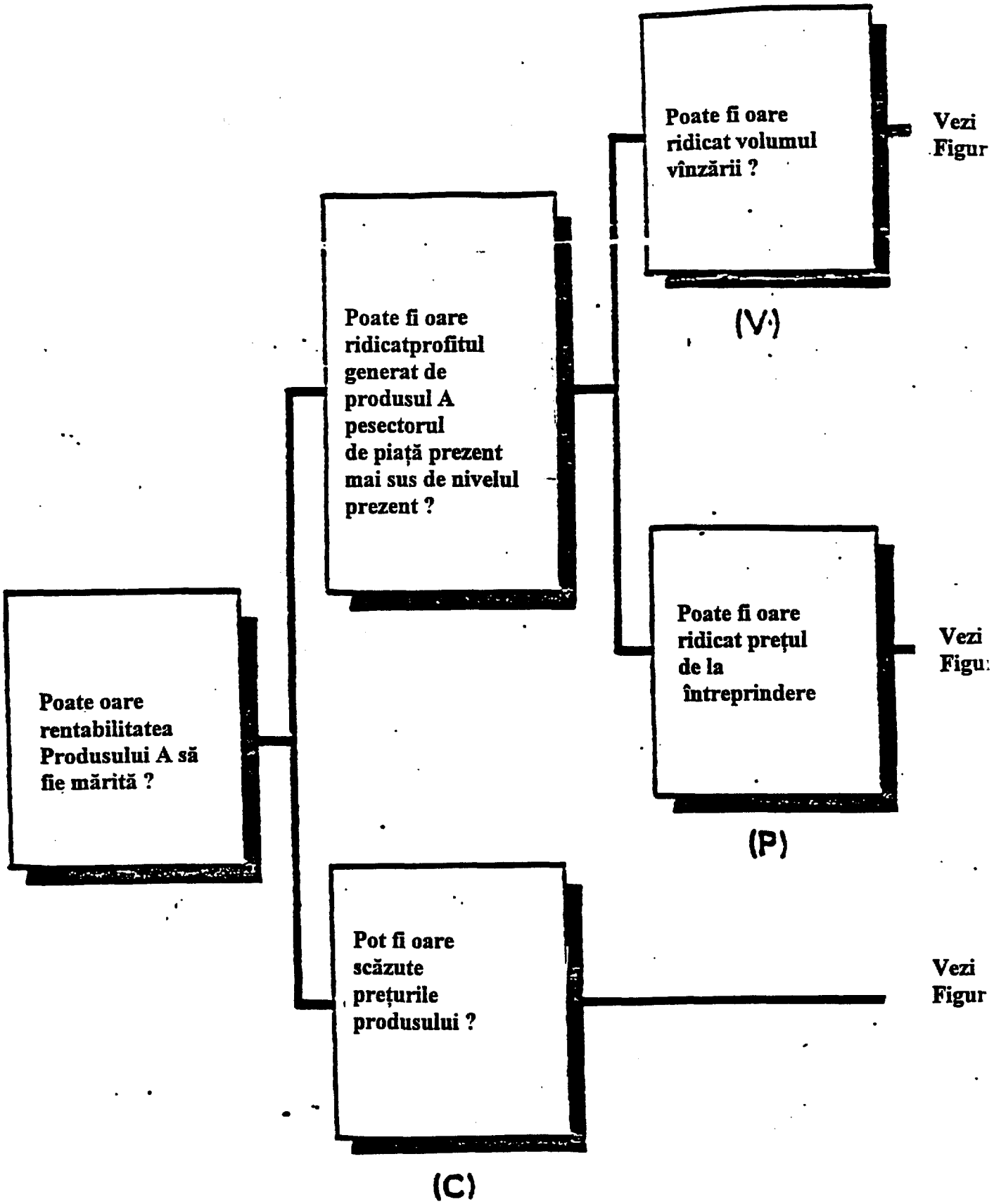
Forțele corporației

Fig 12-2



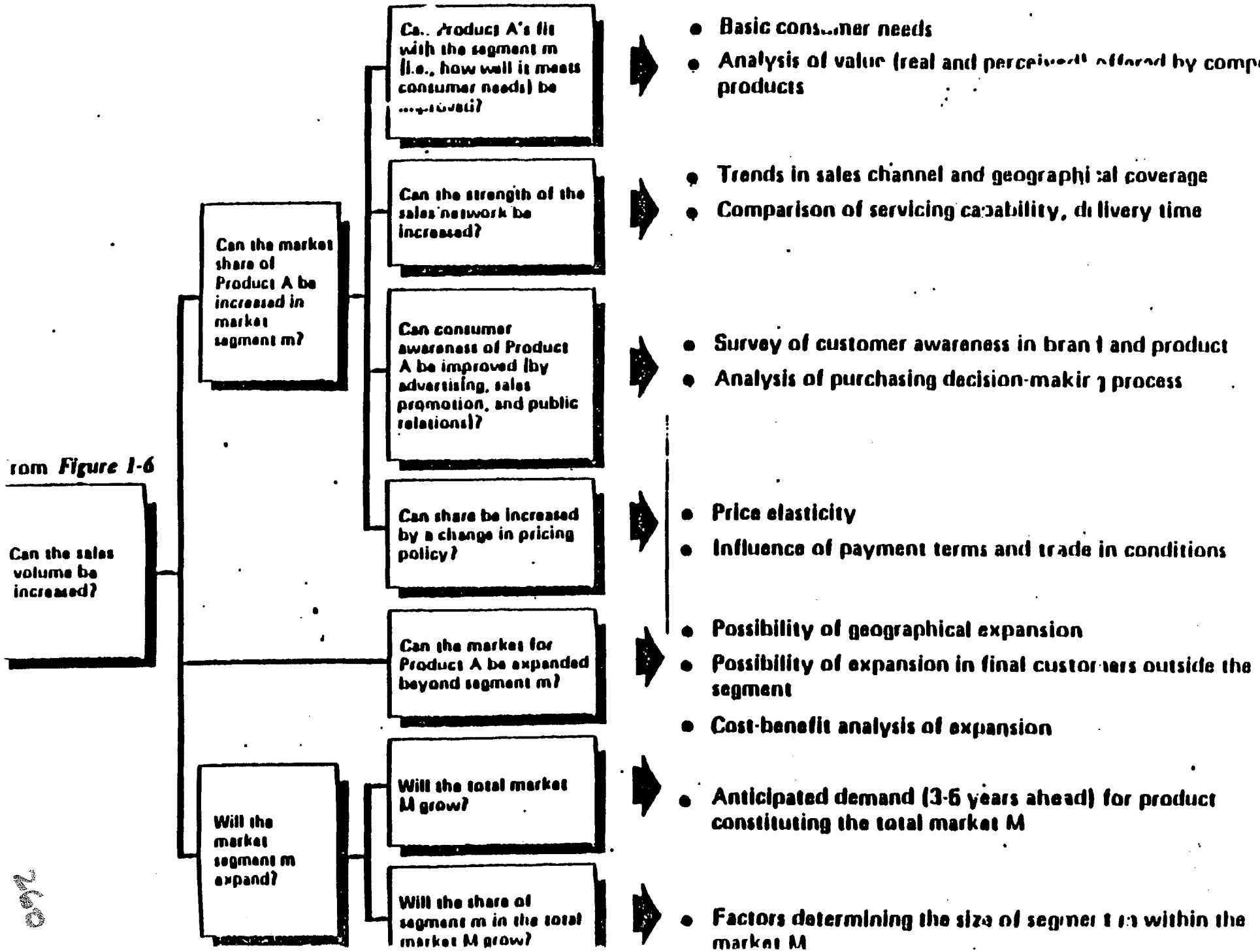

Profit = (P-C)V

*Figure 1–6* The starting point of a profit diagram.

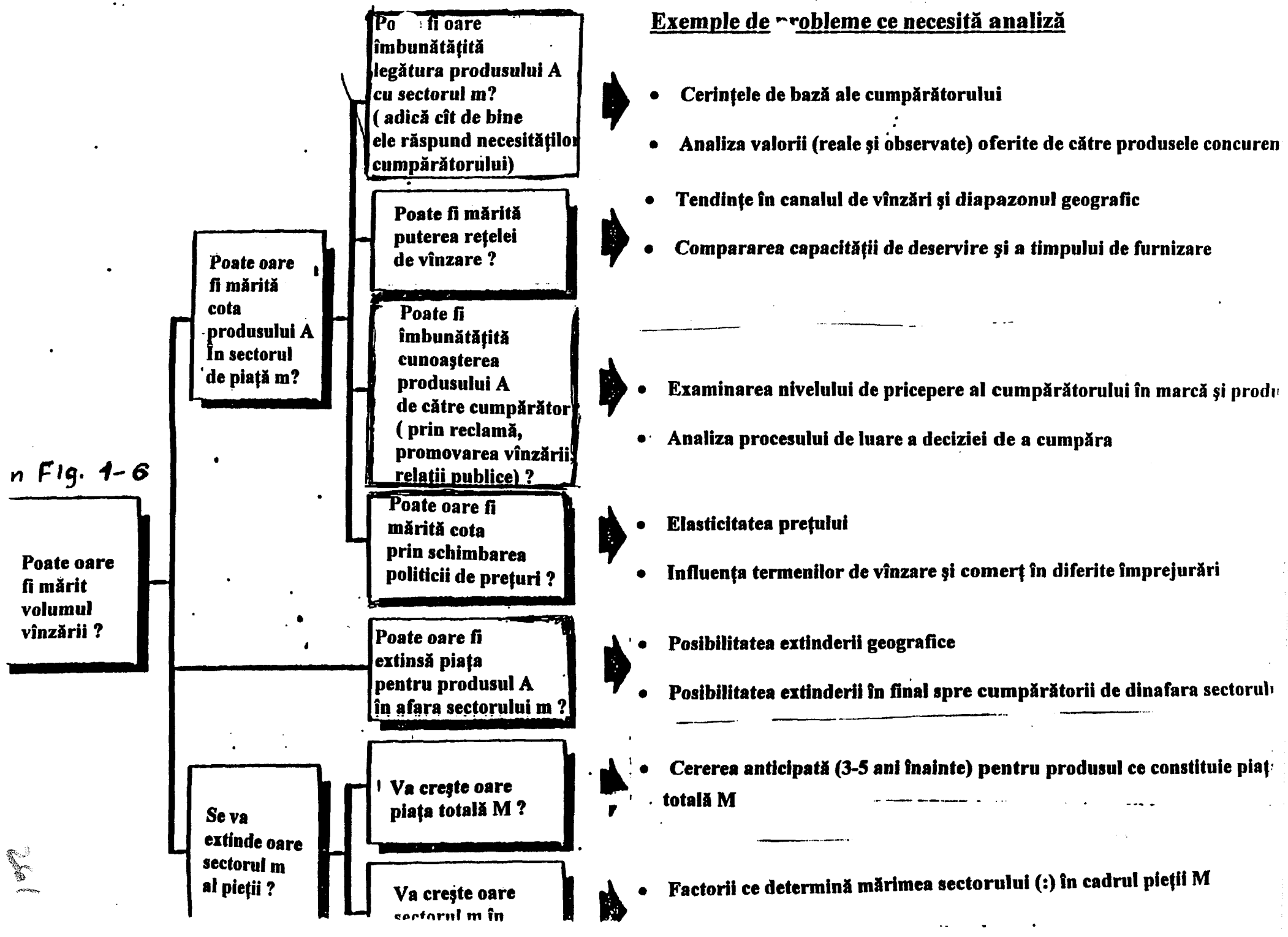



**Profitul = (P - C)V**

**Figura 1- 6** **Punctul de pornire al schemei profitului.**


rom Figure 1-6
Can the sales volume be increased?
Can the market share of Product A be increased in market segment m?
Can Product A's fit with the segment m (i.e., how well it meets consumer needs) be improved?
Basic consumer needs
Analysis of value (real and perceived) offered by competing products
Can the strength of the sales network be increased?
Trends in sales channel and geographical coverage
Comparison of servicing capability, delivery time
Can consumer awareness of Product A be improved (by advertising, sales promotion, and public relations)?
Survey of customer awareness in brand and product
Analysis of purchasing decision-making process
Can share be increased by a change in pricing policy?
Price elasticity
Influence of payment terms and trade in conditions
Can the market for Product A be expanded beyond segment m?
Possibility of geographical expansion
Possibility of expansion in final customers outside the segment
Cost-benefit analysis of expansion
Will the market segment m expand?
Will the total market M grow?
Anticipated demand (3-6 years ahead) for product constituting the total market M
Will the share of segment m in the total market M grow?
Factors determining the size of segment m within the market M

n Fig. 1-6


Poate oare fi mărit volumul vînzării ?
Poate oare fi mărită cota produsului A în sectorul de piaţă m?
Se va extinde oare sectorul m al pieţii ?
Po fi oare îmbunătăţită legătura produsului A cu sectorul m? ( adică cît de bine ele răspund necesităţilor cumpărătorului)
Poate fi mărită puterea reţelei de vînzare ?
Poate fi îmbunătăţită cunoaşterea produsului A de către cumpărător ( prin reclamă, promovarea vînzării, relaţii publice) ?
Poate oare fi mărită cota prin schimbarea politicii de preţuri ?
Poate oare fi extinsă piaţa pentru produsul A în afara sectorului m ?
Va creşte oare piaţa totală M ?
Va creşte oare sectorul m în
Exemple de probleme ce necesită analiză
Cerinţele de bază ale cumpărătorului
Analiza valorii (reale şi observate) oferite de către produsele concuren
Tendinţe în canalul de vînzări şi diapazonul geografic
Compararea capacităţii de deservire şi a timpului de furnizare
Examinarea nivelului de pricepere al cumpărătorului în marcă şi produ
Analiza procesului de luare a deciziei de a cumpăra
Elasticitatea preţului
Influenţa termenilor de vînzare şi comerţ în diferite împrejurări
Posibilitatea extinderii geografice
Posibilitatea extinderii în final spre cumpărătorii de dinafara sectorul
Cererea anticipată (3-5 ani înainte) pentru produsul ce constituie piaţ totală M
Factorii ce determină mărimea sectorului (:) în cadrul pieţii M

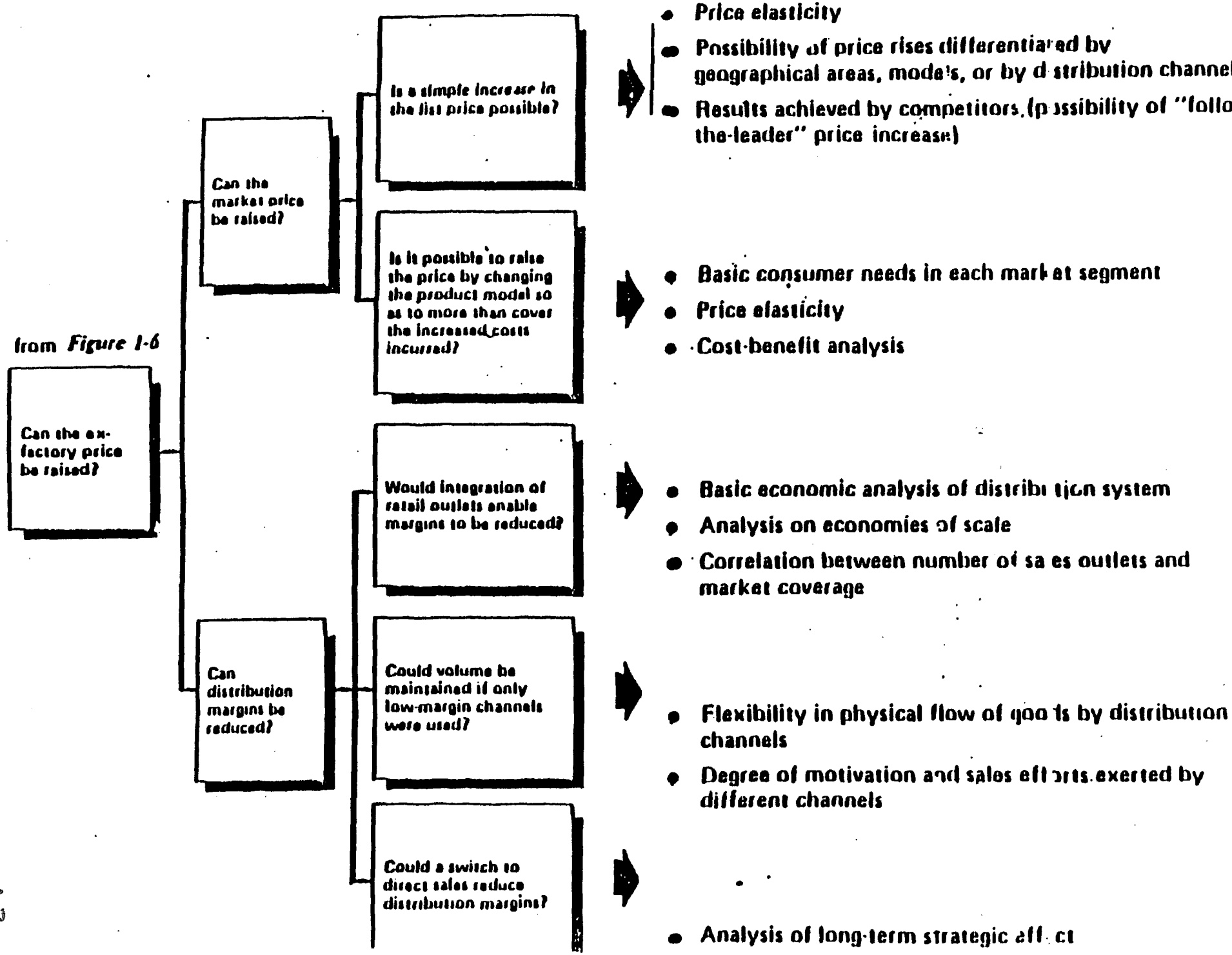
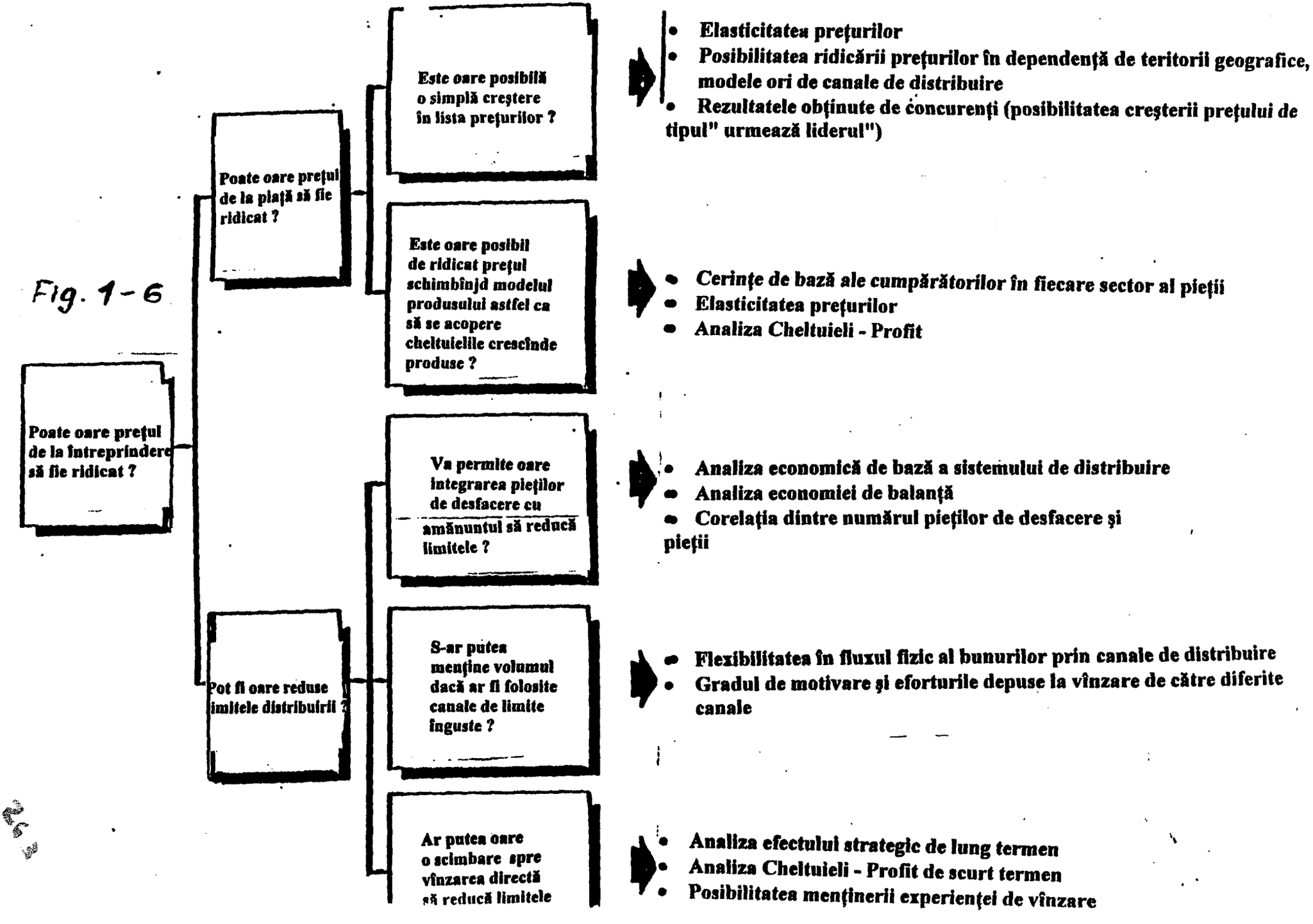

from Figure 1-6
Can the ex-factory price be raised?
Can the market price be raised?
Can distribution margins be reduced?
Is a simple increase in the list price possible?
Is it possible to raise the price by changing the product model so as to more than cover the increased costs incurred?
Would integration of retail outlets enable margins to be reduced?
Could volume be maintained if only low-margin channels were used?
Could a switch to direct sales reduce distribution margins?
Price elasticity
Possibility of price rises differentiated by geographical areas, models, or by distribution channels
Results achieved by competitors (possibility of "follow-the-leader" price increase)
Basic consumer needs in each market segment
Price elasticity
Cost-benefit analysis
Basic economic analysis of distribution system
Analysis on economies of scale
Correlation between number of sales outlets and market coverage
Flexibility in physical flow of goods by distribution channels
Degree of motivation and sales efforts exerted by different channels
Analysis of long-term strategic effect

Fig. 1-6


Poate oare preţul de la întreprindere să fie ridicat ?
Poate oare preţul de la piaţă să fie ridicat ?
Pot fi oare reduse limitele distribuirii ?
Este oare posibilă o simplă creştere în lista preţurilor ?
Este oare posibil de ridicat preţul schimbînjd modelul produsului astfel ca să se acopere cheltuielile crescînde produse ?
Va permite oare integrarea pieţilor de desfacere cu amănuntul să reducă limitele ?
S-ar putea menţine volumul dacă ar fi folosite canale de limite înguste ?
Ar putea oare o scimbare spre vînzarea directă să reducă limitele
• Elasticitatea preţurilor
• Posibilitatea ridicării preţurilor în dependenţă de teritorii geografice, modele ori de canale de distribuire
• Rezultatele obţinute de concurenţi (posibilitatea creşterii preţului de tipul" urmează liderul")
• Cerinţe de bază ale cumpărătorilor în fiecare sector al pieţii
• Elasticitatea preţurilor
• Analiza Cheltuieli - Profit
• Analiza economică de bază a sistemului de distribuire
• Analiza economiei de balanţă
• Corelaţia dintre numărul pieţilor de desfacere şi pieţii
• Flexibilitatea în fluxul fizic al bunurilor prin canale de distribuire
• Gradul de motivare şi eforturile depuse la vînzare de către diferite canale
• Analiza efectului strategic de lung termen
• Analiza Cheltuieli - Profit de scurt termen
• Posibilitatea menţinerii experienţei de vînzare

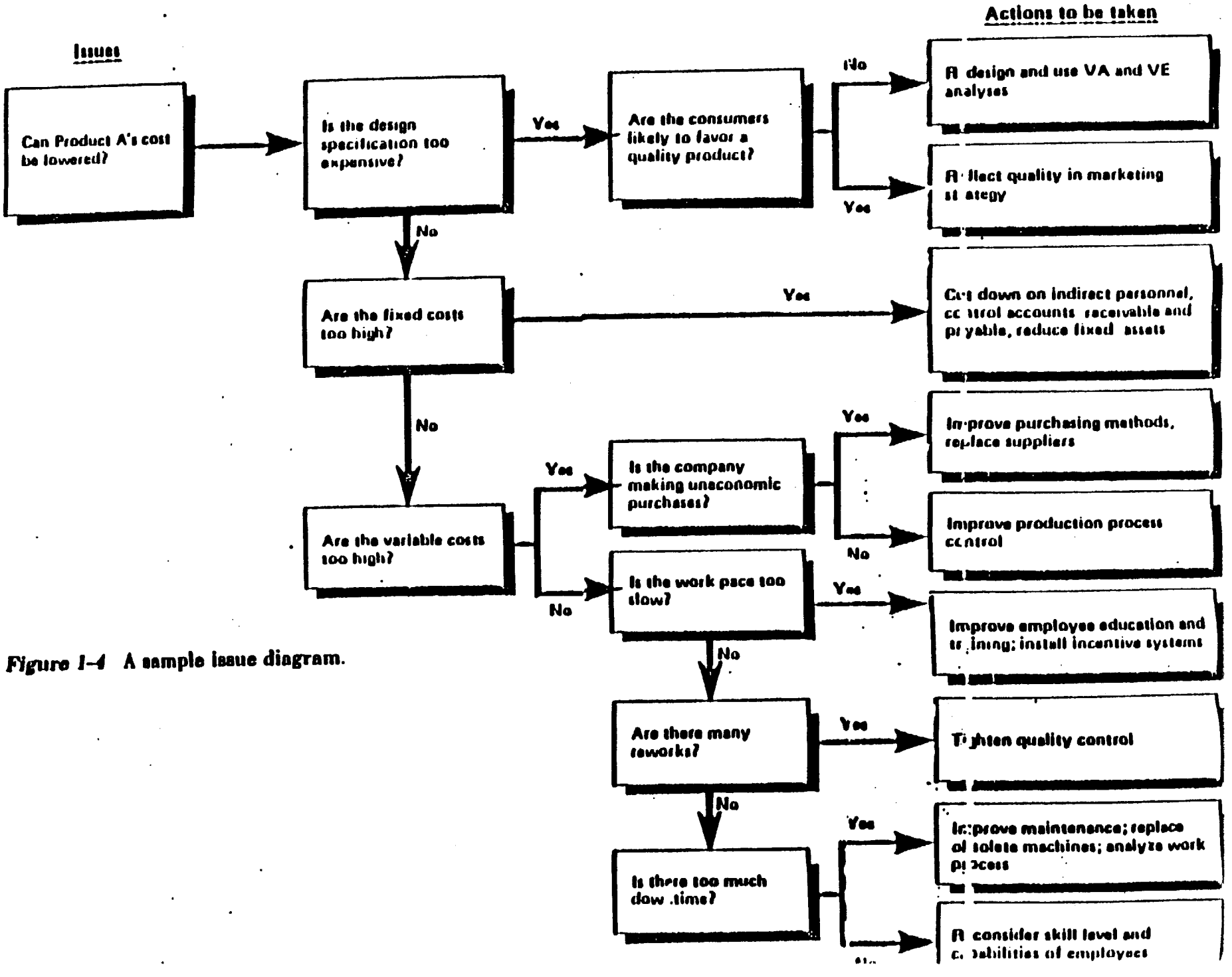



*Figure 1-4* A sample issue diagram.

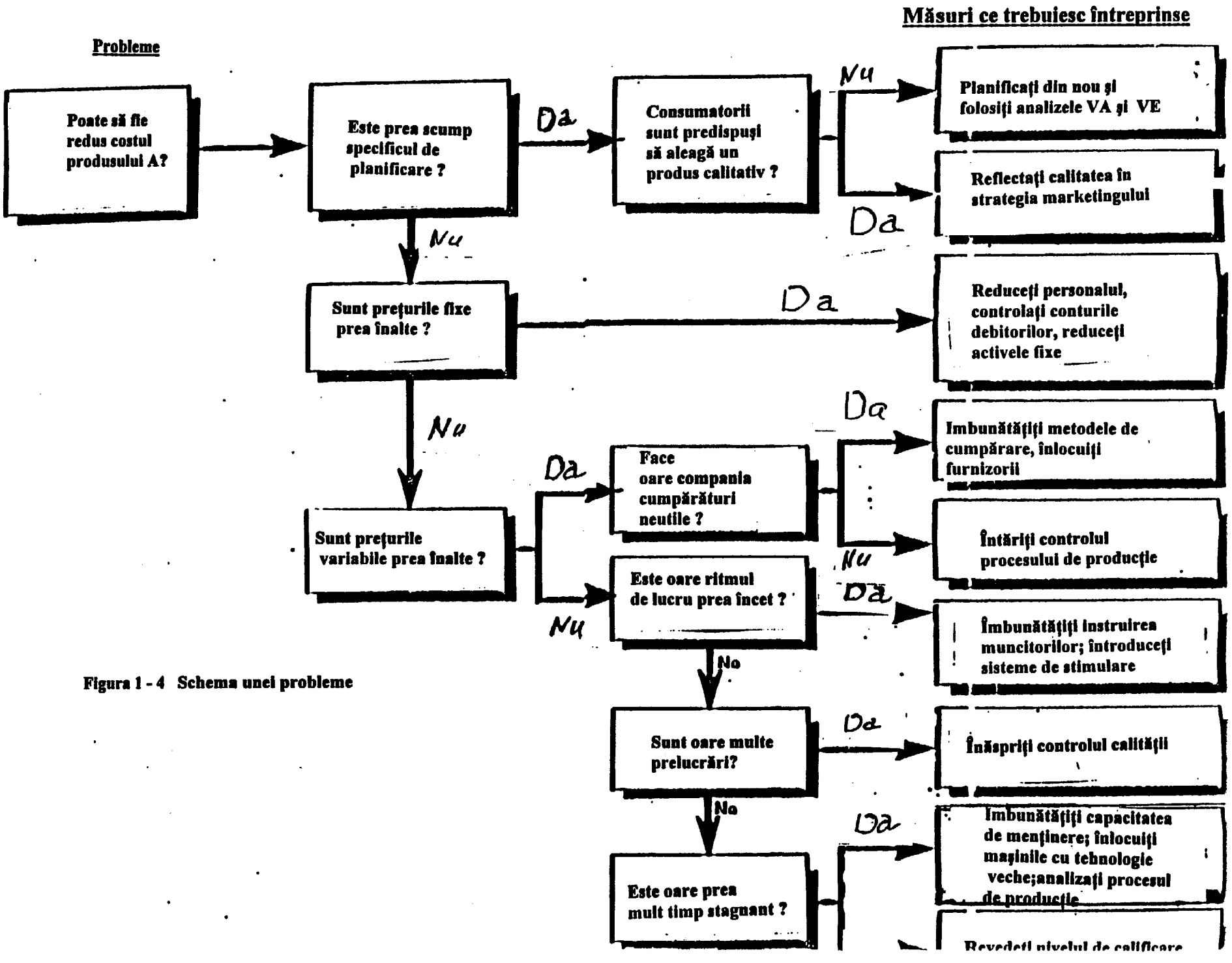



Figura 1 - 4 Schema unei probleme

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# Design for Manufacturability

## Design Rules

Design rules can be an excellent way to communicate the capability of manufacturing processes, but they can also be abused. The semiconductor industry has been successful at communicating process requirements to circuit designers with design rules. As a further step, these rules must be incorporated into the CAD systems that are used for circuit design at the chip level or for the printed wiring assembly. It must not be assumed, however, that the software designers who develop a CAD system know enough about specific process design shops or printed circuit board shops. The owner of the CAD tools should understand the internal parameters of the design system. In this way, designers know that when their design is complete, it will be manufacturable in their shop or at their suppliers.

On the negative side, design rules can be written that attempt to overly constrain the designers. For example, complacent or unimaginative manufacturing organizations can easily write design rules that restrict designers to the capabilities of outmoded processes.

Effective design rules should be the result of an agreement between manufacturing and design groups on what is possible in the process and what is required to produce competitive products. Limits should not be set arbitrarily. The purpose is to get more competitive products, not to make manufacturing so easy that the company fails to satisfy the customer.

The following are samples of simple representative design rules:

# PROIECTAREA PRODUCTIBILITĂȚII

## REGULILE DE PROIECTARE

Regulile de proiectare pot să fie un excelent mijloc de a comunica posibilitățile procesului de prelucrare, însă se poate face abuz de aceste regului. Industria semiconductoarelor a reuşit să comunce cerințele față de regulile de proiectare utilizate în procesul de prelucrare la proiectanții din acestă ramură. Pasul următor ar fi includerea acestor reguli în sistemele CAD care sînt utilizate pentru proiectarea circuitelor la nivel sau pentru . Nu rebuie să credem însă , că proiectanții de software, care elaborează sistemul CAD cunosc suficient despre proiectarea atelierelor de prelucrare specifică sau a atelierelor de . Proprietarul uneltelor CAD trebuie să înțeleagă parametrii interni ai sistemului de proiectare . În acest fel proiectanții ştiu, că atunci cînd proiectul lor este finisat, el va fi realizat în atelierul lor sau de către furnizori.

Partea negativă a regulilor de proiectare este încercarea de a constrînge proiectanții. De exemplu, întreprinderile producătoare ce nu manifestă dorința de a se perfecționa şi fără spirit de imaginație cu mare uşurință pot crea reguli care ar reduce posibiltățile proiectanților la nişte procedee învechite.

Regulile efective de proiectare trebuie să fie rezultatul acordului între grupele de producere şi proiectare asupra posibilităților de prelucrare şi cerințelor față de producerea produselor competitive. Limitele nu se vor stabili în mod arbirar. Scopul este de a produce cît se poate de multe produse competitve şi nu de a simplifica procesul de producțe pînă într-atît, încît claitatea să înceteze de a satisface cumpărătorul.

Următoarele exemple sînt modele simple de reprezentare a regulilor de proiectare

# FLEXIBLE CIM PLANT

- IMPROVE QUALITY
- REDUCE BURDEN - DIRECT & INDIRECT
- ELIMINATE WIP AND FINISHED GOODS INVENTORIES
- SHORTEN SYSTEM DESIGN & IMPLEMENTATION LEAD TIME
  - FASTER PRODUCT INTRODUCTION
- CAN ADJUST/MODIFY/REDESIGN SYSTEM
  - QUALITY AT LOW COST
- CAN DESIGN SYSTEM TO BUILD
  - ANY PART
  - ANY SEQUENCE
  - ANY VOLUME
  - NO/MINIMAL SET UP
  - NO/MINIMAL DIRECTS

# UZINA DE PIC FLEXIBILE

- ÎMBUNĂTĂŢIREA CALITĂŢII
- REDUCEREA POVEREI - DIRECT& INDIRECT
- ELIMINAREA PP ŞI VALORILE DE EXPLOATARE ALE PRODUSELOR FINALE
- SISTEMUL REDUS DE PROIECTARE & **LEAD TIME** DE IMPLEMENTARE
    - ÎNTRODUCEREA RAPIDĂ A PRODUSULUI
- POATE AJUSTA/MODIFICA/REFACE SISTEMUL
    - CALITATEA LA UN PREŢ REDUS
- POATE MODIFICA SISTEMUL PENTRUA PRODUCE
    - ORICE COMPONENT
    - ÎN ORICE SECVENŢĂ
    - ÎN ORICE VOLUM
    - CU O PERIOADĂ DE PREGĂTIRE MINIMĂ
    - CU UN NUMĂR REDUS DE ANGAJAŢI

# FLEXIBLE CIM PLANT

## ESSENTIALS

- ADOPT KEY PRODUCT/BUSINESS CHARACTERISTICS
  - ZERO DEFECTS
  - LIMITED MODELS/FEATURES
  - BUILD TO PLAN
- USE MOST COMPETITIVE MFG. METHOD
  - VERTICAL INTEGRATION
  - FLEXIBLE ASSEMBLY SYSTEMS
  - MINIMIZE INDIRECTS
- IMPLEMENT CIM STANDARDS
  - DESIGN FOR AUTOMATION/REDUCE PART COUNTS
  - COMMON TOOLS & PROCESSES
  - APPLY FLEXIBLE AUTOMATION
  - USE SIMPLIFIED LOGISTICS SYSTEM
  - DIRECT COST
- DISTRIBUTION STRATEGY
  - MINIMIZE IN HOUSE INVENTORY
  - SHIP DIRECT TO DIST. CENTERS

# UZINA DE PIC FLEXIBILE

## PUNCTELE PRINCIPALE

- ADOPTAREA PRODUSULUI CHEIE/CARACTERISTICILE BUSINESSULUI
  - CU DEFECTE MINIMALE
  - MODELE/TRĂSĂTURI LIMITATE
  - ELABORAT PENTRU PLANIFICARE
- FOLOSIREA CELOR MAI COMPETITIVE METODE DE PRODUCERE
  - INTEGRAREA VERTICALĂ
  - SISTEME FLEXIBILE DE ASAMBLARE
  - REDUCE NUMĂRUL DE ANGAJAŢI
- STANDARDELE DE IMLEMENTARE A PROCESULUI DE PIC
  - DESIGN PENTRU AUTOMATIZARE/REDUCEREA NUMĂRULUI DE PIESE
  - MIJLOACE ŞI PROCESE COMUNE
  - APLICAREA AUTOMATIZĂRII FLEXIBILE
  - FOLOSIREA SISTEMELOR LOGISTICE SIMLIFICATE
  - CHELTUIELI DIRECTE
- STRATEGIA DE DISTRIBUIRE
  - MINIMALIZEAZĂ VALORILE DE EXPLOATARE INTERNE
  - TRANSPORTĂ DIRECT CENTRELOR DE DISTRIBUIRE

## INLINE - HIGH VOLUME

### CHARACTERISTICS

- ONE/TWO TASKS PER WORK STATION
- LESS INTELLIGENT ROBOTS
- EXTENSIVE MATERIAL HANDLING/TOOLING
- SENSING BUILT INTO TOOLING
- HARD AUTOMATION INTERMIXED
- MULTIPLE (GENERIC) PRODUCTS
- MAJOR UP FRONT CAPITAL INVESTMENT
- DEMANDS QUALITY PARTS

## ASAMBLAREA ÎN PARALEL A VOLUMULUI SCĂZUT/MEDIU/RIDICAT

### CARACTERISTICILE

- SARCINILE MULTIPLE PENTRU STAȚIA DE LUCRU
- ROBOȚI FOARTE RECEPTIVI INTELEGENȚI
- ASIGURAREA COMPLEX MINIMALĂ CU INSTRUMENTE
- AUTOMATIZARE PUȚIN STABILĂ
- STAȚIONĂRI PUȚINE/MANUALE
- ROBOTUL-COMPUTER CONTROLEAZĂ LUCRUL STAȚIEI
- CHELTUIELI DE CAPITAL PE ETAPE
- ENERGIA PROGRAMATĂ = SE ADAPTEAZĂ LA.....
- ACUMULAREA DTELOR
    - EVIDENȚA PRODUCȚIEI
    - REFUZĂ/ÎNCEARCĂ DIN NOU/TINDE
- ACOMODAREA SCHIMBĂRII PRODUSULUI

## PARALLEL-LOW/MED/HIGH VOLUME ASSEMBLY

### CHARACTERISTICS

- MULTIPLE TASKS PER WORK STATION (2-10)
- VERY INTELLIGENT SENSING ROBOTS
- MINIMAL LESS COMPLEX TOOLING
- LITTLE FIXED AUTOMATION
- FEW/NO MANUAL STATIONS
- ROBOT COMPUTER CONTROLS WORK STATION
- PHASED CAPITAL EXPENDITURES
- PROGRAMMING POWER = ADAPT TO OFF SPEC.
- DATA GATHERING
  - PRODUCTION COUNTS
  - REJECTS/RETRYS/TRENDS
- PRODUCT CHANGE ACCOMMODATION

# Product Performance Profile Checklist

PACKAGING
- Visual and tactile design
- Appearence
- Basic mechanisms
- Space layout
- Size, quantity
- Geometric interference
- Components, modules
- Required accessories
- Framework
- Component packaging
- Styling

PERFORMANCE
- Basic function
- Speed
- Capacity
- Payload
- Size
- Flexibility
- Performance vs. constraint
  - (power/weight, capacity/cost ...)

EASE OF USE
- Controls, displays, graphics
- Ergonomics
- Human factors
- Training
- Man/machine interface
- Manuals, documentation
- Unpleasant operating conditions
- Handling

RELIABILITY
- Safety
- Margin of error
- Stability
- Quality
- Structural integrity
- Redundant systems
- Error detection, correction
- Effects of unusual loads
- Effects of operator error

FUTURES
- Durability, life
- Uptime, downtime
- Fatigue, wear, corrosion
- Maintainability
- Serviceability
- Component life
- Back-up
- Quality
- Monitoring, preventative measures
- Obsolescence
- Upward compatibility
- Standardization

SOCIAL COSTS (often "hidden costs")
- Pollution
- Health
- Noise
- Effects of failure
- Legal concerns
- Government regulations
- Use of resources
- Safety, product liability
- Environment
- Customs, taboos
- Related manufacturing

DIRECT COSTS
- Initial cost
  - (depends on design, technology, materials production methods, scrap, inventory, scheduling, etc.)
- Operating supplies
- Energy efficiency
- Training cost
- Maintenance cost
- Financial costs

AVAILABILITY
- Marketing
- Sales
- Distribution
- Stock
- Lead time
- Ordering
- Geography
- Quanitity, packaging
- Second sourcing
- Selection of forms
- Optional equipment
- Awareness
- Pricing

Peter Marks

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# LISTA DE CONTROL A DESCRIERII PERFORMANȚEI PRODUSULUI

AMBALAJUL
Dizainul tactil şi vizual
Înfățișarea
Mecanizmele de bază
Planificarea spațiului
Mărimea, cantitatea
Interferența geometrică
Componenții, modulii
Accesoriile necesare
Reglarea
Ambalarea componenților
Oformarea

PERFORMANȚA

Funcția de bază
Viteza
Capacitatea
Capacitatea utilă
Mărimea
Flexibilitatea
Performanța contra constrîngerii
( puterea / greutatea, capacitatea / cheltuielile)

FACILITĂȚILE DE UTILIZARE
Controlurile, prezentările, diagramele
Ergonomia ( biotehnologia)
Factorii umani
Instruirea

Corelația dintre om şi maşină

Manualele, documentația
Condițiile nefavorabile de muncă
Manipularea
FIABILITATEA ( siguranța)
Siguranța
Toleranța
Stabilitatea
Calitatea
Integritatea structurală
Sisteme inutile
Detectarea şi corectarea greşelilor
Efectele sarcinilor neobişnuite
Efectele greşelii operatorului

PERSPECTIVELE
Durabilitatea, viață
Valabilă / nevalabilă pentru lucru
Extenuarea, uzarea, griparea
Abilitatea de a se păstra
Durabilitatea
Durata componentului
Susținerea
Calitatea
Verificarea, măsurile peventive
Învechirea, ieşirea din uz
Compatibilitatea ascendentă
Standardizarea
CHELTUIELILE SOCIALE( adeseori "cheltuieli ascunse")
Poluarea
Asistența medicală
Zgomotul
Efectele de eşec
Probleme legate de legislație
Regulamentele Guvernamentale
Utilizarea resurselor

Siguranța, garanția produsului
Mediul ambiant
Obiceiurile şi taboo-urile
Producția relatată
CHELTUIELILE DIRECTE
Cheltuielile inițiale ( depind de model, tehnologie,materiale, metode de producere, deşeuri, inventar, grafic, etc).
Cheltuielile la furnizarea materialelor necesare pentru producție
Cheltuielile la utilizarea eficientă a energiei
Cheltuielile pentru instruire
Cheltuielile pentru menținerea oficiului
Cheltuielile financiare
DISPONIBILITATEA
Marketingul
Vînzarea
Distribuirea
Stocurile
Timpul de avansare
Orînduirea
Geografia
Cantitatea, ambalajul
Dublicarea surcelor
Selectarea formelor
Utilajul opțional
Conştientizarea
Stabilirea prețului

EXHIBIT A5.6

**Concurrent Engineering Tasks**

| Phase | Product activities | Process activities |
|---|---|---|
| Concept | Product definition<br>Customer analysis<br>• Hardware<br>• Electronics<br>• Software | Process definition<br>Customer analysis<br>Components plan<br>Assembly plan<br>Test plan<br>Supplier requirements |
| Prototype | Design verification<br>Serviceability<br>Reliability | Quality verification<br>Methods/process<br>Supplier network<br>Capacity planning<br>Cost analysis<br>Training |
| Early manufacturing | Final tooling assessment<br>Reliability review<br>Regulatory approval | Quality verification<br>Supplier process capability<br>Customer critiques<br>Cost analysis |
| Production | Review performance<br>"Lessons learned"<br>Ongoing performance upgrade of product<br>Next product plan | Continuous improvement<br>Cost/yield analysis<br>Ongoing performance upgrades<br>Obsolescence plan<br>Next process/product |

## [3] Manufacturing's Early Role

When the design team is ready to release a prototype product to manufacturing, it is too late to determine that it is not manufacturable. In fact, it is probably too late when the design is documented on paper or in a CAD system. At this point, redesigning the product for manufacturability creates extra work and will delay market introduction.

With early manufacturing involvement, as the product designer is formulating ideas, the manufacturing engineer is ready to discuss those ideas and to assist, constructively criticize, and provide alternatives. When a company develops a new product concept, it must assess how it will be manufactured, how components will be purchased, how the product will be shipped and distributed, and how the product will be serviced. The design team must become a "cross-functional" group. All critical functional elements of the value chain must be represented and involved, not just those from the product design function.

**Sarcini de Inginerie Corespunzătoare**

| Faza | Activitățile produsului | Activitățile procesului |
|---|---|---|
| Conceptul | Definirea produsului<br>Analiza cumpărătorului<br>• Hardware(tehnol)<br>• Electronica<br>• Software(prog) | Definirea procesului<br>Analiza cumpărătorului<br>Planul componenților<br>Planul de asamblare<br>Planul de testare<br>Cerințile furnizorului |
| Prototipul | Verificarea proiectului<br>Capacitatea deservirii<br>Încredere | Verificarea calității<br>Metode / Proces<br>Aprovizionarea rețelei<br>Capacitatea planificării<br>Analiza cheltuielelor<br>Instruirea |
| Etapa inițială de producție | Aprecierea instalării finale<br>Revederea încrederii<br><br>Aprobare permanentă | Verificarea calității<br>Posibilitatea procesului de aprovizionare<br>Critica cumpărător.<br>Analiza cheltuielelor |
| Producție | Revederea performanței<br>"Lecțiile învățate"<br><br>Modernizarea performasnței continu a produsului<br>Următorul plan al produsului | Îmbunțtățirea continuă<br>Analiza cheltuiel. şi a venitului<br>Modernizarea performanței continuu<br><br>Plan ieşit din uz<br><br>Următorul proces/produs |

## 3 Rolul etapei inițiale de producție

Cînd echipa de proiectanți este gata de a lansa prototipul produsului, este prea tîrziu de a determina că acest produs este neproductibil. De fapt, este deja prea tîrziu atunci, cînd proiectul este documentat pe hîrtie sau cînd se află în sistemul CAD. În aşa caz, reproiectarea produsului cu scopul de a-l aduce la starea de productibilitate crează probleme şi reține lansarea produsului pe piață .

În faza inițială de producere proiectantul produsului formulează ideile, inginerul de prioducere este gata să discute aceste idei, să ofere ajutor, să le supună unei critice construcvtive şi sî ofere alternative. Atunci cînd compania elaborează concepția uniu produs nou, ea trebuie să considere şi procesul de fabricare a acestui produs, cum vor fi pro curate părțile componente, cum va fi transportat, distribuit şi deservit produsul. Grupul de proiectare trebuie să devină un grup " multifuncțional". Trebuie să fie reprezentate şi incluse, toate elementele funcționale critice ale lanțului valoric şi nu doar cele din funcția de -proiectare a produsului.

**EXHIBIT A5.1**

## Design for Manufacturability and the Value Chain

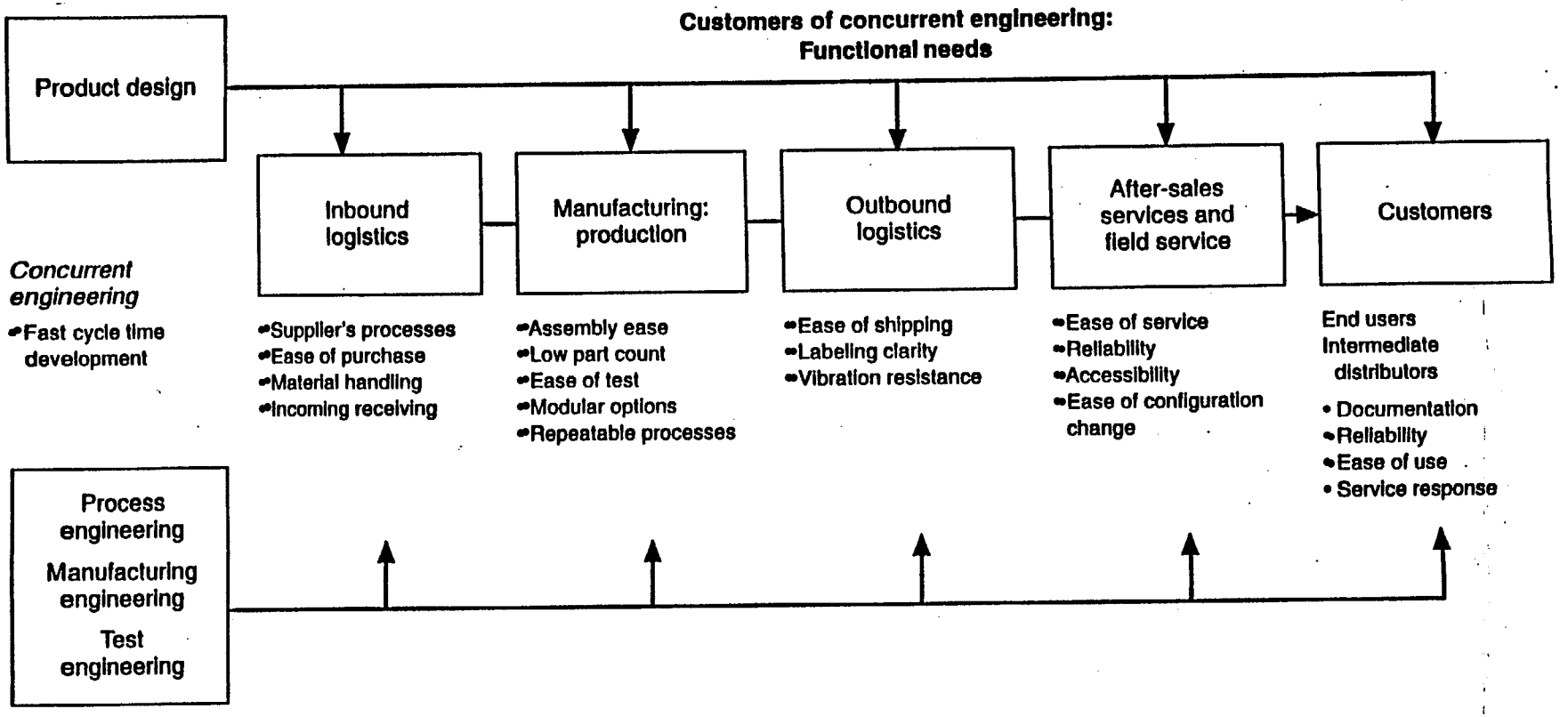
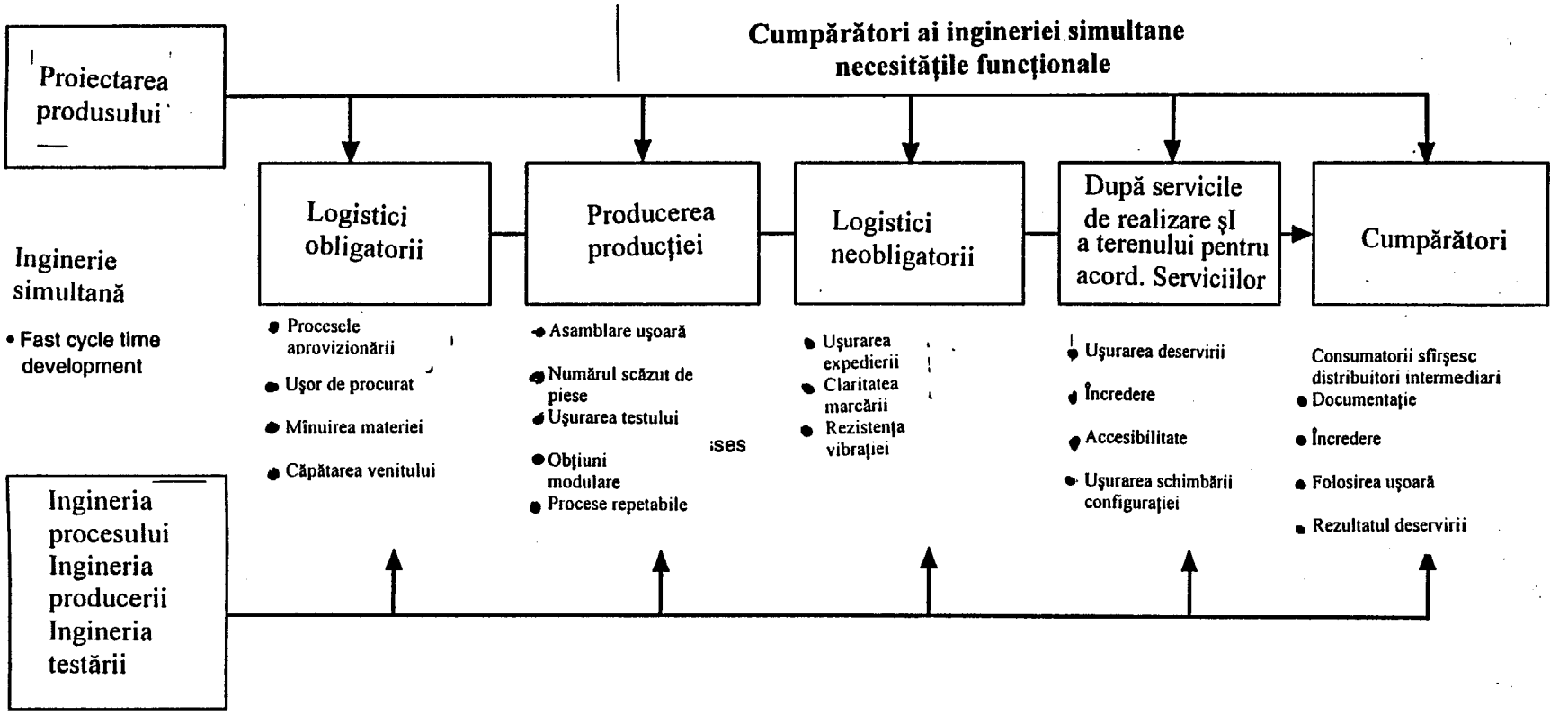


**EXHIBIT A5.1**

**Proiectarea pentru Productabilitate şi Valoarea Reţelei**



. Therefore, DFM designers must be familiar with the production operations and process to be used for the product.

In this stage of DFM implementation, the design team selects some trial conceptual design to be assembled. The team must then decide whether the production process will be by (for example) manual methods, semiautomated assembly, or some form of robotic assembly. These processes vary in how components are handled and presented to the partially completed assembly. The DFM process then makes a series of computations of the assembly efficiency factor for each of a variety of component shapes, materials, and configurations. The choice of these configurations depends on the ingenuity of the design team and its adherence to several pivotal DFM guidelines (which are described later).

Because a detailed understanding of cost is so important to the implementation process, the design team must include the following projections in its model:

1. Some estimation of the product volume to be produced on an annual basis; and
2. The payback period for the financial investment of the production tooling and machinery.

The DFM model includes such elements as cost estimations for the product system being designed, a trial conceptual design, and a targeted production process as well as the projections described above. The DFM implementation process is now ready to be executed.

### [b] Executing the Design Iteration

The next stage is the implementation of the DFM process. Typical steps for a DFM approach to a mechanical subassembly might include the following steps, which are simplified here for purposes of illustration[25]:

1. Characterize the assembly to be analyzed from component drawings, assembly drawings, an actual sample, or a prototype sample.
2. Disassemble the product, and assign a part index number to each unique component.
3. For each part, prepare a worksheet with information about the number of times the part is used, the handling difficulty, the handling time, the insertion difficulty, the insertion time, and an estimate of the likelihood of eliminating the part in a subsequent design iteration. Complete the worksheet in the sequence that a production assembler would use to build the product. (The worksheets are replaced by more comprehensive software models in the better commercial approaches.)
4. For making judgments about whether a part can be eliminated, use the following types of criteria: Does the part move relative to its neighbors?

Deaceia, proiectantii PP trebuie sa fie la curent cu procedeele si procesul de producere care vor fi utilizate la fabricarea produsului in cauza.

La aceasta faza de implementare a PP, grupul de proiectanti selecteaza pentru asamblre un proiect conceptual experimental. Apoi grupul trebuie sa decida cum va fi procesul de fabricare - manual (de exemplu), semiautomatizat sau intr-o anumita masura robotizat. Aceste procese variaza in functie de felul in care sunt minuite partile componente si de felul in care sint pesentate ele in asamblarile completate partial. Apoi in procesul PP se fac o serie de calcule ale factorilor de asamblare eficienta pentru fiecare varietate de forme, materiale si configuratii ale componentelor. Alegerea configuratiilor depinde de ingeniozitatea grupului de proiectare si aderenta lui fata de citeva principii de baza ale PP (desrise mai jos).

Deoarece pentru implementarea procesului este foarte importanta intelegerea profunda a costului produsului, grupul de proiectari trebuie sa includa in model urmatoarele prevederi:

1. Unele evaluari ale volumuli de productie anual ale produsului;
2. Perioada de recuperare a investitiilor financiare pentru utilajul si echipament.

Modelul PP include asa elemente ca estimarile de cost ale sistemului de proiectare, un proiect conceptual experimental si procesul de productie definit, si de asenenea prevederile descrise mai sus. Acum procesul de implementare al PP este gata pentru executare.

b. Executarea proiectului

Faza urmatoare a implementarii proceuslui PP. Interpretarea PP ca o subasamblare mecanica poate sa includa urmatoarele masuri, descise mai jos intru-un mod simplificat din considerente de ilustrare:

1.Caracterizati analiza asamblarii dupa desenele tehnice ale componentelor, desenele tehnice ale asamblarii, un model adevarat sau un model al prototipului.

2. Dezasamblati produsul si numerotati fiecare component unical.

3. Pentru fiecare piesa pregatiti o lista cu informatii despre frecventa utilizarii piesei, dificultati de minuire, perioada de utilizare, dificultati de ajustare, timpul de ajustare, si evaluarea posibilitatilor de eliminare a piesei respective in variantele ulterioare ale proiectului. Completati lista in asa fel incit asamblorul sa s-o poata folosi la procesul de asamblare a produsului. (In interpretarile modernizate listele de informatii vor fi inlocuite cu modele de software mai sofisticate ).

4. Pentru a lua hotarirea poate sau nu fi eliminata o parte sau alta, utilizati urmatoarele criterii: se misca oare aceasta parte relativ la piesele vecine?

(If not, they might be combined.) Must the part (e.g., an insulator) be made from a different material than its neighbors? Must the part be separate to allow access or servicing?

5. When the worksheet has been completed for each component, add the columns of total operation time and total operation cost. Calculate the design efficiency for the particular configuration trial.
6. At this point, conceptually redesign the assembly, if necessary (e.g., the part shapes can be changed to make them easier to handle, parts can be combined, and the part count can be reduced).
7. Repeat steps 3–5 to develop a new worksheet to calculate a new design efficiency.
8. Compare the two worksheets to determine if progress has been made.
9. Repeat the redesign process in steps 6–8 as many times as necessary.

As an example of using DFM method with a commercial analysis package, Exhibits A5.4 and A5.5 show a mechanical assembly for a video cassette that has been modified and improved.[26]

The two drawings show the results of an exercise that (1) eliminated screws by replacing them with snap fit covers, (2) eliminated torsion springs, and (3) redesigned ratchets to eliminate asymmetry so that the same part could be used in either the left-hand or the right-hand side. As a result, the total assembly time was reduced 42 percent, to 92 seconds, the total part count was reduced from eighteen to twelve, and the number of standard parts (those most easily made or purchased) rose by 20 percent.

## [3] The Application Guidelines

Manufacturable designs should reduce confusion, complexity, and variability in the production process. They should also have the same effect on the end customer. The specific design guidelines that must be applied to achieve this objective must be developed by each company and vary depending on specific product technology. There are, however, some useful general rules for producing manufacturable designs. The following general guidelines can be adapted to satisfy those companies interested in designing specific manufacturable products.

### [a] Reducing the Number of Parts

Perhaps the most important single DFM application guideline is to reduce the number of parts in a product. Each part represents an opportunity for a quality defect in fabrication and assembly. With increasing part count, the probability of producing a perfect product decreases geometrically. Reducing the

(Daca nu, atunci ele pot fi combinate). Trebuie oare piesa ( de ex. un termoizolator) sa fie facuta din alt material decit piesele vecine? Trebuie oare piesa sa fie detasata ca sa asigure accesul sau deservirea ei?

5. Cind se completeaza lista de informatii pentru fiecare component, adunati timpul de productie total si cheltuielile totale. Calculati eficacitatea de proiectare pentru un anumit model de incercare.

6. La acest moment, in caz de necesiatate, reproiectati asamblarea din punct de vedere conceptual (de ex. forma pieselor poate fi shimbata pentru a fi minuite mai usor, piesele pot fi combinate si numarul pieselor poate fi redus).

7. Repetati masurile 3-5 pentru a elabora o noua lista de

8. Comparați cele două liste pentru a determina dacă s-a obținut progres.

9. Repetați procesul de proiectare a măsurilor 6-8 de căte ori este necesar.

Ca exemplu de folosire a DFM cu un pachet de analiză comercială, exponentele A5.4 şi A5.5 demonstrează asamblarea mecanică pentru o casetă video careb a fost modificată şi îmbunătățită.

Cele două desene demonstrează rezultatele unui exercițiu, care (1) au eliminat şuruburile înlocuindule cu capace simple corespunzătoare, (2) eliminînd arcurile de torsiune, şi (3) a reproiectat roțile dințate pentru a elimina asimetria în aşa mod, ca una şi aceiaşi să fie folosită atît în partea stîngă, cît şi în partea dreaptă. Ca rezultat timpul total de asamblare a fost redus cu 42%, pînă la 92 secunde, numărul total al pieselor a fost redus de la 18 pînă la 12 şi numărul pieselor standarde (celor mai uşor făcute ori cumpărate) a crescut cu 20%.

## 3. Indicațiile principale de Aplicare

proiectările de producție ar trebui să reducă confuzia, complexitatea şi variabilitatea în procesul de producție. Ele deasemenea ar trebui să aibă acelaş efectşi în scopul cumpărătorului. Indicațiile principale specifice de proiectare care trebuie aplicate pentru a atinge acest scop trebuie să fie dezvoltate de fiecare companie şi să difere de tehnologia specifică a produsului. Dar există totuşi cîteva reguli generale utile pentru producerea proiectărilor de producție.Următoarele indicații generale principale pot fi pentru a satisface companiile cointeresate în proiectarea produselor specifice.

### a Reducerea Numărului Pieselor

Probabil, că aceasta este cea mai importantă directivă (ind. princi.) de aplicare DFM, Fiecare piesă reprezintă o posibilitate de defect al calității la fabricare şi asamblare. Cu creşterea numărului pieselor scade geometric probabilitatea producerii unui produs perfect. Reducerea

**EXHIBIT A5.4**

## Cassette Exploded View Before Design for Manufacturability Analysis

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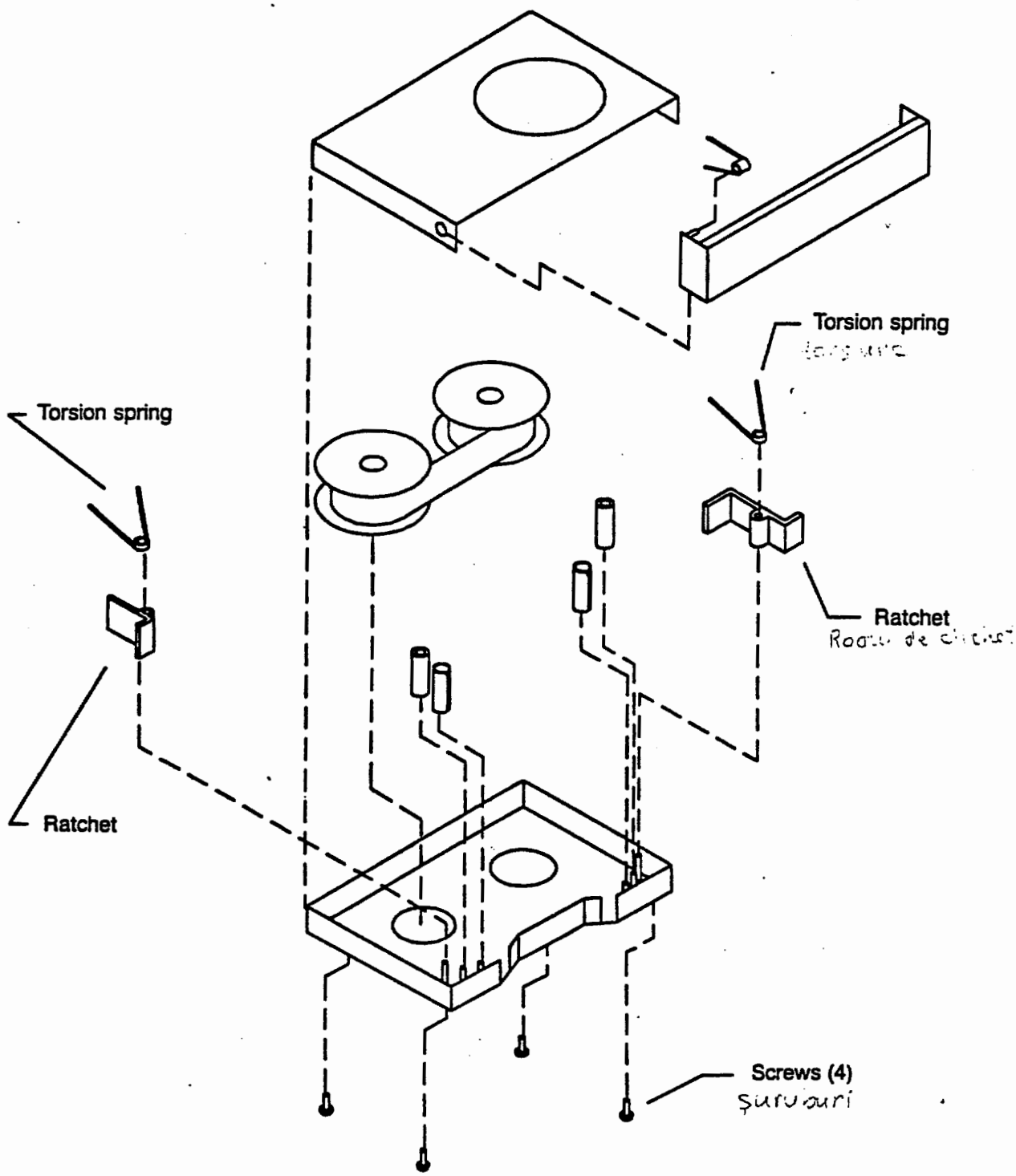

**EXHIBIT A5.5**

## New Cassette Exploded View After Design for Manufacturability Analysis

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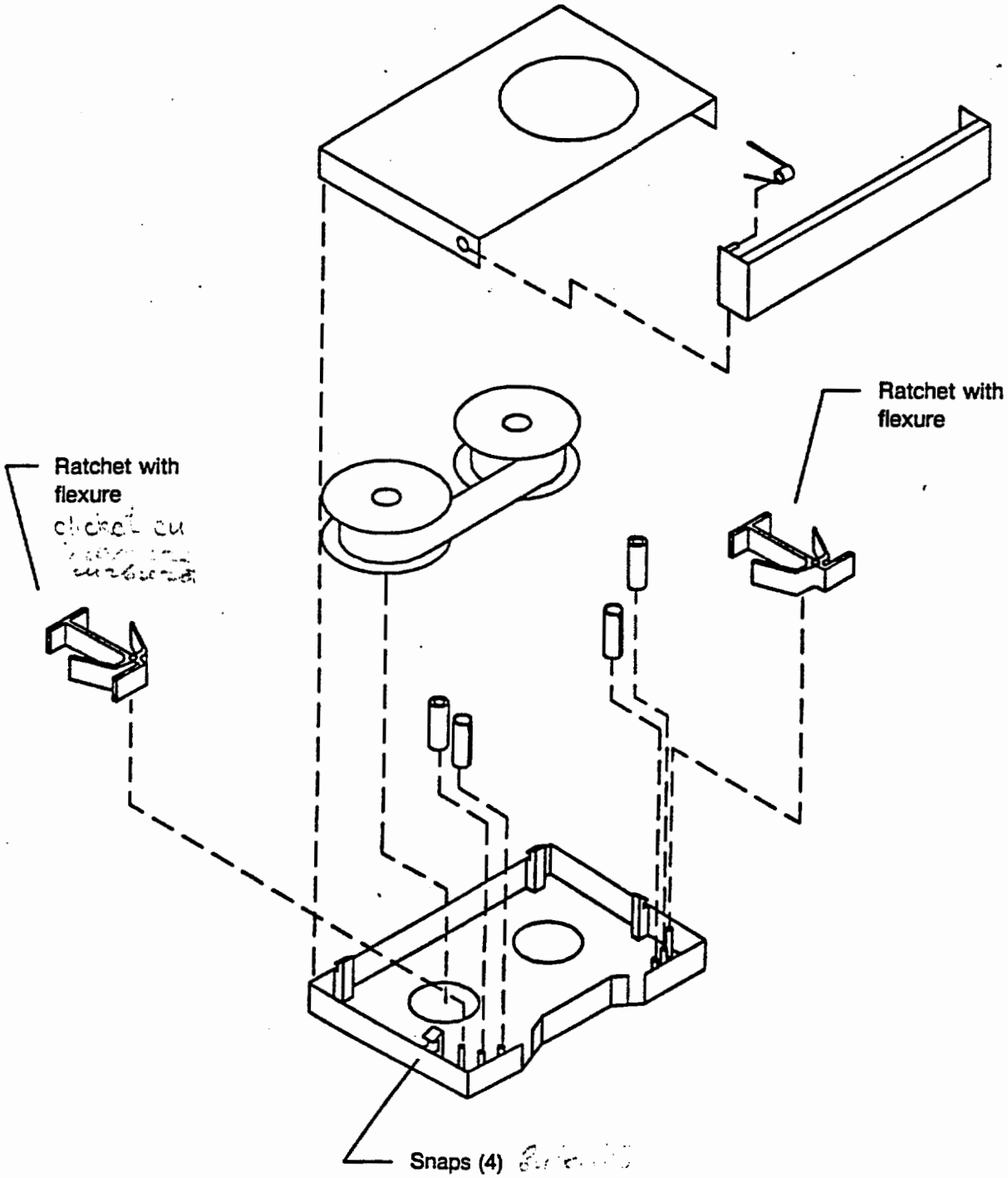





26b

number of parts by combining the function of several parts often yields a more reliable design. One example of the application of this guideline can be found in the semiconductor industry. Large, complex integrated circuits tend to have lower failure rates than comparable circuits made from many simpler discrete components. (There are, of course, exceptions. For example, a computer system with a redundant backup system built in may fail as a system less often than a computer system without a redundant backup system.)

The effect of fewer parts on total product cost can be dramatic: Part count is frequently proportional to assembly cost. In automated factories, for example, part count influences capital cost, because an assembly mechanism must be supplied for each part.

The effect on overhead cost is even more significant than the effect on assembly labor cost. In many manufacturing companies, manufacturing overhead costs exceed direct production cost, sometimes by as much as 5 or 10 times. This disparity offers a large opportunity for cost reduction. When combined with DFM analysis, techniques such as process value analysis can be very productive in overhead areas, such as incoming receiving, scheduling, purchasing, inventory management, moving parts, and internal tracking of part movement.

It is in this area that a thorough understanding of "overhead cost drivers" can contribute substantially to improving the effectiveness of design teams engaged in DFM processes. If the key contributions to overhead cost (e.g., rework or inventory handling costs) can be communicated to design teams, these costs can then be reduced through specific actions in a DFM analysis.

Even simple tasks (e.g., reducing the number of components, such as fasteners and washers) can have a dramatic effect on cost reduction. These reductions not only lower the handling complexity on the production floor but also have a significant effect on the number of "overhead" activities that must be performed to (for example) purchase, receive, and count. All these unnecessary activities contribute to costs in "the hidden factory."[27]

In electronics assemblies, this simple principle of reducing the number of parts has profound effects. A dominant trend is to use advanced design and production techniques to combine a large number of discrete electronic circuit components such as integrated circuits (ICs) into a much more complex (and often higher-performance) device, the application-specific integrated circuit (ASIC). The parts reduction in this case can be dramatic. A single 50,000-gate ASIC may perform the function of 100 individual ICs, with a fraction of the solder joints and handling costs, and occupy a fraction of the board space of the individual components. However, toooling costs for the custom-made ASIC can be substantial ($100,000); additionally, a design error can be both costly and time consuming. The trade-offs and their effects on company strategy must be considered carefully.[28]

numărului pieselor prin combinarea funcțiilor a cîtorva piese adeseori produce un proiect mai de încredere. Un exemplu de aplicare a acestei directive poate fi găsit în industria semiconductoarelor.

Circuitele mari complex integrate tind să aibă un coeficient mai scăzut de faliment decît circuitele făcute din mai mulți componenți, mai simpli, mai discreți. Desigur că există excepții. De exemplu, un sistem de compăuter cu un sistem de susținere suplimentară montat înăuntru poate da faliment ca sistem mai rar decăt un sistem de computer fără sistem suplimentar de susținere

Efectul unui număr mai mic de piese la cheltuielele totale a produsului poate fi dramatic: Numărul pieselor este adeseori proporțional cheltuielelor de asamblare. La uzinele automatizate de exemplu, numărul pieselor influențează cheltuielele capitale, deoarece trebuie asigurat un mecanizm de asamblare pentru fiecare piesă.

Efectul asupra cheltuielelor globale este chiar mai important decît efectul asupre cheltuielelor muncii la asamblare. La multe întreprinderi producătoare, cheltuielele globale de producție depășesc cheltuielele directe de producție, cîteodată de 5-10 ori. Acest decolaj oferă o posibilitate mare de a reduce cheltuielele. Atunci cînd combinăm cu analiza DFM metodele de felul analizei procesului pot fi foarte produczive în așa sfere globale, cum ar fi obținerea venitului, planificarea, cumpărarea, managementul stocului de mărfuri, schimbarea pieselor și urmărirea internă a mișcării pieselor.

# PROCESS

# DESIGN

# PROIECTAREA

# PROCESULUI

# COMPETE BETTER
## WITH
# C I M /F M S

## PEOPLE ARE MOST IMPORTANT
But They use
TOOLS AND EQUIPMENT

## SIMPLIFY - AUTOMATE - INTEGRATE

# CONCUREAZĂ MAI BINE
# CU
# CIM / FMS

**OAMENII SÎNT MULT MAI IMPORTANȚI**
**DAR EI FOLOSESC**
**UNELTELE DE MUNCĂ ŞI UTILAJUL**

**SIMPLIFICARE - AUTOMATIZARE - INTEGRARE**

# THE PATH TO FUTURE FMS

## Flexible Manufacturing Systems

POLICY

1.WHAT PRODUCT TO MAKE (From Strategic Plan)

- Market Differentiation
- Market Innovation
- Market Quality

2 DESIGN CRITERION

IMPLEMENTATION

3.VALUE ENGINEERED DESIGN

- Cost/Value/Profit by Feature

4.SELECT DES.ELEMENTS to MAX. CUSTOMIZE

- Universal "Lego-Bloc" Components

5.SELECT EQUIP.PROCESS TECH.

- Economy of Scale
- Single Minute Change-over

6.PROG. AND SOFTWEAR DESIGN TO INTEGRATE

- Materials
- Processes
- Training

**CALEA SPRE VIITOARELE SFD**
**SISTEME FLEXIBILE DE PRODUCERE**

**POLITICA**

**1. CE SĂ PRODUCEȚI ( CONFORM PLANULUI STRATEGIC)**

- **DIFERENȚIEREA PIEȚII**
- **INOVAREA PIEȚII**
- **CALITATEA PIEȚII**

**2. PROIECTĂRI**

**IMPLIMENTARE**

**3. VALOAREA PROIECTULUI ELABORAT**

- **COSTUL/VALOAREA/PROFITUL ÎN DEPENDENÞĂ DE PARAMETRII DE PROIECTARE**

**4. SELECTAREA ELEMENTELEOR PROIECTULUI PENTRU MAXIMALIZAREA DEPRINDERILOR**

- **COMPONENȚI**

**UNIVERSALI LEGO-BLOC**

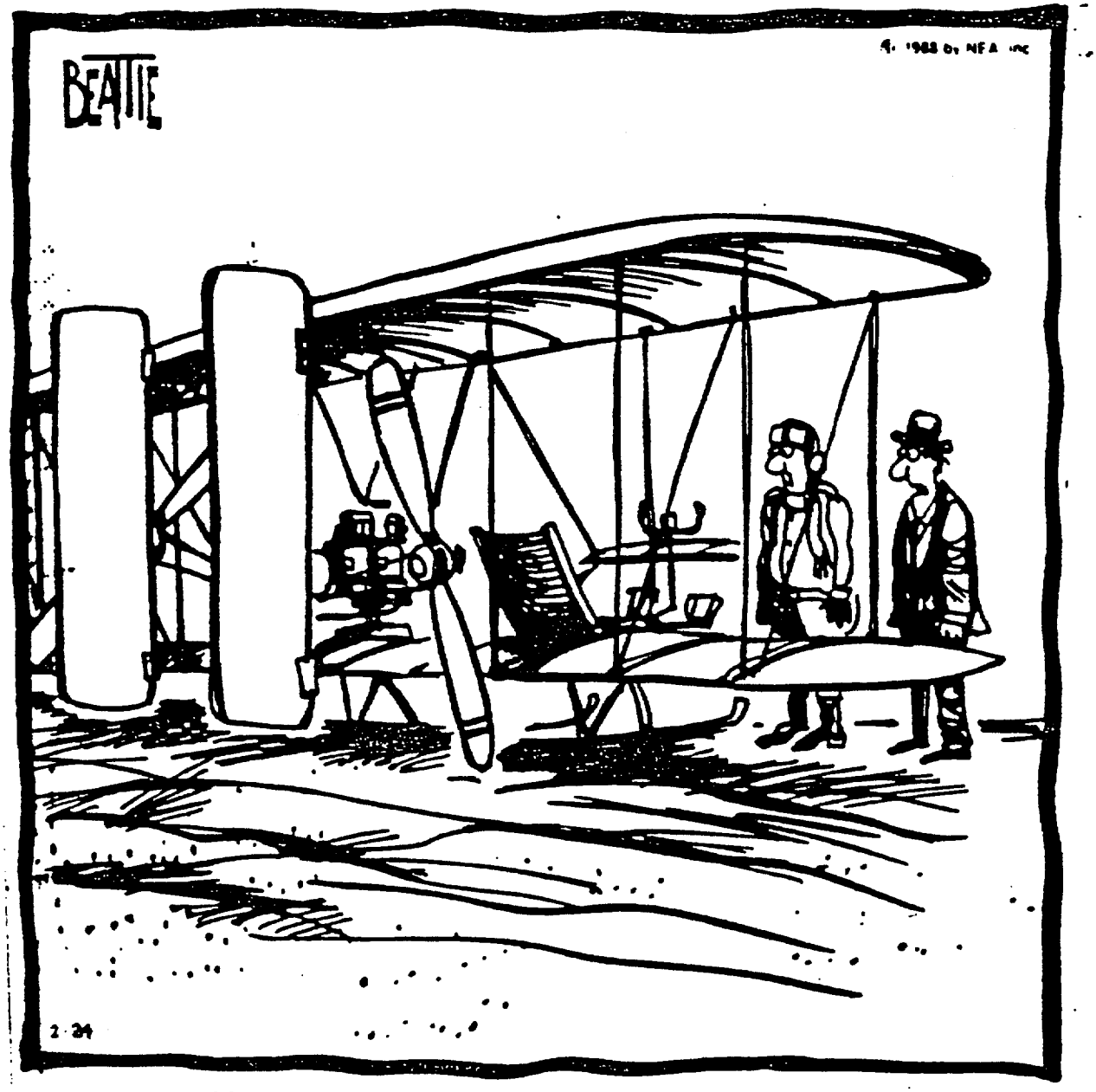
**5. SELECTAREA TEHNOLOGIEI UTILAJULUI PENTRU PRODUCERE**

- **ECONOMIE DE BALANȚĂ**
- **SCHIMBARE BRUSCĂ**

**6. PROGRAMAREA ŞI PROIECTAREA SOFTWEAR PENTRU INTEGRARE**

- **MATERIE PRIMĂ**
- **PROCESE**
- **INSTRUIRE**

## SNAFU/by Bruce Beattie




"What improvements could we make *besides* putting in a no-smoking section?"

# Glossary of Terms

NC - NUMERIC CONTROL MACHINERY
CONTROLLED BY DIGITIZED TAPE
OR COMP. INPUT

CAM- COMPUTER AIDED MACHINING
(OR MANUFACTURING)

CAD -COMPUTER AIDED DESIGN

CAD/CAM - COMPUTER DESIGN DATA TRANS
TO NC MACHINE

CAT - COMPUTER ASSISTED TEST

CAI - COMPUTER ASSISTED INSPECTION

CAE - COMPUTER ASSISTED ENGINEERING

CIM - COMPUTER INTEGRATED MANUFACTURING

CIM ENTERPRISE - HOLISTIC CONCEPT
SBU- STRATEGIC BUS. UNIT

GT - GROUP TECHNOLOGY - FAMILY -CLASSES
OF CONFIGURATIONS OF
PARTS, MATERIALS,ETC.

## GLOSAR DE TERMENI

MCN -MECANIZM DE CONTROL NUMERIC
CONTROLAT DE O CASETĂ NUMERICĂ

PC - PRELUCRAREA SAU PRODUCEREA COMPUTERIZATĂ

PC - PROIECTARE COMPUTERIZATĂ

PCD/MCN - PROIECTAREA COMPUTERIZATĂ A DATELOR
ŞI TRANSFERAREA LOR ÎN MECANIZMUL DE CONTROL NUMERIC

TC - TESTARE CU COMPUTERUL

VC - VERIFICARE CU COMPUTERUL

CC - CONSTRUCŢII COMPUTERIZATE

PIC - PRODUCEREA INTEGRATĂ A COMPUTERILOR

CH - CONCEPŢIE HOLISTICĂ (TENDINŢĂ SPRE UNITĂŢI ÎNTREGI)

UBS - UNITATE DE BUSINESS STRATEGICĂ

GT - GRUP TEHNOLOGIC - FAMILIE - CLASE
DE CONFIGURAŢII
DE PĂRŢI, MATERIE ETC.

# SIMPLIFY

PRODUCT DESIGN

PART OR ITEM DESIGN

PROCESS TOUCH LABOR

HANDLING AND TRANSPORT

# SIMPLIFICĂ

PROIECTUL PRODUSULUI

O PARTE SAU DENUMIREA PROIECTULUI

PROCESUL DE MUNCĂ DUR

CONDUCEREA ŞI TRANSPORTUL

# AUTOMATE

USE BACKLOG OF TECHNOLOGY

SUBSTITUTE HI-OUTPUT MACH

PROVIDE MECHANICAL ASSISTANCE

# AUTOMATIZAȚI

**FOLOSIȚI REZERVELE TEHNOLOGIEI**

**SUBSTITUIȚI UTILAJUL CU RANDAMENT ÎNALT**

**ASIGURAȚI ASISTENȚA MECANICĂ**

# INTEGRATE

MACHINERY CONTROLS

TRAVEL -PEOPLE & MATERIALS

SOFTWARE

REPORTS TO INFER DECISIONS

# INTEGRAȚI

## CONTROLUL UTILAJULUI

## CHELTUIELELE PERSONALE ÎN DEPLASĂRI A OAMENILOR

## SOFTWARE

## RAPORTARE ASUPRA LUĂRII DECIZIILOR

# WHY POSSIBLE NOW ?

DIGITALIZED INFORMATION

RANDOM ACCESS

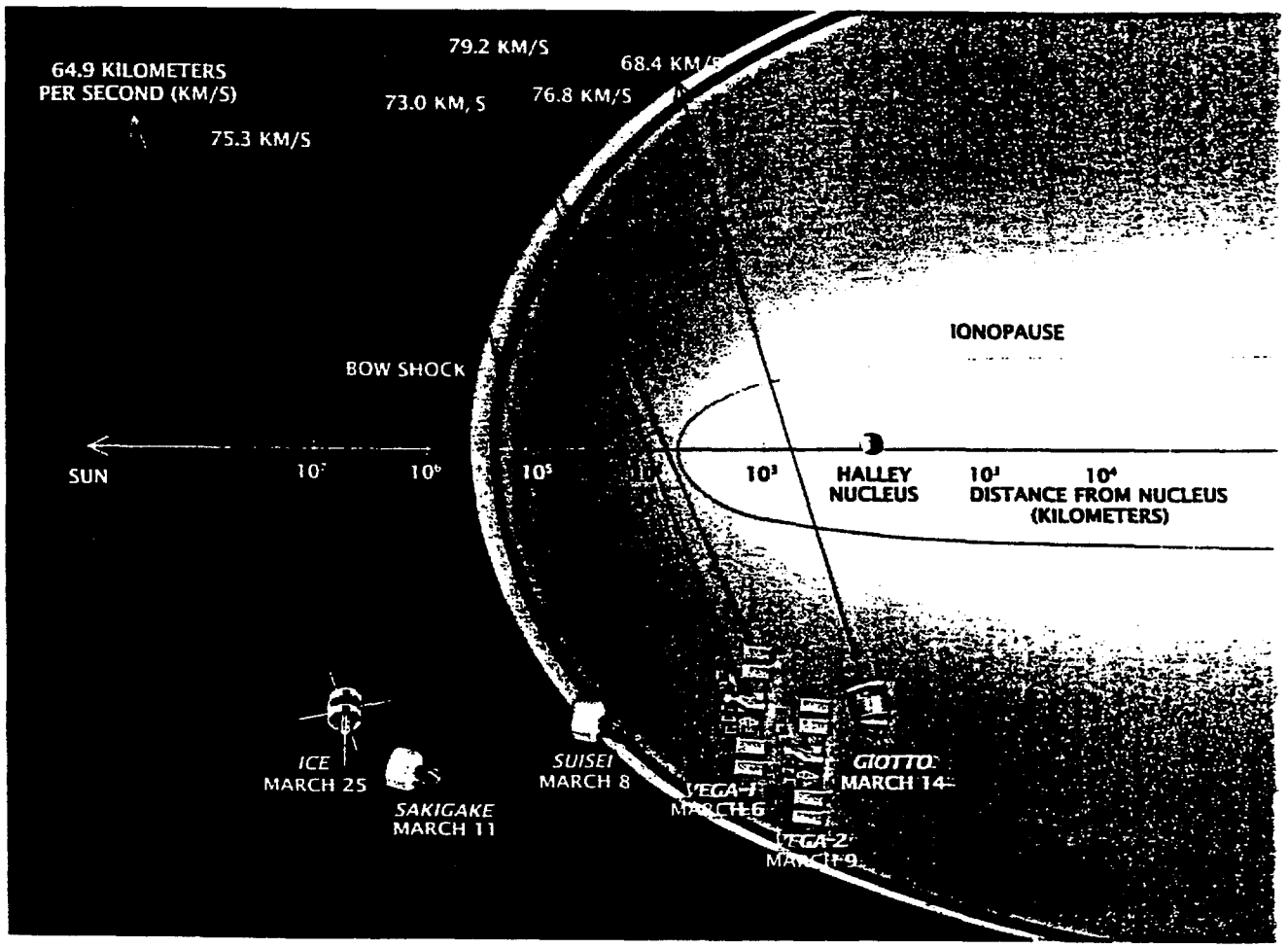
LOCATION ABILITY

# DE CE ESTE POSIBIL ACUM?

**INFORMAȚIE ÎN CIFRE**

**ACCES ÎNTÎMPLĂTOR**

**POSIBILITATEA DE LOCALIZARE**


64.9 KILOMETERS
PER SECOND (KM/S)
75.3 KM/S
73.0 KM/S
79.2 KM/S
76.8 KM/S
68.4 KM/S
BOW SHOCK
IONOPAUSE
SUN
$10^7$
$10^6$
$10^5$
$10^3$
HALLEY
NUCLEUS
$10^3$
$10^4$
DISTANCE FROM NUCLEUS
(KILOMETERS)
ICE
MARCH 25
SAKIGAKE
MARCH 11
SUISEI
MARCH 8
VEGA-1
MARCH 6
VEGA-2
MARCH 9
GIOTTO
MARCH 14

## WHY DON'T WE DO IT? INVEST
## What are the Barriers and Issues

- Lack of Management Follow-up
- Disinvestment as a Policy
- Object to Data Accumulation
- Organization Resists Any Change
- Lack of Knowledge or Training
- Engineers Resist Change
- Absence of Priorities
- Fear of Uncertainty
- No Accurate Costing Methods
- We've Always Done It This Way!

**DE CE NU FACEM INVESTIŢI?**
**CARE SÎNT OBSTACOLELE ŞI PROBLEMELE**

- **LIPSĂ DE PERSEVERENŢĂ**
- **NEINVESTIREA CA POLITICĂ**
- **OBIECŢII LA INFORMAŢIA ACUMULATĂ**
- **ORGANIZAŢIA SUPORTĂ ORICE SCHIMBĂRI**
- **LIPSĂ DE CUNOŞTINŢE ŞI INSTRUIRE**
- **INGINERII SUPORTĂ SCHIMBĂRILE**
- **ABSENŢA PRIORITĂŢILOR**
- **TEAMA NESIGURANŢEI**
- **NU EXISTĂ METODE EXACTE PRECISE A PREŢURILOR**
- **NOI TOTDEAUNA PROCEDĂM IN AŞA MOD**

# RESULTS FROM CIM

Case study results

General Electric -- Dishwasher

Piece Count for line - 5600 Red. to 850

60% Inventory reduction

53% Reduction of Customer Service Calls

Reduced WIP time from 6 days to 18 hours

Increased employee productivity more than 25%

Capacity increased more than 20%

Installed with no shutdown of existing mfg.

All parts made and plastic molded at pt.of use.

Entire process run by 34 G.E. programmable controllers, DEC PDP 11/44,MATRIX,Graphic Dis.

IBM - Chip manufacturing

5000 new designs per year.

100 automated tools in 8 lines

Full automated transport AVG

Revamp being considered after 5 yrs. oper.

New product for Cust. in 18 days normal
3 days expedited

High Technology Mag. May 85

# REZULTATELE PRIMITE DE LA PIC

## Rezultatele studierii cazului

~~Stația Electrică~~ – Mașina de spălat vesela

Numărul de bucăți pe linie - 6500 către 850

60% reducerea inventarului

53% Reducerea Chemărilor pentru Servicii a Clienților

A fost redus WIP timpul de lucru de la 6 ore la 8 ore

A crescut productivitatea angajaților cu 25% mai mult

A crescut capacitatea cu 20% mai mult

Toate părțile confecționate și modelate palstic pentru folosire

Procesul în total ajunge la 34 EG sisteme de control programate

IBM – producerae microschemelor

5000 articole noi pe an

100 de instrumente automate la 8 linii

Transport automatizat pe deplin

Renovarea fiind considerată după 5 ani de activitate

Noul produs pentru clienți pregătit în 18 zile normal fiind 3 zile mai repede

Tehnologie înaltă Revista din Mai 1985

# Case studies (Continued)

WESTINGHOUSE -- Electronic Assy- Boards

- Kitting Raw Materials
- All automatic insert and finish
- 99% pass Final test
- WIP cut by 65%
- Cycle time reduced by 80%
- Reduced 75% touch labor
- Reduced losses in mat'l 90%
- Reduced floor space requirement 60%

APPLE - MACINTOSH PRODUCTION LINE

- Paperless environment
- All instructions via computer
- Bar code data collection
- Inventory turns 25 times per year

HARLEY - DAVIDSON

- Raw and WIP inventory turns from 5.9 to 15
- Reduced 75% set-up time
- Reduced in-process Inventory costs #23Mto $8.5M
- Returned to market Leadership/profitability

**CAZ DE STUDIU (CONTINUARE)**

**WESTINGHOUSE – MONTARE ELECTRONICĂ – PLĂCI**

APROVIZIONAREA CU MATERIE PRIMĂ

TOATE ÎNTRODUCERILE AUTOMATE ŞI AU TRECUT TESTUL FINAL CU 99%

PROCESUL DE PRODUCŢIE S-A REDUS CU 65%

TIMPUL DURATEI DE PRODUCŢIE S-A REDUS CU 80%

MUNCA MANUALĂ A FOST REDUSĂ CU 75%

AU FOST REDUSE PIERDERILE MATERIEI PRIME CU 90%

A FOST REDUS SPAŢIUL CU 60%

**APPLE – MACINTOSH LINIA DE PRODUCERE**

NU FOPLOSEŞTE HÎRTIE

TOATE INSTRUCŢIUNILE LE PRIMEŞTE DE LA COMPUTATOR

CIRCUITUL STOCURILOR 25 ORI/AN

**HARLEY – DAVIDSON**

ROTAŢIILE MATERIEI PRIME ŞI A PROCESULUI DE PRODUCERE DE 5.9 PÎNĂ LA 15

A FOST REDUS TIMPUL ADECVAT CU 75%

AU FOST REDUSE CHELTUIELELE PENTRU INVENTARIU DE PRODUCERE # 23M PÎNĂ LA $8.5

AU DEVENIT LIDERTI AI PIEŢII/ RENTABILITĂŢII

## Laser Magnetic Storage International
# JIT/TQC/TEI/CIM

Product - Several discrete assembly lines were integrated into a single mixed model line accommodating over 175 models of the Keystone tape drive.

- 80% Cycle-time Reduction
- 60% Yield Improvm't
- 50% Space Red.
- 94% Defect Reduction
- 70% Inventory Red.
- 82% WIP Reduction
- 93% Daily Schedule Lin.
- 100% Cust. Del'y Comm.
- Quality now "Drop Ship" certified to major cust.
- Mixed model line makes something for every customer, everyday.
- Inc. all Administrative Processes and Prod. Design

**LASER MAGNETIC STORAGE INTERNATIONAL**
**JIT / TQC / TEI / CIM**

**PRODUSUL - CÎTEVA LINII DE ASAMBLARE DIFERITE AU FOST INTEGRATE ÎNTR-O SINGURĂ LINIE DE MODEL MIXED ACCEPTÎND PESTE 175 MODELE DE BENZI PENTRU KEYSTONE**

- **80% REDUCEREA TIMPULUI DURATEI DE PRODUCŢIE**
- **60% ÎMBUNĂTĂŢIREA PROFITULUI**
- **50% REDUCEREA SPAŢIULUI**
- **94% REDUCEREA DEFECTELOR**
- **70% REDUCEREA INVENTORIULUI**
- **82% REDUCEREA TIMPULUI PROCESULUI DE PRODUCŢIE**
- **93% GRAFICULUI ZILNIC**
- **100% FURNIZAREA CONSUMATORULUI**

- **ACUM MAJORITATEA CONSUMATORILOR GARANTEAZĂ CALITATEA.**
- **LINIA DE MODEL MIXED ÎNDEPLINEŞTE CEVA PENTRU FIECARE CONSUMATOR, ÎN FIECE ZI.**
- **INCLUZÎND TOATE PROCESELE ADMINISTRATIVE ŞI PLANIFICAREA PRODUCŢIEI**

# JIT/TQC CHANGES AT NCR-Ithaca

- Mfg. cycle time reduced 85%
- Inventory reduced 77%
- Production space reduced 60%
- Assembly process time reduced 77%
- Quality levels at 99% plus
- 99% + On-Time product deliveries

Product-- Printer peripherals for retail point of sale, auto tellers, banks

Three year program

JIT / TQC CHANGES AT NCR - Ithaca??????

- **TIMPUL DURATEI DE PRODUCERE A FOST REDUS CU 85%**
- **INVENTORIUA FOST REDUS REDUS CU 77%**
- **SPAȚIUL DE PRODUCERE A FOST REDUS CU 60%**
- **TIMPUL PROCESULUI DE MONTARE A FOST REDUS CU 77%**
- **NIVELUL CALITĂȚII MAI MULT DE 99%**
- **99% + LIVRAEA PRODUSELOR LA TIMP**

**PRODUSUL - ??????????**

**PROGRAM DE TREI ANI**

# WHAT IS A "focused factory" ?

# CE

# ESTE

# O

**"ÎNTREPRINDERE
ASUPRA CĂREIA
SE
CONCENTREAZĂ ATENŞIA"**

**?**

# ANNEX II
## ACTION PLAN TEMPLATE

# OUTLINE

## I. BRIEF DESCRIPTION OF ENTERPRISE

P11/2 +ANNEX VM

A. HISTORY WHEN IT WAS FORMED. PRODUCT EVOLUTION, PRE AND POST-PRIVATISATION BENCH MARK STATISTICS (SALES, PROFITS, EMPLOYMENT. ETC.)

B. HISTORICAL ROLE OF ENTERPRISE IN THE COMMUNITY (SOCIAL AND ECONOMIC).

C. PRIVATISATION PROCESS: DATES. OWNERSHIP. CORP. GOVERNANCE. STOCK REGISTRY, DISPUTES IF ANY, ETC.

D. QUALITATIVE AND QUANTITATIVE DESCRIPTION OF BUILDINGS, LAND. MACHINERY EQUIPMENT OWNED BY ENTERPRISE.

E. BRIEF SUMMARY FINANCIAL OVERVIEW.

F. MAJOR POSITIVES AND NEGATIVES FACING THE ENTERPRISE TODAY (COMPARATIVE ADVANTAGE AND DISADVANTAGE).

## II. SUMMARY DIAGNOSTIC OF PROBLEMS OF ENTERPRISE AND ITS CURRENT POSITIONS:

P2 +ANNEX FP/DW

A. ANALYSIS OF FINANCIAL POSITION

1 PROFIT AND LOSS STATEMENT, BALANCE SHEETS, SUMMARY INCOME STATEMENTS

2 SUMMARY RATIO'S (IE. CURRENT RATIO. QUICK RATIO, LIABILITIES/TOTAL ASSETS. SHORT TERM LIABILITIES, CAPITAL EQUITACY. TRADING PROFIT. MATERIAL COSTS/REVENUES. LABOUR COSTS/REVENUES, OPERATING COSTS/REVENUES. TRADING PROFIT/ REVENUES, ACCOUNTS RECEIVABLE AND PAYABLE ANALYSIS. ETC.)

3 DETERMING THE ADEQUACY OF ACCOUNTING PRACTICES AND ALL FINANCIAL REPORTING MECHANISMS

4 CONCLUSIONS. COMMENTS AND RECOMMENDATIONS TO IMPROVE FINANCIAL PERFORMANCE.

P1 VS

B. ANALYSIS OF MANAGEMENT AND PERSONNEL ISSUES

1 QUALIFICATION OF MANAGEMENT
2 MANAGEMENT AND PRODUCTION ORGANISATIONAL STRUCTURES
3 MANAGEMENT AND PERSONNEL TRAINING PROGRAM
4 EMPLOYEE OWNERSHIP ISSUES
5 THE ROLE OF THE LABOUR UNIONS

P2 1/2 GM

C. COMMENT AND ANALYSIS OF MANUFACTURING CAPACITY AND PRODUCTION EFFICIENCY REVIEW

1. ANALYSIS OF SALES REVENUES BY :
   A. PRODUCTS
   B. PLANNED NEW PRODUCTS-THIS YEAR-LONGER TERM
   C. MARKET-SIZE/SHARE-SALES PLANT
   D. PRICING PROBLEM CURRENT

2. PRODUCT ANALYSIS
   A. PRODUCT FIT TO COSTUMER NEEDS (CURRENT)
   B. TRADE ANALYSIS
   C. REENGENIERING PLANS NEW OR DESIGNS FOR CHANGES IN THE FUTURE

3. ANALYSIS OF MANUFACTURING PROCESS
   A. QUALITY CONTROL
   B. PRODUCTION CAPACITY RELATED TO MARKET DEMAND

4. COST ANALYSIS
   A. COST OF GOODS SOLD
   B. MANAGEMENT PLAN FOR MARGIN/PRICE (CURRENT)
   C. CHANGES POSSIBLE IN PRODUCTION COST
   D. CURRENT MANUFACTURING PROCESS, COST EFFICIENCY
   E. PLANNED CHANGES TO INCREASE MANUFACTURING COST EFFICIENCY
   F. POSSIBLE CHANGES TO INCREASE MANUFACTURING COST EFFICIENCY

5. PRODUCTION SCHEDULING
   A. REVIEW PLANNING PROCESS, MASTER SCHEDULE

6. INVENTORY MANAGEMENT ISSUES

   A. REVIEW TOTAL SUPPLY CHAIN
   B. IDENTIFY TRANSPORT PROBLEMS OR CONCERNS
   C. REVIEW FACTORY PRODUCTION CONTROL PROCEDURES
   D. INVENTORY TURN OVER RATES

7. REVIEW MAINTENANCE ISSUES AS THEY EFFECT PRODUCTION EFFICIENCY
   A. PRODUCTION DOWNTIME
   B. ENERGY PROBLEMS
   C. CONSURVATION POSSIBLE

P1 D.
VS

CONTINGENT LIABILITIES

1. SOCIAL ASSETS

2. LEASES AND OTHER FORM OF ASSET TRANSFERS ETC.

3. OBLIGATIONS TO PENSIONERS ETC.

## III. LEGAL OR REGULATORY ISSUES

P1
CJF

1. ARE THERE ANY LEGAL ACTIONS PENDING OR PROTEST AGAINST THE ENTERPRISE

2. ANY REGULATIONS OR LAWS THAT EMPEED THE COMPANY FROM OR PREVENT THE ENTERPRISE FROM IMPLEMENTING PLANS (IE: LAND SALES)

## IV. ANALYSIS OF PURPOSED CONSULTING INTERVENTIONS AND THERE PROJECTED IMPACT ON THE ENTERPRISE.

P3
+ANNEX
VM

1. DESCRIPTION OF THE PROPOSED CONSULTING ACTIVITY INCLUDING TIME TABLE AND CONSULTING PERSONNEL REQUIRED. ( ACTION PLANS)

2. PROJECTED IMPACT ON THE ENTERPRISE

   A. FINANCIAL ( INCLUD. OBJECTIVES AND BENCHMARKS)

   B. POTENTIAL INCREASE IN OPERATIONAL EFFICIENCIES

POSSIBLE 11P
+ ANNEXES

# OUTLINE
# "ZETO" SA

## I. BRIEF DESCRIPTION OF THE ENTERPRISE

**A.** *History, Product Evolution*. The Thermal Power Equipment Works from the Town of Chadyr-Lunga was created on March 16, 1959, on the Decision of the Soviet of the Public Economy of Moldavian S.S.R.

The basic assortment of the products is as follows: electro-thermal resistance stoves, gas mixing equipment, drying ovens, consumer goods (water heating boilers, electrical converters for housing heating, electrical ranges, gas heating boilers for house heating).

They are now also planing the production of new convection heaters.

**B.** *Historical Role of Enterprise in The Community*. In its field of activity "ZETO" is a monopoly. The nearest competitors of the enterprise are in Russia, such as "Zil" (but the cost of Zil's production is higher). This enterprise furnishes employment of 200 people of Chadyr-Lunga. The Joint-Stock Company "ZETO" satisfies the needs in industrial equipment of the machine building industries of Moldova, the Ukraine and Russia. Some production is also exported to Western and Eastern Europe.

**C.** *Privatization Process*. The enterprise was privatised in 1994 at the republican auction for subscription of shares. From 11/21/1994 ZETO is a Joint-Stock Company having a share capital of Lei 1,860,500. As on the date of 01.01.1996 the paid-in share capital constituted 88.18%.

The structure of "ZETO" S.A. is as follows:

| *The Shares' Possessor:* | *No. of shares* | *%* |
|---|---|---|
| Individual Persons | 17.139 | 32.24% |
| Investment Fund "Agroinvest-Prim" | | 31.06% |
| Investment Fund "Exiton Bon" | 29.786 | 25% |
| Undistributed shares | 6.323 | 11.7% |
| Total: | 53.157 | 100% |

The enterprise signed a contract with an independent registrar "Grupa Financiara" concerning the creation of a register of bondholders and shareholders. In March 1996 there's scheduled the ordinary meeting of the shareholders of ZETO S.A.

**D.** *Qualitative And Quantitative Description of Buildings, Land , Machinery Equipment.* The production areas occupy buildings which are situated on the territory of the factory comprising 2,5 hectares and include all departments and offices.

In addition within 2km. distance from the factory location "ZETO" has a 1.5 hectares area of land which is outside of city limits. Raw materials are placed there.

All of the buildings for production and the administrative buildings are satisfactory, their age is less than 20 years.

The land on which the factory buildings are housed is a plane surface with firm soil and deep underground waters.

323

Depreciation of buildings and machinery according the accounting department's report at 01.01.95: buildings- 70%; machinery - about 75%.

The list of machine-tools of the factory and depreciation of buildings and machinery details are presented in annex I.

E. *Brief Summary Financial Overview*. Currently, the primary activity of the company is the sale of old inventory at non-inflation adjusted prices. The company appears to be profitable but little actual production occurs. The cost of goods sold is an inaccurate representation of what it would cost to manufacture today. The company has almost no liquidity with funds from the bank accounts being immeadiately taken by the government for back taxes. The market for ZETO equipment has decreased over 50% in recent years. Their products are used in all heavy industries, who are also experiencing similar decreases of production volume. There is limited information about the commodity markets for their infant consumer products business at ZETO.

The production volume decreased 78.1% in 1995 compared with 1993 period. At the same time the income statement(annex III) shows ZETO's revenue increased 3 times and profit from operations- 3.1 times within the same period. This does not reflect a real situation because inflation effect that took place in Moldova economy during these years was not properly considered in their calculation[1].

Without considerable auditing and adjusting to the present accounting statements and the further allocation of cost between industrial and consumer goods it is difficult to state the real operating health of this enterprise. It is quite apparent now that our estimate is that they are using up the corporate assets. It is probable that a one year of continuing operations without a complete change in forward planning will result in ultimate demise of the enterprise.

The enterprise reduced the staff from 284 employees in 1993 to 204 employees in 1995. The number of working day per employee decreased in 1995 by 18,7% and production utilized only 12% of capacity in 1995.

Because of insolvency of their clients the accounts receivable increased. At the end of 1995 the debts - 118,2 thousand Lei. Thus the cash flow decreased. In 1995 Agroindbank granted a loan of 150 thousand Lei for a customer order. The credit was used but the product was not sold. The loan, it has been extended for a few months period.

The enterprise cannot pay its current liabilities in near future, which totals in 1995 the amount of 703,4 thousand Lei. The debt structure requires long term arrangement for continuing operations.

F. *Major Positives And Negatives Facing The Enterprise Today*
*Advantages:*

1. The enterprise maintains the position of a product manufacturing monopoly in specialized industrial machinery in the CIS market.
2. There is a new building with an area of 2500 $m^2$ at the enterprise, in which production of new products could be organised.
3. The enterprise owns a large and a varied stock of machine- tools as new products might demand.
4. There are also some reserve lands which could be sold for profit.

[1] Inflation increased prices which resulted in overstatement of revenue and understatement of depreciation and material expanses that were considered at their acquisition prices and not indexed to market prices of 1994,1995.

5. The enterprise has taken all possible actions to maintain the qualified specialists.

*Disadvantages:*

1. Abrupt decrease of demand for industrial thermal machinery in the capital tools market, general decrease in industry of CIS countries and the insolvency of the majority of potential clients, whose industries are at 50% or less of capacity.
2. Too much building space for production.
3. Lack of qualified specialists in the field of marketing.
4. A high share (71%) of overhead expenses in the production costs.
5. There is no system for planning analysis of production cost and sales.
6. Irrational allocation of production costs by products.
7. Large inventory of unsold products at the end of 1995.
8. The management structure of the enterprise is imperfect and does not correspond to the new conditions of their market economy.

## II. SUMMARY DIAGNOSIS: PROBLEMS OF ENTERPRISE AND ITS POSITION

### A. Analysis Of Financial Position

1. *Profit And Loss Statement, Balance Sheets, Summary Income Statements*

Balance Sheet(annex II) and Summary Income Statement(annex III) shows that the profit from production activity of S.J.C. "ZETO" increased from Lei 119,5 thousand in 1993 to Lei 374,4 thousand in 1995 (3,1 times). As it was mentioned before in Brief Summary Financial Overview the absolute index of profit change do not reflect the real situation because the inflation index has been ignored. At best, the operating margin of profit decreased from 49.4% in 1994 to 36,2% in 1995, at worst, if inventory costs had been adjusted for inflation, the company would have realized a **loss equivalent to its gross sales** (see annex II and III- inflation adjusted Balance Sheet and Income Statement). The following analysis are based on non-inflation adjusted numbers and represent a best case situation for the firm.

Operational expenses on each Lei of product sold increased by 26.1% during this period.

The production efficiency decreased. The net profit ratio of J.S.C."ZETO" decreased by 8 points (33,1% in 1994, 25,4% in 1995). So, in 1995 J.S.C. "ZETO" received for each Leu of the sold production 25 bani net profit, that means by 8 bani less, than the prior year.

The annual amount of the net profit was 263,4 thousand Lei, in 1995. From this amount 59,1 thousand Lei (22,4%) were reserved for employee bonuses, 43,2 thousand Lei for the payment of the dividends, 59,9 thousand Lei (22,7%) according with the Law about the Joint Stock Companies were for the formation of the reserve capital and 61,1 thousand Lei (23,2%) for production development. These funds except dividends were distributed in 1995. The company has no means to pay these dividends(Balance Sheet 1995 Cash- Lei 777).

The analysis of the current assets at the J.S.C. "ZETO" shows that during the last year the current assets increased by 371,1 thousand Lei or by 43,2% because the inventories increased. The turnover of the inventories decreased in this period from 1,8 time/year much to 1,1 time/ year.

Last year the accounts receivable for the goods, work and services increased by 83,3 thousand Lei, or 3,4 times because of the insolvency of their clients. Besides that, the accounts payable to suppliers for the goods and services increased in 1995 by 73,1%.

The interrelations with the State budget became complicated, debt to the State of Moldova at the end of 1995 was 173 thousand Lei and increased in comparison with 1993 4,5 times. This way the current liabilities of the J.S.C. "ZETO" at the end of 1995 were 703,4 thousand Lei, while the quick assets were only 120,9 thousand Lei (quick assets ratio is equal to 0,17).

Plan for Profit Distribution and Changes in The Elements of Working Capital Statement are presented in annex IV.

2. *Summary Ratios (see annex V).*

3. *The Adequacy Of Accounting practices And All Financial Reporting Mechanisms.* The accounting methods at the J.S.C. "ZETO" do not allow calculation many indices, which are used in analysis of the financial situation and in determining of the financial results.

They do not furnish analytical managerial reports. There is so little activity. There is no a separate method for presentation of the production costs on each product. That is why financial results are difficult to interpret.

4. *Conclusions, Comments And recommendations to Improve Financial Performance.* The financial report is made manually, only the report of the wages and the report on the inventory is made at the computer. The methods used on wages and inventory are not reliable.

Their system of the overall financial planning at the enterprise requires review for improving management control.

**B. Analysis of Management And Personnel Issues**

1. *Qualification Of Management*

*Advantages:*

-A long lasting professional skill (15-30 years) of the managers.

*Disadvantages:*

-Only 40% of all specialists from the management have high education.

-The management is not experienced in market economy nor computers and their use.

-Marketing as a management activity must be installed.

-Management and staff skills for improvement is missing, in computer usage and the functions of the security market operations.

2. *Management And Production Organisational Structures*

*Administrative organisational structures (see annex VI)*

Privatization brings with it a concept of individual accountability and responsibility requiring changes in the modes of existing management behavior to engage all levels of employees.

*Advantages:*

- The structure of management covers all necessary services for production process.

*Disadvantages:*
-Delegation of accountability to the basic production and engineering staff is poor.
-Decisions making in the management structure is too centralized
-Duties and responsibilities must be developed and clearly assigned to all managers.

*Production organizational structure*
*Advantages:*
-The connection between basic production and services is only at the level of the department managers.
*Disadvantages:*
-The connection between basic services and secondary services functions only on the level of the chiefs of services.
-There is missing a functional connection between the material supplies department purchasing and production dept.
-The legal service is not involved in the organisational structure.
-Technical inspection is provided only on the level of supplied materials and delivery of finished products and not during work process.

3. *Management And Personnel Training Program* Nothing has been done in the last three years to improve the skills of the staff as there is not a training program.

4. *Employee Ownership Issues.* Ownership: employees-14.7%,the Director-0.3%,undistributed shares-11.7%. Funds own 56% of shares. Any problems related to ownership have not arisen yet. The first owners meeting is scheduled for March,1996.

5. *The Role of the Labour Issues.* There is only one person, who is not full time and combines jobs involved (he is chief of the technical inspection department). He doesn't take part in hiring and dismissing the employees.

**C. Comment And Analysis Of Manufacturing Capacity And Production Efficiency review**

1. *Analysis of Sales Revenues*
*Products:* The major products of the enterprise are used in all branches of the general machine- building industry, as well as in military industry, motor-car industry, tractor -building industry, agriculture and other industries.
ZETO's products and their quantitative and qualitative volume changes are listed in annex VII.

*Planned New Products:* In 1996 the factory plans to start manufacturing new products, although no budget or outlines or approved projects exist which show potential benefits. New products proposed are:
- Three new modifications of gas preparing devices ЭКОВ;
- A gas distributing system for district gassification;
- A new type of an electric heater;
- Production of activated carbon;
- Production of gas firing existing boilers;

*Plan For Output Of New Products Designed in 1996:*

| Designed Product | Amount (units) | Cost of Goods (Lei) |
|---|---|---|
| Gas Distribution Station | 100 | 500000 (5000 each) |
| Electrical Heater ЭКУС | 12000 | 480000 (40 each) |

Action will not be taken about the output production of salt thermal pools with treating temperature 1300 Celsius degrees until a customer order.

The enterprise has the possibility to export its production in Romania, Bulgaria on the condition of design improvement. Proforma analysis of all new products is required in future.

*Market Size/ Share Sales Plant* The sale by market in 1995 were: Russia - 56,92%; Ukraine - 24,20%; Belorussia - 7,05%; Moldova - 17,83%. The sale volume in 1995 increased by 8% in comparison with 1994.

During the soviet period the enterprise exported its production in 36 countries of the world (most of them were the third world countries, Cuba, Mongolia, India). The principal competitors of the enterprise were: "Aihelin" (Germany), "Degussa", "Naber", "Holkroft".

The principle products are competitive and in some instances better. The enterprise still produces directly for prior customers while contacts are limited to correspondence with former clients.

The enterprise is seeking new clients at different exhibitions (in Minsk, Moscow, Chisinau). The products that were displayed had a great success. The enterprise uses advertisements at a low level. However the enterprise can not now participate at the exhibition, because of its difficult financial situation. The sales of the house hold consumer goods will directly relate to the commercial contractors and house builders from Moldova.

*Pricing Problem Current*. The main pricing problems in "ZETO" are high cost for inputs; materials; fuel; components imported from outside and also a permanent increase in tariffs for electrical energy in Moldova. In 1994 tariff for electrical energy equalled 10 bani per 1 kW/hour, in 1995 - 22 bani per 1 kW/hour.

A considerable influence on price level is exerted also by high taxes for the budget. In 1995 payments to the budget accounted for 312,3 thousand Lei (47,3% in relation to production expenses and sales of the product). In 1994 - 304,9 thousand Lei (54,6%), in 1993 - 61,5 thousand Lei - 29,3%.

Taxation system needs to be perfected, and reconsideration of "normative" in prices calculation is necessary to be realistic.

Lack of information about seller's market and world prices for similar products presents a serious problem. Special investigation of the of the market is required.

The control over actual production cost accounting of each product should be improved.

**2.** *Product Analysis*

*Product Fit To Customer Needs (Current)*. The factory has not investigated whether their product meets customers requirements in the past. All Union Scientific Research Institute of Electrothermy had been the owner of the design and technological specifications (including technological process before 1990).

*Trade Analysis* "ZETO"'s factories were rationalized for industrial customers including: plane manufacturers, vehicle producers, machine, tools, chemical plants, metallurgical, tractor construction, shipbuilding, ball-bearing, oil and gas industry, coal mining, light industry, military industry, atomic/nuclear energy industry, agricultural industry, health protection, public education etc. The index of activity of heavy machinery industries is forecasted down by 25% more in the near future. There fore now 80% of the enterprise production are low priced consumer goods; 78.65% are being sold in Moldova; 10,16% are exported to Russia and 3,27% to Ukraine.

80% of materials for products comes from Russian enterprises.

The characteristic of ZETO's product life (period of exploitation) is 10 or more years. Purchased material demands are now directly related to spare parts sales.

*Reengineering Plans, Designs For Change In The Future.* The plans for product change are related to changes in consumers products demand: home heating boilers, electric convectors with better consumer features; salt pools with higher temperature range and modernisation of gas preparatory devices of ЭКОВ type and digital controls for ovens.

**3.** *Analysis of Manufacturing Process*

*Quality Control.* The quality control in the complete process is fulfilled by the Department of Technical Control.

The scheme of organisational structure and quality control system do not exist now but should be established in order to provide management decision making related to the improvement of quality.

Now a few persons of the Control Department (previously consisted of 16 officers) are able to control only the incoming materials and quality.

In the past the All-Union Institute of Electro-Thermo Industry reviewed the quality of the industrial products through the periodical testing at its laboratory. The Institute does not exist any more.

In order to meet world-wide Standards and market demand a new system for periodical and certification testing should be established with the participation of the Department of Standardisation of Moldova.

*Production Capacity Related To Market Demand* At present time the production capacity of "ZETO"SA exceeds much the volumes of orders for industrial machinery and consumer goods. As in 1995 the production facilities were used at a level of only 12 % of their capacity.

The list of finished goods accumulated at were house is presented in annex VII.

**4.** *Cost Analysis*

*Cost Of Goods Sold* The analysis of goods cost for each item during the 1995 shows that for 1 Lei of goods sold cost increased from 86 bani in 1994 to 87 bani in 1995.

The budget part in the structure of cost for 1995 consists the manufacturing costs which increased by 119,4 thousand Lei, including here bank interest which increased also by 55,7%, the T&L by 40,1%, communication by 60,7%, unexpected liabilities by 31,9%.

The share of manufacturing cost in the total cost of production increased from 29,4% in 1994 to 42,6% in 1995. Other incomes increased from 2,5% - to

4,12%. Thus the share of raw materials, suppliers and work in process changed from 36,1% in 1994 to 28,2% in 1995. This is result of the production changes to consumer goods, and decrease in more industrial goods.

In 1995 the enterprise salaries has decreased by 5950 Lei. The share of this expenses in total cost of production decreased from 7% in 1994 to 5,4% in 1995.

*Management Plan For Margin/ Price (Current)* The products of ZETO are specific and have different profitability, that is why management needs current plan for margin/ price. For example, such kind of ovens as: CHO-3,2, CHO- 6, AKOB- are unprofitable. The policy is to cover the loss of these products with higher profitable as large consumer goods. The current strategy is:

1. To keep the specific capacity to produce these ovens.
2. To keep the existing image of ZETO as metallurgical specialists.
3. The production process will be improved and floor space used will be reduced.
4. The possibility to supply with spare parts the permanent existing clients.

At the moment, the margins of the following products are: EH - 30 - 47.15%; Spare parts - 86.4%; Converter EBPC 0.75 -1.4%; CTO - 8%

The main problems:

1. There is no information about margin policies of ZETO's competitors nor market prices of products.
2. There is no stable approach (revenue) in which to manoeuvre price/ margin.

*Changes Possible In Production Cost*. In Cost structure of manufactured products in 1995 overhead expenses made up 70 % and more. That is why the main direction of activities must be to reexamine the total manufacturing facility and organization.

*Current Manufacturing Process, Cost Efficiency*. The existing production process of the main items is carried out without chronological consistency, technological, production and control process due to the fact that buildings for production shops and facilities are dispersed in widely separated places. The manufacturing of items parts and components is carried out on universal equipment without any automatization of process. The handling and transporting of parts and units from one production section to another is being done by means of electro and motor cars The overhead cranes are used for loading and unloading operations. Such scheme of production links requires extra time and labour.

*Possible Changes To Increase Manufacturing Cost Efficiency*. When the managers make the decision on production volumes at a higher level it could be suggested to rationalise and to relocate production sections or to concentrate the production of some commercial goods in one building.

5. *Production Scheduling* The annual plan is drawn up by planning and economic department. The plan includes the following: the list of products (profile, type, amount) and the cost of products. The revenue is not shown in the plan, but it could forecast revenue.

On the basis of the general plan labour costs and the number of personnel for the projected period are estimated.

The products nomenclature is defined intuitively most frequently and this demonstrates the administration's striving to maintain the factory's specialisation in the field of electrical and gas thermal machinery.

With new organization of the factory Quarterly and monthly reports of the production shops turn out to be more realistic, as they will be projected on the basis of the signed contracts, or on the basis of better market research.

The estimation of the number of employees in the annual plan is provided proceeding from expectations of output equivalent of 1600 hours for one employee annually.

6. *Inventory Management Issues*

*Total Supply Chain.* Russia supplies 80 % basic materials. Minor suppliers are Ukraine and Byelorussia. Practically the enterprise has no constant demand in the supplier chain. There is an incomplete study of their supply market as a result of the absence of qualified specialists in purchasing. In many cases materials are bought on the basis of barter contracts, which complicates price and delivery. The enterprise doesn't use intermediate companies for transportation because it requires additional expenses.

The Supplier Department of the enterprise has only one person who lacks a special training in purchasing.

Only 40 % of raw materials come from direct producers and 60% from intermediate distributors/ brokers at higher than market prices.

At the present time 70% of supplies are insured by the established contacts, and 30% it has to be found when orders are received.

*Transport Problems Or Concerns.* 17 vehicles are available at the enterprise. 5 of them because of need to be repaired are not available.

*Factory Production Control Procedures*. Strict production control existed in the past. However recently an order required a 10 days schedule for delivery of large variety of unique industrial equipment. Delays in performance or in raw materials supply became an object of special attention for the Government authorities. The project was successfully completed.

Now the extra efforts of the managers are applied to co-ordinate the operation of production divisions and departments when orders for products come or new agreements are signed. In other cases the production process is controlled (conducted) at such an extent so as to engage the employees into the process and to give the job to the most qualified personnel.

As the consumer goods production is developed and when production volumes increase we will examine the production control practices at the enterprise which has experience of working under such short term scheduling conditions.

*Inventory Turnover Rates*. Finished goods and production stock went up to 1097 thousand lei in 1995, that is 90% of present working capital.

Inventory turnover without merchandise in commercial trade decreased from 2 times in 1994 to 1.2 times in 1995. All inventory turnover decreased from 1.8 times in 1994 to 1.1 times in 1995.

7. *Maintenance Issues As They Affect Production*

*Production downtime*. Energy-mechanic Department is responsible for the equipment maintenance at the factory.

At present one maintenance team consisting of 12 people was organised to serve all facilities. There should be a maintenance stock room for spare parts for essential equipment.

At present it is not feasible to assess losses of time in the production process due to operations downtime in the whole factory.

Buildings and structures maintenance is carried out by the construction group which is responsible for current repairs.

*Energy Problems*. The enterprise is mostly equipped with machinery to make big parts. Current orders are for small parts and small quantities. This makes the existing equipment wasteful for energy and inappropriate for orders.

*Conservation Possible*. The enterprise has the possibilities of more rational energy consumption for the manufacturing of goods. For these purposes the enterprise should have such lists to minimise equipment in use and to avoid the use of a compressor (40 cubic m /hour) consuming 37 kWh, when they need only 5 cubic m /hour.

**D. Contingent Liabilities**

1. *Social Assets* Joint-Stock Company "ZETO" S.A. possesses the following facilities for social uses: 2 shops for different food stuffs and consumer goods; a dispensary that serves the employees and inhabitants of the surrounding districts of the Town of Chadyr Lunga; there are also shower-baths for the employees of the enterprise.

At present the construction process has been frozen on an unfinished block for flats. There is only ~ 4,5% complete (foundation pit and layout of the substructure).

***The Expenses of Social Fund***

| *Year* | *1993* | *1994* | *1995* |
|---|---|---|---|
| Social Development Expenses (Lei) | 1735 | 24582 | 15249 |

2. *Leases And Other Form Of Asset Transfers*. The enterprise neither gave nor took on lease any manufacturing, non-manufacturing objects or land.

3. *Obligations to Pensioners*. The enterprise has no commitments towards pensioners. There aren't foreseen any charity or other helping actions towards pensioners.

## III. LEGAL OR REGULATORY ISSUES

**A. Legal actions pending or protests against the enterprise:**

1. The enterprise has not been prosecuted by creditors, agencies or banks. There are no pending legal actions from the creditors' side.
2. The enterprise has only a part time lawyer. This leads to problems in relationships with other enterprises, especially those situated abroad.

The main problem is the fact that the enterprise cannot refer a matter to arbitration and enterprise officers are poorly informed about legislation.

**B. Regulations or laws that impede the company:**

1. The administration needs training about the work of independent registrar and about the share market. In the nearest future there will be activity of their shares on shares market.
2. The land on which the enterprise is situated belongs to the State and is released to the enterprise for usage. Privatisation of land is important for the enterprise for future tax problems and assets sale.
3. The ministry of Health Services imposed restrictions on pollutant emissions in the atmosphere. Gas and dust pollution is high, but the figures do not exceed the limit of tolerance at present.
4. The enterprise exports 80% of its products into CIS countries and are many stipulations of the law, which influence the enterprise's income including:

- customs duties: 0.25% of contracted sum;
- Transit of goods through Ukraine costs $40/load export or import(including declaration execution and registration).

It would be helpful to Initiate decisions between the enterprise and the appropriate Government Agencies regarding: permission for enterprise to open accounts in several banks and simplification of the procedure of opening accounts; changes in Law on the normative price of land in order to define the acceptable mechanism of buying- selling of land and reduce the exclusively high normative price of land; Changes in the Regulations of the National Bank concerning the repatriation of proceeds from export of goods to attempt to facilitate the return of payments by the enterprise.

## IV. ANALYSIS OF THE PROPOSED CONSULTING INTERVENTIONS AND THEIR PROJECT IMPACT ON THE ENTERPRISE

A. *Description Of The Proposed Consulting Activity*. When ZETO was organized, it was the principle supplier of supplementary **(heat treating/ metallurgical)** processes to heavy industry **for precision machine parts** such as; internal combustion engines, transport equipment, machine tools, rail roads, earth moving, agricultural and armament for defense manufactures. These industries were 50% from the GDP until 1990. ZETO was a monopoly with high competence in supplying this market.

The primary problems are, that activities in these industries have dropped by 50%, the company is only selling from existing inventory, ZETO does not know the real cost of sales, the company is practically illiquid with all funds received going to pay either taxes or previously announced dividends. Therefore the **facilities must be re-planned** against a new market paradigm, floor space must be reduced, most machinery and equipment relocated to avoid unnecessary movement of materials in plant and to improve efficiency in manufacturing.

A significant amount of floor space probably 50% should be demobilized saving associated overhead cost. Remaining operations should be completely rationalized.

The present objectives and strategies must be completely adjusted to the reduced industrial sales market and increased consumer sales to provide viable annual sales and profits.

We propose therefore to gather all internal resources and external assistance to organize a complete new strategic plan at ZETO. The plan will include:

1. A appraise and estimate the market for a three year horizon for analysis and forecasts of sales by product sectors;

2. Locate the most satisfactory existing buildings for reduced production;
3. Organize machinery and equipment to support the new strategic forecasts levels of sales most efficiently;
4. Organize programs for the most economic supply chain of materials;
5. Install newly arranged management staff and procedures.

We will use 4 CPBR consultants and 3 consultants from "Mobias Trust" to prepare the complete detailed plan by May, 31. It will be appropriate for use as a guide for implementation.

**B.** *Projected Impact On The Enterprise*

1. Strategy plan will give the opportunity to the management to focus the activities of all enterprise divisions for the period of restructuring process. The operation of the whole enterprise will be concentrated along the core task, avoiding unimportant and wasteful activities. That will increase the productivity of the management staff by 20%.
2. The analysis of technological processes will enable reviews and offer solutions for products cost reduction and higher efficiency. It will make possible to reduce cost of goods sold by 10%.
3. The restructuring of financial practices will offer the enterprise management more detailed and adequate information for better decision making in inventories, disposal of unused assets and long range rational use of buildings.
4. A complete break- even analysis of the new strategic plan will enable enterprise management to make a decision on further production policy.

Break - even analysis of existing company and operations will completely justify a whole mew strategy and reorganization of facilities.

5. Marketing program will lead to an essential increase in sales: 25% for consumer goods (Lei 150 thousand); 25% for industrial goods (Lei 200 thousand).

ANNEX I.

**The list of machinery-tools of ZETO factory**

| *Machinery* | *Number of Units* |
|---|---|
| drilling machines | 19 units |
| cutting machines | 11 units |
| grinding machines | 19 units |
| milling machines | 13 units |
| press | 21 units |
| scissors | 6 units |
| planers | 3 units |
| woodworking machines | 7 units |
| hammers | 2 units |
| bending machines | 12 units |
| heat-treating furnace | 9units |
| welding machines | 48 units |
| lathes | 21 units |
| boilers and compressors | 10 units |
| additional technological machinery ( corks, winches, conveyors, etc.) | 37 units |

Depreciation of buildings and machinery at 1.01.95.
(Booked Data)

| *Buildings or Machinery* | *Depreciation Percentage* |
|---|---|
| I. Buildings | - 70% |
| including: tool-making division and energy- mechanic department | - 100% |
| II. Machinery | |
| 1. Purveying machinery | - 95.4% |
| 2.Sledgge- pressing machinery | - 78% |
| 3. Lathes | - 70% |
| 4. Drilling machines | - 79.8% |
| 5. Grinding machines | - 70% |
| 6. Milling and planing machines | - 81.4% |
| 7. Welding machines | - 64% |
| 8. Woodworking machines | - 90% |
| 9. Transport means. | - 71.9% |

ANNEX II. (page 1)

## "ZETO" SA
## Balance Sheets

| Moldovan Lei | 1993 | 1994 | 1995 |
|---|---|---|---|
| **Assets:** | | | |
| Cash | 5,538 | 23,103 | 777 |
| Accounts Receivable | 37,261 | 34,875 | 118,164 |
| Inventory | 433,859 | 790,271 | 1,097,075 |
| Other current assets | 14,306 | 10,266 | 13,642 |
| Total Current Assets | 490,964 | 858,515 | 1,229,658 |
| Property, Plant & Equipment | 190,811 | 1,148,938 | 1,150,198 |
| Less Accum. Depreciation | (5,583) | (13,541) | (136,318) |
| Net Property, Plant & Equipment | 185,228 | 1,135,397 | 1,013,880 |
| Capital work in progress | 781 | 864 | 20,154 |
| Total Fixed Assets | 186,009 | 1,136,261 | 1,034,034 |
| Other Assets | 0 | 0 | 505,722 |
| Total Assets | 676,973 | 1,994,776 | 2,769,414 |
| **Liabilities and Equity:** | | | |
| Accounts payable | 135,195 | 59,011 | 102,123 |
| Taxes Payable | 38,401 | 144,298 | 172,988 |
| Short-term borrowing | 0 | 32,200 | 140,000 |
| Other current liabilities | 181,052 | 226,929 | 288,248 |
| Total Short-term Liabilities | 354,648 | 462,438 | 703,359 |
| Long-term borrowings and Liabilities | 17,200 | 5,500 | 0 |
| Equity | 305,125 | 1,526,838 | 2,066,055 |
| Total Liabilities and Equity | 676,973 | 1,994,776 | 2,769,414 |

# "ZETO" SA
## Inflation Adjusted Balance Sheets

| Moldovan Lei (Jan. 1994 = 1) | 1994 | 1995 | Change 95 to 94 |
|---|---|---|---|
| **Assets:** | | | |
| Cash & Short-term Investments | 2,495 | 9 | -99.7% |
| Accounts Receivable | 3,767 | 1,294 | -66% |
| Inventory | 85,349 | 12,013 | -86% |
| Other current assets | 1,109 | 149 | -87% |
| Total Current Assets | 92,720 | 13,465 | -85% |
| Property Plant & Equipment | 124,085 | 12,595 | -90% |
| Less Accum. Depreciation | (1,462) | (1,493) | 2% |
| Net Property Plant Equipment | 122,623 | 11,102 | -91% |
| Capital work in progress | 93 | 221 | 137% |
| Total Fixed Assets | 122,716 | 11,323 | -91% |
| Other Assets | 0 | 5,538 | |
| Total Assets | 215,436 | 30,325 | -86% |
| **Liabilities and Equity:** | | | |
| Accounts payable | 6,373 | 1,118 | -82% |
| Taxes Payable | 15,584 | 1,894 | -88% |
| Short-term borrowing | 3,478 | 1,533 | -56% |
| Other current liabilities | 24,508 | 3,156 | -87% |
| Total Short-term Liabilities | 49,943 | 7,702 | -85% |
| Long-term borrowings and Liabilities | 594 | 0 | -100% |
| Equity | 164,899 | 22,623 | -86% |
| Total Liabilities and Equity | 215,436 | 30,325 | -86% |

## "ZETO" SA
## Summary Income Statement

| Moldovan Lei | 1993 | 1994 | 1995 |
|---|---|---|---|
| Revenue | 342,441 | 1,102,873 | 1,035,361 |
| Cost Of Goods Sold | 222,956 | 558,513 | 660,912 |
| Gross Margin | 119,485 | 544,360 | 374,449 |
| Selling & Admin. Expenses | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 |
| Income From Operations | 119,485 | 544,360 | 374,449 |
| Financial and joint venture income | 24,591 | (11,947) | 12,622 |
| Minus Interest expenses | 0 | 0 | 0 |
| Profits from Sale of Other Assets | 0 | 0 | 0 |
| Income from financial and non operational activities | 24,591 | (11,947) | 12,622 |
| Profit before taxes | 144,006 | 532,413 | 387,071 |
| Provision for taxes | 45,373 | 167,077 | 123,702 |
| Net Income | 98,633 | 365,336 | 263,369 |

## "ZETO" SA
## Inflation-Adjusted Income Statements

| Moldovan Lei (Jan. 1994 = 1) | 1994 | 1995 | Change 95 to 94 |
|---|---|---|---|
| Revenue | 119,110 | 11,337 | -90% |
| Cost Of Goods Sold | 60,319 | 7,237 | -88% |
| Gross Margin | 58,791 | 4,100 | -93% |
| Selling & Admin. Expenses | 0 | 0 | |
| Depreciation | 0 | 0 | |
| Income From Operations | 58,791 | 4,100 | -93% |
| Financial and joint venture income | (1,290) | 138 | 111% |
| Minus Interest expenses | 0 | 0 | |
| Profits from Sale of Other Assets | 0 | 0 | |
| Income from financial and non-operational activities | (1,290) | 138 | 111% |
| Profit before taxes | 57,501 | 4,238 | -93% |
| Profit and profit based taxes | 18,044 | 1,355 | -92% |
| Net Income | 39,456 | 2,884 | -93% |

ANNEX IV.

## *PLAN OF PROFIT DISTRIBUTION FOR 1995*

| Annual net profit | 263369 |
|---|---|
| Reserved fund | 59890 |
| For the enterprise development | 61100 |
| For the social development | 17109 |
| Employee bonuses | 59050 |
| Dividends | 43177 |
| For a charitable purpose | 3871 |
| Expenses for paying economical sanctions in the budget | 19172 |

## *CHANGE IN THE ELEMENTS OF WORKING CAPITAL in 1995*

| | |
|---|---|
| Cash | - 22326 |
| Inventories | + 306804 |
| Accounts receivable | + 83289 |
| Other current assets | +3376 |
| **Total:** | **371143** |
| | |
| **Current liabilities changes:** | |
| Accounts payable | + 43112 |
| Taxes payable | + 28690 |
| Shot term borrowing | + 107800 |
| Other current liabilities | + 61319 |
| **Total:** | **240921** |

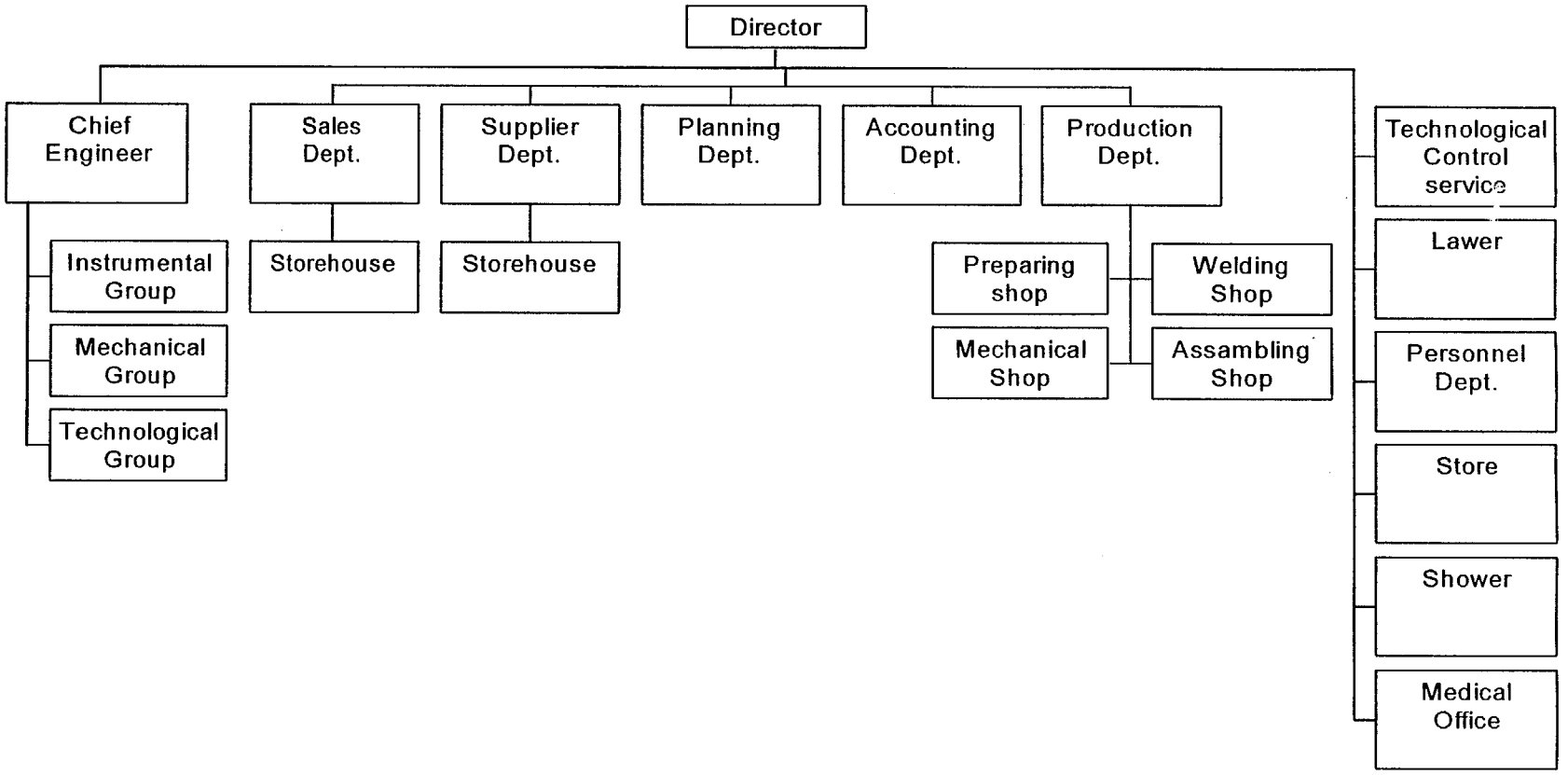
ANNEX V.

## "ZETO" SA
## Financial Ratio Analysis

| Ratios | 1994 | 1995 |
|---|---|---|
| Short-Term Liquidity: | | |
| Working Capital (Lei) | 396,077 | 526,299 |
| Current Ratio | 1.9 | 1.7 |
| Quick Ratio | 0.13 | 0.17 |
| Accounts Receivable Turnover | 31.6 | 8.8 |
| Inventory Turnover | 1.8 | 1.1 |
| Accounts Payable Turnover | 9.5 | 6.5 |
| Capital Structure and Long-Term Solvency: | | |
| Total Debt to Total Capital | 0.2 | 0.3 |
| Debt to Owner's Equity | 0.3 | 0.3 |
| Operational Efficiency and Profitability: | | |
| Operating Margin of Profit | 49.4% | 36.2% |
| Operating Profit to Sales | 49.4% | 36.2% |
| Pre-tax Income to Sales | 48.3% | 37.4% |
| Net profit Ratio | 33.1% | 25.4% |
| Return on Total Assets | 27.3% | 11.1% |
| Return on Equity | 39.9% | 14.7% |
| Asset utilization: | | |
| Sales to Total Assets | 0.6 | 0.4 |

## ANNEX VI.

***Management Structure of "ZETO" JSC***



ANNEX VII. (page 1)

**ZETO's Products:**

- resistor furnaces of the type CHO of three modifications, for thermal treatment of manufactured articles up to a temperature of 1000 Celsius degree, with a capacity of 14.6, 25 and 58 kilowatt;

- electric furnaces of the type CHZ of three modifications for warming up the manufactured articles in a protective atmosphere under a temperature of 1000 Celsius degree, with a capacity of 14.25 and 56 kilowatt, with a corresponding output of 16, 30, 60 and 125 $m^3$/ h;

- a gas preparing device ДАЖ for obtaining a protective atmosphere of nitrogen -hydrogenous mixture from ammonium hydrate with a capacity of 37 kilowatt and an output of 40$m^3$/h;

-a gas preparing device ЭКОВ- 125- И1 for obtaining exothermic gas with a capacity of 52 kilowatt and an output of 125 $m^3$/h;

-salt electric baths of the type CBC of three modifications for warming up the manufactured articles under thermal processing with a capacity of 40, 82.3 and 125.5 kilowatt, with a temperature regime of 900, 600 and 900 Celsius degree and an output of 130, 270 and 300 kW/h;

- a gas heating device with a water outline AOGB- 11.6, for local hot-water heating of buildings with an area of 75 $m^2$ under a rated gas expenditure of:

natural gas -1.18 $m^3$/h

liquefied gas - 0.86 $m^3$/h

-steel multi-purpose boilers KCT- 16 for heat supplying of buildings, and dwelling houses with an area of 100-120 $m^2$, which function on gas and steam fuel.;

-electric convectors " Budjak" ЭВПС 1.75- 2.70 for additional heating of dwelling houses and consumer service buildings;

- electric stoves;

- activated carbon;

- spare parts for manufactured products;

-experimental models of gas distributing stations.

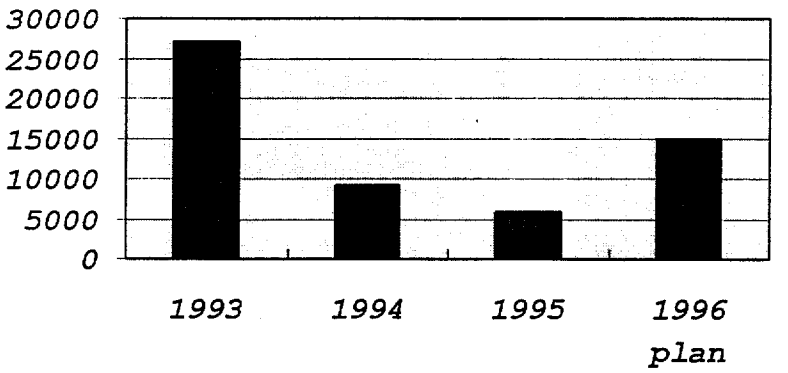
**<u>The list of finished goods accumulated at were house:</u>**

- ovens of various types - 209 units,
- gas preparing equipment - 23 units,
- salt pools - 12 units,
- heating boilers - 410 units,
- other industrial and consumer goods - about 3000 units.

ANNEX VII. (page 2)

CHANGES OF "ZETO" JSC PRODUCTION VOLUME
(Prices of 1992)

| Year | 1993 | 1994 | 1995 | 1996 plan |
|---|---|---|---|---|
| Production Volume (lei) | 27000 | 9200 | 5900 | 15000 |




## QUANTITATIVE CHANGE OF PRODUCTION VOLUME

| Nr | Product | 1993 | 1994 | 1995 | 1996 plan |
|---|---|---|---|---|---|
| | **Industrial Goods** | | | | |
| 1 | Electric Stoves | 77 | 10 | 4 | 4 |
| 2 | Electric Pools | 25 | 3 | 0 | 0 |
| 3 | Gas Preparatory Plants | 66 | 5 | 8 | 36 |
| 4 | Tobacco Dryers | 12 | 27 | 0 | 0 |
| 5 | Gas Control Box-Stations | 0 | 0 | 0 | 100 |
| | **Consumer Goods** | | | | |
| 6 | Electric Converter EVPS | 21560 | 6500 | 2600 | 0 |
| 7 | Electric Converter EPS | 13 | 9621 | 1375 | 0 |
| 8 | Electric Fire ECUS | 0 | 0 | 0 | 12000 |
| 9 | Heating Boiler | 2080 | 800 | 450 | 1200 |
| 10 | Heating Boiler AOGB-11.6 | 0 | 9 | 45 | 0 |

## QUALITATIVE CHANGES OF PRODICTION VOLUME

| Nr | Article | 1993 | 1994 | 1995 | 1996 Plan |
|---|---|---|---|---|---|
| | **Industrial Goods:** | | | | |
| 1 | Electric Stoves | 64600 | 48529 | 30260 | 48100 |
| 2 | Electric Pools | 2042 | 4557 | 0 | 0 |
| 3 | Gas Preparatory Plants | 160993 | 19080 | 199710 | 1185 |
| 4 | Tobacco Dryers | 16156 | 113022 | 0 | 0 |
| 5 | Gas Control Box-Stations | 0 | 0 | 0 | 500000 |
| | Consumer goods: | | | | |
| 6 | Electric Converter EVPS | 84824 | 104090 | 68730 | 0 |
| 7 | Electric Converter EPS | 162 | 112117 | 30850 | 0 |
| 8 | Electric Fire ECUS | 0 | 0 | 0 | 480000 |
| 9 | Heating Boiler | 99592 | 190285 | 183378 | 618000 |
| 10 | Heating Boiler AOGB-11.6 | 0 | 2157 | 16585 | 0 |
| | Spare Parts: | | | | |
| 11 | Spare Parts for Electric Equipment | 6817 | 100369 | 136466 | 150000 |
| 12 | Sundry Spare Parts | 7760 | 56912 | 159047 | 250000 |

ANNEX VIII.

THE CALCULATION OF THE GOODS COST BY ITEMS.

| Items | 1995 | | 1995 | |
|---|---|---|---|---|
| | Lei | Share % | Lei | Share % |
| 1. Raw materials | 78026 | 10,8 | 99571 | 15,1 |
| 2. Recycle wastes | 125278 | 15,5 | 130725 | 20,5 |
| 3. Salaries | 1550 | 0,2 | 394 | 0,1 |
| 4. Social insurance | 38908 | 5,4 | 44858 | 7 |
| 5. Workshop expenses | 16113 | 2,3 | 21591 | 3,4 |
| 6. Manufacturing expenses | 123795 | 17,1 | 137312 | 21,5 |
| 7. Manufacturing cost | 306529 | 42,6 | 187126 | 29,4 |
| 8. Other expenses | 690195 | 95,8 | 621577 | 97,5 |
| 9. Total cost of goods | 719867 | 100 | 637550 | 100 |
| 10. Selling price | 825027 | | 74085 | |

# ANNEX III
## MARKETING AND SALES CHECKLIST

Memorandum
On sales and marketing seminars

**From:** Eugene C. Moore

**To:** All the consultants

Greg Vaut has developed in his first seminar the clear concept that Moldova's companies have not recognized the need for action oriented programs to persuade and encourage Moldovans to purchase their products.

He reminded us that marketing requires :

- value control
- price - they can or will pay to satisfy their perception of their need
- availability - product must be able to be procured at known places customers should find easily.

In response to the groups interest in how to introduce a new product were included the following management activities and interests that have to be organized:

- What are the cost benefits of value with new or revised product?
- What is the plan for discontinuing present product?
- Does new product expend total market or share for your company does it simply substitute for a portional existing market?
- What are new features, color, attractiveness, what is the difference for the customer to consider?
- What is the forecast of requirements?
- What are the technical considerations?
- A market locations, geographical and economical
- Risk - what and how things can go wrong risk analysis technology, multy color similation etc.
- Market testing - Pilot lots
- Man power - Special skills
- Capital and expense cost define.
- Impact on raw material and purchased items in the supply chain and timing.

The initial training program presented some in debt and you have reading material that you can enlarge you understanding of these various management activities.

I remind you of the following items:

- How to forecast : depth analysis of various methods their effectiveness and time cost to do.

- How market leaders keep their edge. super market it is in the US tells the methods
- Fortune magazine article.
- Product life cycle analysis :related management interests in the phases.
- Consultants course material.

**Our customer series.**

- Strategy.
- Competitive analysis.
- Decision trie diagram to consider price cost volume etc.

Product design section of consultants training including:

- design for manufacturing
- product performance profile checklist
- design

March 9, 199

MEMORANDUM

TO TEAM 3 MEMBERS

SALES AND MARKETING PROBLEMS OUTLINE AND CHECK LIST

I have attached topics and questions to be answered in planning improvements in the sales and marketing functions for our clients' enterprises. Some may not be applicable to all the enterprises. Disregard them.

If you are planning interviews, please review statistical sampling techniques to determine if you can get enough data. Look up and review a 25 pc. lot size probability for example

Let's see where we are on this Monday March 18.

Good Luck! gene Moore

cc. To ALL EX POTS.

[] *Desirability of your product or service.*

We have just started/completed the design/development/ testing/introduction of (product/service) -- a novel and proprietary XXX (example: soap for cleaning vinyl, retail store, construction tool, etc.).

Compared to competitive products (or the closest product available today) our (product/service) can/will XXX.

The ability to XXX is a capability unique to (Company)'s products/services.

[] *How would <u>your</u> customers compare your product with those of competitors?*

[] *Advantages product or service has -- its improvements over existing products or services.*

Our strategy for meeting/dominating the competition is XXX (lower price, bigger/better -- your unique selling proposition).

(Company)'s target market includes XXX (types of customers).

(Company) is rapidly moving into its XXX (marketing phase).

This approach is generating a tremendous amount of interest throughout our industry.

In addition to our existing products/services we have developed/plan to introduce XXX follow-on products/services, (product) is a XXX and is especially useful to XXX (prospective customers) who can now easily XXX.

Other products/services include XXX.

All products from (Company) are protected by the trademark and copyright laws, and XXX (Patents, etc.).

Responses from customers indicate that our XXX (product/service) is enjoying an excellent reputation. Inquiries from prospective customers suggest that there is considerable demand for it. Relationships with leading OEMs (Original Equipment Mfgs.), retailers, Fortune 500/1,000 companies, major accounts, manufacturers and distributors substantiate the fitness of (Company) for considerable growth and accomplishment in our industry/area.

**Objectives**

[] *Near term and long term.*

# Present Situation

[] *Current condition of the organization -- a present-day "snapshot."*

[] *Briefly take stock of your present situation regarding all of these areas -- just one page here should be sufficient.*

**Market Environment**

The marketplace is undergoing rapid changes/has been stagnant for XXX years. We are poised now to XXX.

**Products And Services**

The present stage of XXX (product/service) is in the design, flexibility, early development, test, test market, mature stage.

**Product Life Cycle**

Our current product line/service is XXX (needs extending, reorganization, paring down).

[] *Time factors influencing your ability to make money with current products/services.*

**Pricing And Profitability**

Current prices are XXX (holding, eroding, increasing) and profits are (holding, eroding, increasing).

**Customers**

Current customers are using our XXX for XXX (uses). They are requesting that we XXX (make improvements, introduce a new model).

**Distribution**

We have XXX service centers, retailers, manufacturer's representatives, sales people working out of XXX offices, territories in XXX states, countries.

**Management**

Most of our management is in place, however, we require a XXX (Finance, Production) manager to complete our team. Also, we are currently hiring XXX employees to XXX (jobs to fill).

# Product / Service Description

50-

Proprietary information is available to investors upon signature of Non-disclosure Agreement.

[] *Discuss the characteristics of your products and services.*

[] *How do they differ from similar products or services?*

[] *What customer reactions may be anticipated due to these characteristics?*

[] *Explain how you will satisfy customer needs and wants.*

XXX, our principal product/service, consists of XXX.

[] *How the product works or how the service is used.*

[] *How have these products and services evolved over the past two years?*

(Company) currently offers XXX products/services. Development of other products/services is in progress and future products/services are planned. All products/services from (Company) have XXX (particular characteristics unique to your company).

This capability for XXX is a unique feature enjoyed by (Company) and our customers.

**Current Products/Services**

A
B
C

(product/service)

The first product/service developed by (Company) is called XXX.

Through advanced features including XXX.

[] *Describe any unique value-added characteristic your product/process provides to the customer and how this translates to competitive advantage for your company.*

**Proprietary Technology**

Our product(s) is/are protected under the following:

[] *Patents, copyrights, trademarks, etc.*

[] *Contact the U.S. Department of Commerce Patent and Trademark Office, Washingto D.C. 20231 for more information.*

[] *General Patent and Trademark Information: (703) 557-INFO.*

[] *Status Information for a Particular Trademark: (703) 557-5249.*

[] *General Copyright Information: (202) 479-0700.*

**Pay Back**

For most customers, XXX will pay for itself in terms of XXX within XXX months.

[] *Fewer rejects or breakdowns.*

[] *Lower warranty costs.*

[] *Advantages leading to a better-quality end product.*

[] *Faster turnover of inventory.*

[] *Improved efficiency.*

[] *Improved convenience.*

[] *Advantages in opportunity costs saved in other areas.*

Regarding cost savings, (product/service) will save our customers money in terms of XXX.

[] *Reduced labor costs, lowered reject rate, reduced downtime, lowered inventory costs, improved convenience and displaced employee activity.*

Our customers can generate more profits in terms of XXX.

[] *Heightened productivity, improved product performance, increased productive capacity and concentrating on their business.*

Some non-monetary benefits of owning/using (product/service) include XXX.

[] *Entertainment, improved appearance, better health, overload reduction, stress relief.*

**Useful Purpose And Benefits**

(Product/service) provides XXX (features/benefits) that XXX (specific customer benefits).

These combined capabilities provide XXX (specific customer benefits). This, in turn, can be used to XXX (more specific customer benefits).

In addition, XXX.

[] *Why customers will buy it from you.*

[] *Proves that sales will be made.*

[] *Proves that you can convince people to buy.*

[] *Quantify where possible.*

**Features Highlights**

(Product/service) is an extremely XXX, requiring XXX.

For example: one of (Product/service)'s features is its ability to XXX.

(Product/service) allows users to XXX.

XXX is another powerful feature. This includes XXX.

XXX saves a tremendous amount of time when XXX.

Under conditions when XXX -- instead of XXX.

One very strong capability is (Product/service)'s ability to XXX.

Because of its extreme XXX, (Product/service) can XXX

Compared to traditional XXX, (Product/service) is approximately XXX.

In addition, (Product/service) does not require XXX.

**Key Benefits of All Products/Services**

The major benefits of the combination of all products/services are improved XXX through XXX, and XXX.

**Tests**

Completed tests have shown that XXX (results).

Additional tests planned/required will enable us to XXX.

[] *Describe test objectives.*

**Economies Of Scale**

[] *Discuss how you plan to take advantage of production efficiencies when unit quantities are ramped up.*

[] *See also Manufacturing section for more details.*

[] *For service organization – lower management-to-labor ratio.*

**Product/Service Life Cycle**

[] *The time factors influencing your ability to make money, and the effects of economic cycles. Include contingencies.*

[] *Explain life cycle of product/service. For greatly increased understanding, it is recommended that you create a simple chart covering the life cycles of your products/services.*

[] *Where are your products on this chart? If several products are in different life cycle positions, indicate each separately.*

[] *What conclusions do you draw from the life cycle positions?*

**Planned Products/Services**

(Company) plans to continually develop new products and enhance existing products. New products/services to be developed in the near future include a XXX, XXX and a XXX.

Concepts for follow-on (next generation) products or services include XXX.

[] *Discuss plans for your next generation of products/services.*

[] *Discuss add-on services for future customer needs.*

**Exhibits**

[] *Drawings of the product to be manufactured or a detailed description of the service to be offered.*

[] *Tests made, the data and results.*

worldwide/nationwide market for XXX (product/service) to be approximately $XXX by the end of 19XX. Conservative estimates suggest (Company)'s market share, with our intensified and accelerated marketing plan, product/service development, manufacturing and customer service would be about XXX% -- generating $XXX by the end of 19XX.

[] *Describe the projections and trends for the industry or business field.*

The fundamental thrust of our marketing strategy consists of XXX (appealing to walk-in retail customers, reaching executives by direct mail, demonstrating XXX in manufacturing facilities). pu.

[] *Describe briefly how you will make sales happen.*

We intend to reach XXX (a class/type of customer; market segment) by XXX (placing a variety of classified ads, mailing a full-color catalog every 3 months, a full-scale telemarketing campaign -- marketing/sales/promo tactics).

Overall, our company can be characterized as a XXX (high-profile retail merchant, aggressive distributor of XXX, quality manufacturer of XXX -- the business and image for your customers to see).

[] *Who are your customers? Where are they and how do you reach them?*

[] *Are they buying your product/service from someone else?*

[] *How will you educate customers to buy from you?*

A partial list of [actual] customers includes:

XXX
XXX
XXX

Also, XXX prospective clients presently evaluating XXX (product/service(s)) for use are XXX (actual customers).

Our objective, at this time. is to propel the company into a prominent market position. We feel that within XXX years (Company) will be in a suitable condition for further expansion, an initial public offering or profitable acquisition. To accomplish this goal we have developed a comprehensive plan to intensify and accelerate our marketing and sales activities, product development, services expansion, engineering, distribution and customer service. To implement our plans we require an investment of $XXX for the following purposes:

[] *Choose the activities pertinent to your goals:*

[] *Build manufacturing facilities and ramp up production and inventory to meet customer demands.* WHAT TO REVISE.

[] *Maximize sales with an extensive campaign to promote our products/services.*
ELEMENTS

[] *Add retail outlets, regional marketing/sales offices, print a direct-mail catalog.* 2,

[] *Reinforce Customer Support services to handle the increased demands created by the*

# Market Analysis

[] *This section describes the existing marketplace in which you will introduce your company and products/services.*

**Market Definition**

Key points in defining the market segment for (product/service) are XXX, XXX, and XXX.

[] *By product feature, by lifestyle of target consumers, by geographical location, by season, etc.*

[] *Include charts where appropriate.*

Currently, the market distribution is shared by XXX participants.

[] *How is share of market distributed among major participants?*

[] *What are the share gain and loss trends?*

[] *Summarize your view of the trends and implied opportunities.*

XXX (product or service type) Market

Users of XXX (product/service) are looking for quality and productivity improvements.

XXX (past/current/recent/lack of) development of XXX (product/service) has resulted in the need to XXX (changes, corrections, applications of new technologies). This innovation is called "XXX", and allows XXX (product) to operate efficiently (or more efficiently) as XXX.

The (product/service)'s ability to operate/perform/provide XXX (benefits) is unique to (Company)'s products.

Independent market research indicates that there is currently only XXX (quantity) (product/service) for every XXX customers. The XXX (market/industry), as a whole, is looking toward XXX (manufacturers/suppliers/retailers/experts) for use in the expansion of existing applications/product lines/services.

[] *For an existing Business (your own or a recent acquisition) review:*
*Sales history*
*Market Share & Position*
*Industry Trends*
*Profits*
*Marketing methods*

The stability of this market segment is XXX (volatile, uncertain, etc.), based on XXX product category performance over the past two years.

[] *What do industry forecasters predict for the next two?*

The XXX market is growing at a rapid rate. The market for XXX (similar products/services) amounted to $XXX million* in 19XX -- representing a XXX% growth over $XXX million* in 19XX.

Referenced sources agree that the major trend is for XXX. The trend has been toward the development of XXX (other products/services) and, hence, the latest development of distributed or shared resources.

The overall XXX market for the XXX industry is projected to be $XXX billion* by the end of 19XX. The overall market potential for (product/service category) is estimated to be $XXX billion by 19XX, and the (additional products/services) portion of this market is estimated to be XXX million.*

The area of greatest growth in the XXX market is in the area of "XXX".

* Source: XXX (industry analysts, census, trade journal studies)

**Possible Retail and Wholesale Outlets Include:**

| Store type | Total | SIC Code |
|---|---|---|
| Department Stores | 23,275 | 5311 |
| Garden Supply Stores | 16,496 | 5261B |
| Hardware Stores | 40,140 | 5251 |
| Giftware Wholesalers | 3,524 | 5199G |
| Electrical Equipment Whlse | 41,313 | 5063 |
| Total | 124,748 | |

@comments@[] *Collect mailing list catalogs -- look for all the possible outlets for your product/service.*

[] *Look in your telephone book classified advertising under Mailing Lists.*

[] *Complete the chart above -- the list may surprise you as well as prove to be a valuable resource for resellers.*

The major market segments are:

XXX
XXX

[] *List, by broad category, the types of customers you are likely to sell to.*

[] *Retailers, Electrical Contractors, Mail-order catalogs, etc.*

**XXX (Specific Market Area) Segment**

This segment of the market is generally based on XXX (products/services) and XXX (products/services) with retail prices in the range of $XXX to $XXX. The vast majority of sales in this category will be handled by OEM's, Retailers, Manufacturer's Representatives. The minority of sales will be through direct channels.

Over the past XXX years, XXX (similar product manufacturers or service providers) companies have proven that meaningful features can be developed for this class of XXX (product/service) (e.g., XXX, XXX, and XXX). These companies have primarily focused on the use XXX (manufacturing technique, special materials, recipes, chemicals, machinery) to improve the quality of XXX in a (product/service). These products have been successfully distributed in many areas of the industry. Competitive products/services in this market are produced/provided by XXX, XXX, and XXX.

In the next XXX to XXX years it is estimated that there will be more than XXX million of XXX (product/service)s distributed.*

* Source of Statistics: XXX (industry analysts, census, trade journal studies)

Of the XXX customers, approximately XXX% will buy/use want/expect XXX to help them to XXX (deliver their work, maintain their XXX, expedite their production, reduce costs). XXX of these (products/services) (actually about XXX) will have a XXX capability, and about XXX of those (products/services) will require XXX (other features).

The market potential for a (product/service) in these quantities -- with a current retail price of $XXX per unit -- is approximately $XXX million.

[] *Repeat the above information for as many market segments as are required.*

**Strengths**

[] *In covering your strengths, be sure to place at least as much emphasis on marketing as on your product, if not more.*

In terms of product/service strength, XXX (product/service) has several distinct advantages over the competition. First is its marked advancement in XXX technology.

[] *How else is the product/service favorably differentiated from the competition?*

[] *In actual performance?*

[] *In quality and reliability?*

[] *In production efficiencies?*

[] *In breadth of line and/or options?*

In marketing, our most powerful assets are XXX.

[] *In category/share leadership?*

[] *In segmentation?*

[] *In distribution?*

[] *In pricing?*

[] *In awareness/image?*

In the corporate arena, (Company) is supported by XXX.

[] *What are the corporate strengths?*
*Size*
*Financial resources*
*People resources*
*Reputation*
*Business Relationships (expand on this in the Business Relationships section)*

**Weaknesses**

There is/are XXX handicaps inherent in our product.

The only notable marketplace disadvantages are XXX and those are because XXX (explanation).

By 19XX we should be able to position ourselves in order to XXX and thereby reduce this weakness considerably.

Corporate weaknesses, at this time, consist only of XXX. However, we are taking steps to XXX which we feel should alleviate this problem.

Environmental threats (declining markets, trade barriers, consumer trends, changing economy) include XXX.

Other known threats include XXX.

**Opportunities**

The upside potential for XXX and XXX (our products/services) in XXX (each of the currently addressed markets) over the next two years is XXX.

Based on XXX (existing conditions), introduced in the Present Situation and Strengths/Weaknesses analysis, it is apparent that XXX (justify potential with logical rationale).

**Unexploited Opportunities**

An altogether new application for this product/service would be tapping XXX markets.

Further opportunity for our product exists in XXX market(s).

[] *Can the current line of products/services and technological capabilities be leveraged effectively?*

[] *What is the estimated cost of entry, time frame, and risk?*

Still another possibility for development involves XXX.

[] *Alternative distribution, technology licensing, creating up/down market brands, etc.*

# Customers

[] *Who is buying products or services in this category?*
*By Demographics: age, income, sex, family, location, occupation*
*By Psychographics: lifestyle, motives, needs, interests (sports, etc.), purchase history (recent buyers of XXX)*

[] *Use information from industry reports, census data, trade journal studies, etc.*

[] *Include Titles of people who:*
*INITIATE the inquiry for your product/service,*
*INFLUENCE the decision(s) to buy (and how they influence it),*
*DECIDE which product or service to buy, and*
*PERMIT the purchase to be made (sometimes the decision maker and the permitter are the same person, but oftentimes, for example, the CFO will sign the paperwork after another manager has submitted his/her recommendation).*

[] *Knowing exactly who you're selling to is crucial to obtaining favorable response from your investors -- they know that all the sales talent in the world is wasted unless it's directed to the proper person.*

The most typical customer for our product/service is someone who is in the XXX field, and who currently uses XXX (product/service) for XXX (application, purpose).

It is likely that potential customers are going to be familiar with XXX (similar products/services, products that your new one will replace, your type of product) and that they will readily accept our new XXX, provided that we XXX (approach/educate/contact).

Complementary products/services already in use by our customers are XXX (other products/services that work with yours) and are seen as a tremendous help in XXX (compelling customers to acquire our product/use our service).

It is easy to understand why the principal buying motives are XXX because XXX.

[] *What are the principal buying motives for your products/services (practical & emotional)?*

[] *Ask your customers -- telemarketing, warranty cards, ad inquiries, etc.!*

[] *How are the key competitors perceived?*

[] *How do these people perceive your company and products/services? And/or how WILL they receive your (new) product/service?*

[] *How sensitive are they to pricing differences?*

***Corporate Executive***

| | |
|---|---|
| Title | President, VP Finance, VP Manufacturing, Office Manager,. Advertising Manager |
| Power: | Permitter, Decision Maker,Influencer, Technical Consultant,Initiator |
| Viewpoint: | Big Picture, Financial, Department, Personal |
| Position: | (Responsibilities -- daily activities) |
| Emotional Influences: | Status, Power, Empire building |
| Practical Influences: | Saving money, efficiency |
| Education: | Ph.D., MBA, College,Technical School, High School |
| Limitations: | Geographical, Purchasing Approval |

@subhead 1@***Housewife***

| | |
|---|---|
| Age: | 35-55 |
| Income: | Fixed |
| Sex: | Female |
| Family: | Full nest |
| Geographic: | Suburban |
| Occupation: | White collar / Blue collar family |
| Attitude: | Early majority |

@subhead 1@***Young Professionals***

| | |
|---|---|
| Age: | 25-35 |
| Income: | Medium to high |
| Sex: | Male or Female |
| Family: | Bachelor or married |
| Geographic: | Suburban |
| Occupation: | White collar |
| Attitude: | Innovator |

@subhead 1@***Young Married Couples***

| | |
|---|---|
| Age: | 35-55 |
| Income: | Medium to high |
| Sex: | Male or Female |
| Family: | Married or no children |
| Geographic: | Suburban |
| Occupation: | White collar |
| Attitude: | Early adapters |

@subhead 1@***Wealthy Rural Families***

| | |
|---|---|
| Age: | 35-55 |
| Income: | High |

| | |
|---|---|
| Sex: | Male or Female |
| Family: | Full nest |
| Geographic: | Rural |
| Occupation: | White collar |
| Attitude: | Early majority |

@subhead 1@***Older Couple***

| | |
|---|---|
| Age: | 55-70 |
| Income: | High or fixed |
| Sex: | Male or Female |
| Family: | Empty nest |
| Geographic: | Suburban |
| Occupation: | White collar or none |
| Attitude: | Late majority |

@subhead 1@***Elderly***

| | |
|---|---|
| Age: | 70+ |
| Income: | Fixed |
| Sex: | Male or Female |
| Family: | Empty nest |
| Geographic: | Suburban |
| Occupation: | None |
| Attitude: | Late majority |

@subhead 1@**Case Study**

[] *Where possible, succinctly document Customer Case Histories of their selection, application and success with your company and product(s).*

[] *PURPOSE: Investors and new customers will feel reassured about doing business with you.*

[] *Customer Case Histories are excellent sales tools for your sales force. Don't neglect this simple and powerful asset.*

**Customer List**

[] *On a separate page, list your customers alphabetically.*

[] *If appropriate, state their application of your product/service.*

# Competition

[] *Look in your telephone book's yellow pages.*

[] *Look in the industrial directories at your local library.*

[] *Read industry magazines and look for advertisers.*

(Company)'s product/service(s) offer XXX in XXX situations.

Competitive threats today come from XXX (other companies, industries, new/entrenched technologies, foreign countries), and XXX.

(Company)'s products/services perform in virtually all situations where XXX (your features. benefits, your customers are likely to be).

The ability to XXX (what it can do) with full capability on XXX (list of applications, machinery, people) is unique to (Company)'s products/services.

The ability to XXX (what it can do) is unique to this product/service, and our research indicates its performance is superior to anything else on the market today.

In all comparisons, (Company)'s products/services provide more features and have superior performance than competitive products/services. In most cases, the number of differences is substantial. A complete technical comparison is available.

[] *Put all comparisons and test results in the Appendix of this business plan.*

**XXX Product/Service**

Companies that compete in this market are XXX, XXX, and XXX. All companies mentioned charge competitive prices (list examples).

XXX's (competitive) product/service does not provide the same capabilities in a situation where XXX (describe circumstances).

This is the only way XXX (your product/service) and XXX (their product/service) compete.

XXX (competition) advertises in XXX, XXX, and XXX publications.

[] *Discuss results -- if they advertise consistently/ continuously there, it must be working for them.*

Companies with competitive products/services in this market are XXX.

XXX (competitor) products only operate in a XXX (limited, etc.) way.

This market segment is not shared with any competitors. Competition does exist, however, in the XXX (industries, countries). Competitors in this area are XXX, XXX, and XXX.

[] *False or incomplete information here translates as dishonesty and negligence to investors, bankers, etc.*

[] *Do not delude yourself (or your investors) regarding competition.*

**Competitive Roundup**

The following chart illustrates how (Company)'s product/service compares to the competition in several different key areas.

**Competitive Roundup -- Company**

| | | | |
|---|---|---|---|
| Product/service | XXX | XXX | XXX |
| Company | XXX | XXX | XXX |
| Estimated 19XX Sales (000) | $ | | |
| Estimated Share of Market | % | | |
| Estimated Advertising Budget | $XX | | |
| Rank: 1=Weak to 5=Strong: | | | |
| Product Line | XXX | XXX | XXX |
| Quality | | | |
| Technology | | | |
| Advertising Effectiveness | | | |
| Sales Force Excellence | | | |
| Distribution | | | |
| Manufacturing Efficiency | | | |
| Standing in Industry | | | |
| Future Potential | | | |
| Seriousness of Competition | | | |
| Number of Employees | | | |
| Greatest Strength | | | |
| Key Weakness | | | |
| How we should react to them | | | |

@body@

**Competitive Roundup -- Product/Service**

| | | | |
|---|---|---|---|
| Price | XXX | XXX | XXX |
| Size | | | |
| Capacity | | | |
| Ease of Use | | | |

- Installation
- Range
  Appearance
  Quality
  Design
  Useful Life
  Trade-in Value
  Technology
  Responsiveness
  State-of-the-Art
  24 Hour Availability/Support
  Technical Expertise
  Repair Service
  Efficiency
  Guarantee/Warranty
  Complete
  On-Time Capability
  Upgrades
  @subhead 1@**Observations and Conclusions**

It appears, from the above information, that XXX.

[] *Are there market niche opportunities we have overlooked?*

[] *Are our resources being deployed against the most serious competitors?*

[] *Place competitors' advertisements and brochures in the Appendix.*

# Marketing Strategy

*"He who excels at resolving difficulties does so before they arise. He who excels in conquering his enemies triumphs before threats materialize." – Sun Tzu, The Art of War*

[] *Strategy: The science of planning and directing large-scale operations, specifically of maneuvering forces into the most advantageous position prior to taking action.*

[] *It is important that your thinking in this section follows closely to the definition of Strategy because it will help you specifically define your business activities, strengths and direction. Carefully designing this portion of your business plan will enable you to appropriately respond to business conditions and opportunities – it will make the difference between mediocrity and superiority. That's why you're here, isn't it?*

(Company)'s marketing strategy is to enhance, promote and support the fact that our products/services XXX (your unique features, benefits, establish market position/presence).

**Comprehensive Plan**

The overall marketing plan for our product/service is based on the following fundamentals:

[] *Type of business you want to be in.*

[] *Segment of the market(s) planned to reach.*

[] *Distribution channel planned to be used to reach market segment: retail, jobbers, wholesalers, brokers, door to door, mail order, party plan, etc.*

[] *Share of the market expected to capture versus time.*

To prove the value of XXX (product/service) we can XXX.

[] *Show each application.*

[] *Demonstrate effects.*

[] *Add credibility with scientific reports and studies.*

The void of XXX (product/service features/benefits) in every day XXX (specific business/ professional/ manufacturing/ shipping/ living/ household situations) is demonstrated by XXX.

[] *Based on studies of XXX.*

[] *Most of the country (and world) are XXX (describe their situations/circumstances).*

[] *Describe why: XXX (they have problems, continue without your products/services).*

**Product Strategy**

XXX should be treated as a XXX (long-term/short-term) product/service.

[] *If more than one, indicate for each long or short-term.*

[] *Important! How long before product pays for itself?*

As such, the target market segments to focus on are XXX (specific customers). Because of (product)'s special market characteristics, XXX (seasonal, geographic, as mentioned in Market Analysis) our strategy includes/incorporates XXX (how you will address specific market/environmental conditions).

**Positioning**

[] *How customers perceive your company and product, relative to competition. Read this statement again. And again.*

[] *Product/Business/Industry leadership.*

[] *Recommended reading: Positioning by Al Ries & Jack Trout.*

Our (product/service, or similar/competition's product/service) is seen by the consumer as XXX. (Customer's perception of your product/service. Ask THEM. See also Focus Group Research section.)

Its unique advantages (technical, quality, performance) can be exploited to arrive at a winning position in the consumer's mind.

In terms of market segmentation advantages, we can use XXX (upscale consumers, ethnic appeal, etc.) to arrive at a winning position here.

Reposition (product/service) as XXX (example: from a cost to an investment, vacation becomes an "escape from civilization," etc.).

XXX (other products, services, people), to be effective, depend on the presence of our XXX (product/service).

**Reposition the Competition**

We can reposition our competitors by XXX.

[] *What can be said shown about a competitor's product/service that will change your customers' minds (about the competitor's product -- not yours)?*

The resulting Selling Basis for our product, then, is XXX.

[] *This is your fundamental strategy for all of the advertising you do.*

[] *Test the Unique Selling Basis to make sure that it is:*
*Meaningful*
*Believable*
*Motivating*
*Memorable*
*Simple*
*Logical*
*Unique*

Up to this point, our Selling Basis has been XXX.

[] *In close alignment to Selling Basis?*

[] *Contrary to Selling Basis?*

[] *Lacking any clear definition at all?*

**International Market**

[] *It is important to consider your worldwide opportunities from the start.*

[] *List countries in order of priority*
*Rationale*
*Language*
*Usage of product/service*

[] *See Advertising and Promotion, Selling Tactics and Distribution sections for detailed plans of action.*

**Outside Suppliers**

[] *Include some of the following references:*
*Ad Agency*
*PR Agency*
*Direct Mail*
*Mailing House*
*Direct Response Firm*
*Fulfillment House*

*Graphic Designer*
*Display Designer*
*Packaging Supplier*
*Demonstrations - Guides, Literature*
*Market Research Focus Groups*
*Sales Literature, Tools*
*Marketing/Planning Consultant*
*Premiums Suppliers*
*Telemarketers*
*Direct Response Advertising Firm*
*Printers*

**Marketing Responsibilities**

*[] Define who will be responsible for these areas and decision dynamics involved:*
*New business development*
*Dealer and OEM support*
*Sales generation tools*
*Corporate graphics standard*
*Brandmark recognition*
*Direct response promotion*
*Telemarketing - scripts/training*
*Product position and identification*

**Selling Tactics**

*[] See section on Selling Tactics for detailed plan of action.*

**Advertising and Promotion**

*[] See section on Advertising & Promotion for detailed plan of action.*

*[] Includes:*

Company Positioning (identity within market)

*[] The identity is consistent throughout all areas of communication.*

Promotional Tools

*[] Brochures and Catalogs.*
*[] Other Collateral Materials.*

Advertising

# Pricing and Profitability

[] *How do we set prices? Is there a policy?*

[] *Is the pricing competitive?*

[] *Is there perceived value (it costs more therefore it must be better) inherent in higher prices?*

[] *Are prices based on costs -- standard markup?*

[] *Why are they higher or lower than competitors?*

[] *How elastic (the effect of pricing on demand for product) is the market for these products? How does consumer positioning affect elasticity?*

[] *See also Break Even Analysis in the Financial Projections section.*

The prices for our products/services are determined first and foremost by XXX (competition, costs, suppliers, manufacturers, package deals).

It is important to know that XXX (sliding scales, volume, regulated, competitive, perceived value), pricing is inherent to our market profile.

Compared to the competition, our prices are XXX.

[] *List examples of competitive pricing.*

[] *Put copies of price comparisons and reports in the Appendix.*

Different seasonal aspects of our market affect our pricing because XXX (what happens as your selling seasons change).

We feel that our customers will pay $XXX because XXX (purchasing rationale, see also "Pay Back" in Product/Service Description section.)

**Margin Structure**

**Retail**

[] *Ask friends customers in retail management regarding quantities they are likely to buy and discounts that would entice them to order more.*

**Distributor**

[] *Ask regarding quantities their customers are likely to order. Gross Profit Margins percentages they work with.*

**Manufacturer's Representative**

[] *What percentage commissions to they make? Usually between 5 and 20%.*

**Direct Sales**

[] *Determine cost of each sale -- time and expense involved, package deals.*

**Discounts**

We can take advantage of volume purchases by XXX.

[] *Place scheduled orders (100 units per month = 1,200 units ordered over a year -- just place the order up front).*

[] *Are there discounts for paying cash or within XXX days?*

Cooperative advertising -- manufacturer pays 2-10% of purchases toward your advertising of their product.

We plan to review our pricing and product/service margin every XXX (months).

[] *Should a new pricing policy be investigated? Are potential profits being left on the table?*

**Costs**

Estimated cost of manufacturing product XXX.

[] *Rationale explanation.*

[] *See Financial Projections section for details -- work with the Break-Even Analysis worksheet to evaluate the effects of variable costs, sales volumes and pricing levels.*

# Selling Tactics

**Current Selling Methods**

[] *Activities to be used in selling your product or service.*

[] *Methods to promote product or service: direct calling, telephone, advertising, mail, radio, television, or other.*

[] *Sample brochure, advertisements, announcements, or other promotional literature should be placed in the Appendix.*

[] *Margins of safety allowed in sales forecasts.*

[] *Recommended reading: How to Master the Art of Selling by Tom Hopkins.*

**Sales**

[] *It is important to demonstrate that the price and profitability of your product justifies the costs of sales (presentations, commissions, telephone, travel) and your distribution channels are selected accordingly.*

(Company)'s marketing strategy incorporates plans to sell our line of products/services through several channels:

- Executive Selling
- Direct Sales Force
- Manufacturers' Representatives
- Distributors
- Retailers
  - National Chains
  - Regional Chains
  - Independents
- Mail-Order/Direct Response
  - Catalogs
- Telemarketing
- Joint Marketing Relationships
- OEM's (*Original Equipment Manufacturers*)
- International Distribution

[] *See also Distribution section for detailed description.*

[] *See also Business Relationships section for existing arrangements.*

[] *See also Advertising and Promotion section "Direct Mail" for specifics.*

**Feedback Loops**

[] *Lead generation.*

[] *Lead referral and follow-up systems.*

[] *Information gathering and dissemination.*

- **Executive Sales**

[] *This type of selling is usually most appropriate for very expensive products or services (executive jets, yachts and large estates come to mind) where it is important to deal principal to principal when negotiating the sale.*

Because our customers tend to be top corporate managers, it is important that our company president and senior managers present our product/service to our customers.

**Direct Sales**

The majority of sales will be through direct sales by the (Company) sales staff. (Company) anticipates hiring XXX additional sales representatives to (cover additional territories, retailers, distributors, markets, sell specific products/services).

[] *See Organization Chart, page XXX.*

We have chosen to use a direct sales force because our products/services require considerable customer education and post sales support -- directly from the company. Our price point, pricing structure and profits are such that our costs of sales warrants a sale to be handled on an individual basis in this manner.

**Manufacturers' Representatives**

Because manufacturers' representatives carry several product lines compatible with ours, we feel it would be appropriate to select manufacturers' representatives carrying XXX, XXX, and XXX (complementary and compatible products -- automotive products to parts stores, marine supplies to boat dealerships, etc.).

Also, manufacturers selling XXX (dissimilar products yet appropriate to their customers' customer -- publishers selling computer software to bookstores, etc.).

[] *See also <u>Advertising and Promotion</u> section "Direct Mail" regarding locating appropriate representatives for your firm.*

[] *Contact customers and retailers and ask them who they would recommend to represe your product (firms and people they respect and do business with).*

**Distributors**

One of the key elements designed into the (Company) marketing plan is the targeting of our distributors. It is important to select distribution channels already in existence and staffed with professionals possessing appropriate backgrounds and clientele.

(Company) products are pertinent to the nature of the distributor's business and to the well-being of their customer base. Also, it is significantly less difficult for us to reach distributors and educate them as to the benefits available in using XXX (product).

This strategic marketing approach takes full advantage of the tremendous momentum inheren in the fact that these professionals are already involved with parallel products and services. They already have expertise and have been practicing in their field for a length of time.

By operating within these distribution channels in this manner, we feel we can maintain control of our market. In addition, we can generate growth at a reasonable pace and obtain excellent sales results.

[] *Be sure to consider the additional reduction in sales revenue to allow distributors their profit margin -- they must mark up your prices 15 - 30% to their retailers.*

[] *See Distribution for detailed plan of action.*

[] *See also Advertising and Promotion section "Direct Mail" regarding appropriate distributors for your firm.*

**OEM's**

With Original Equipment Manufacturers we can incorporate our XXX (product) into their product line by XXX (explain how your product can be included within theirs -- they sell your outboards with their boats, your windshield wipers with their cars). For manufacturers of XXX (their biggest system/product) we can sell XXX (product) as part of their XXX.

It is also possible to provide a private-label line as an additional product for XXX distributors.

**Retailers**

[] *What Dealers Want From Manufacturers:*
*Price Point - Attractive and Reasonable*
*Profit Margin - Worthy of Sales Emphasis*
*Technical Support - Accurate and Immediate Response*
*Quality - Design, Construction and Packaging*

*Advertising and Public Relations - Customer Awareness and Demand*
*Effective Sales Materials - Ease and Expedite Sales Process*
*Competitive Advantages - Features and Benefits*
*Stocking and Delivery - Available When Needed*
*No Mass Merchandisers - Maintain Profit Margins and Market Position*

**Telemarketing**

[] *Look in your telephone directory under Direct Mail for mailing houses. Some also handle inquiries, and others provide an 800#.*

Outside sales support
* Literature mailing
* Follow-up calls
* Order entry

Inquiry Response
* Order entry
* Literature mailing
* 800# Order/Support Hotline
* Marketing research

New Business Development
* Contact distributors, retailers, customers
* Schedule appointments

[] *Write a comprehensive telephone script that everyone can use when responding to inquiries.*

[] *Carefully address each issue (questions, objections, etc.).*

[] *Write out your responses AS YOU WOULD SAY THEM.*

[] *Practice with a tape recorder OR call your answering machine and see if you would buy it -- keep adjusting it until you would!*

# Distribution

(Company) will use several different distribution channels.

The determining factors in choosing these channels are XXX.

[] *Customer profile.*

[] *Geography.*

[] *Seasonal concerns.*

[] *Efficient use of funds.*

[] *Feasibility of using channels of similar products already on the market.*

Key competition uses the same channels by XXX.

[] *Distribution opportunities.*

[] *If available, include a chart of CDI/BDI (Category Development Indices/Brand Development Index) performance.*

[] *What is our ACV (All Commodity Volume) distribution? The competition's?*

**Method**

The primary means of distribution will be XXX.

[] *How your products are (can be) distributed.*

[] *Make a chart to show how they get to the ultimate consumer.*

Additional channels planned are XXX. An important advantage to these alternate channels is flexibility.

By using more than one method, (Company) will have more control and also more options with which to respond to special needs and circumstances.

Other features of our secondary channels are low cost, quick start-up, increased capacity.

**Coverage**

Regional target areas are XXX (where you will begin sales).

- Reports indicate the highest level of consumer interest in these areas.

Because our distribution network is XXX (already set up or in use, easy to implement, cost-efficient, etc.) we can enjoy national/international delivery immediately.

This, in turn, will reduce shipping time and increase customer satisfaction.

To date, XXX (many of, xxx of, none of) our competitors are able to achieve this.

**Roll-out Program**

We have selected from XXX key market areas.

[] *Areas based on proximity – easy to sell into, contact, deliver to, have customers come to.*

Manufacturers' Representatives we have chosen are:

| Name | Territory | Type |
|---|---|---|
| ABC Sales | Western U.S.A. | Marine Supplies |

@body@Distributors we have chosen are:

| Name | Customer Base | Type |
|---|---|---|
| DEF Distribution | 4,500 | Sailboat Dealers |

@body@Retailers we have chosen are:

| Name | Number of Outlets | Type |
|---|---|---|
| GHI Stores | 31, So. California | Sailboat Dealer |

@body@There are XXX number of dealers in each region.

[] *See Advertising and Promotion section under "Direct Mail" for ideas on locating dealers, wholesalers.*

[] *List regions in order of Roll-out sequence.*

[] *List key distributors/retailers etc. in each as top priority.*

**International**

[] *List countries by order of priority.*

[] *List distributors/representatives/retailers/etc. in each.*

**Trade Incentives**

[] *Allowances, Co-op Accruals, Warehouse Flushing Promotions, etc.*

**Customer Service**

XXX (customers) managers emphasize that support is one of their major concerns. They a: constantly impressed with the support provided by (Company). Hot-line service is currentl available to all customers enrolled in a maintenance/support program.

We intend to provide free pickup and delivery for customers in the XXX areas by using (our own trucks/couriers). The purpose for this service is to assure customer satisfaction and loyalty, and in addition, allow us to increase sales as well as maintain a high profile within ou service area.

Another service to add value is to provide warehousing of customer inventory. This allows u to book larger orders and provide faster order response.

Support to manufacturers' representatives is provided as required. This allows them to perform efficiently as a sales force. We intend to treat the manufacturers' representatives as an extension of the (Company) direct sales force, and they will be given the same support as the (Company) internal sales staff.

Technical backup support to OEMs' support groups is currently supplemented by (Company). The OEMs' staffs respond to the needs of their customers, and when they encounter a support issue that requires more information, they may direct their customer to (Company) or they may contact (Company) to obtain the necessary information.

Technical support to marketing and sales functions will be strengthened. Pre- and post-sales situations involving the application, presentation, and demonstration of XXX products will be supported by XXX (staff).

**Returns and Adjustments Policy**

At this time, general trade customs for handling returns are XXX (describe how returns are generally handled).

"If for some reason XXX(tm) is not right for your business you may return it for a full refund within 30 days of receipt of product. You must call (XXX) XXX-XXXX for a Return Authorization number (RA#). Refunds are made only on the price of the package + applicable taxes and do NOT include shipping costs.

Credit card refunds are credited to your account and cash/check payments are refunded within 30 days of receipt of returned merchandise in good condition with RA#."

We intend to (follow/depart from) industry custom by implementing a returns and adjustments policy whereby XXX (explain your plan and how it will work). Our reasons for

(following/departing from) customary procedures are XXX (give reasons -- advantages. benefits for you and your customers).

# Advertising and Promotion

[] *Tools and methods to increase our customers' awareness of our product(s).*

[] *Your purpose: Enhance, promote, and support the fact that your products/services XXX.*

[] *Remember: Advertising and promotion is an investment, not a cost.*

[] *Recommended reading: Ogilvy On Advertising by David Ogilvy.*

(Company) recognizes the key to success at this time requires extensive promotion. This must be done aggressively and on a wide scale. To accomplish our sales goals, we require an extremely capable advertising agency and public relations firm. (Company) plans to advertise in major trade magazines such as "XXX", "XXX", and "XXX." Upon funding, an agency selection shall be made and, with their assistance, a comprehensive advertising and promotion plan will be drafted. Advertising will be done independently and cooperatively with Distributors, OEM's, retailers and companies with whom (Company) has joint marketing/sales relationships.

**Advertising and Promotion Objectives**

Position (Company) as the leading XXX (maker, servicer) in the market.

Increase company awareness and brand/name recognition among business managers and XXX retailers, buyers, customers.

Generate qualified sales leads for field sales organization action.

Develop, through market research, significant information to develop immediate and long-term marketing plans.

Create product advertising programs supporting the "XXX" (better taste, lower fat, more fun) position.

Coordinate sales literature, demonstration materials, telemarketing programs, and direct response promotions in order to XXX.

[] *Describe how your advertising promotion objectives fit together to optimize the impact of your overall promotional campaign.*

**Media Objectives**

Gain awareness of company among XXX groups, XXX engineers, XXX buyers, and XXX customers and owners.

Establish an image of (Company) as a XXX organization that is very professional, complete reliable, and highly XXX (position in market).

Maximize efficiency in selection and scheduling of publications to cover XXX and XXX markets.

**Media Strategy**

Position (Company) in a quality editorial environment consistent with creative objectives.

Select primary business publications with high specific market penetration.

Schedule adequate frequency to impact market with corporate image and product/service messages.

Select specific media to reach dual markets.

Where possible, position advertising in or near XXX (articles on industry, product/service reviews, front cover, center spread) and appropriate editorials.

Utilize U.S. editions of XXX, XXX, and XXX (consumer, trade, specialty publications).

Employ special high-interest issues of major publications when possible.

Maximize ad life with monthly and weekly publications.

To get the most out of our promotional budget, our media coverage will be to focus on a XXX audience.

[] *Recap your customer profile.*

[] *Select specific group that buys your product or service.*

We will develop an advertising campaign built around XXX (product/service innovation. high-performance, competitive advantages), beginning with a "who we are" position and supporting it with ads that reinforce the XXX message. Importantly, we will develop a consistent reach and frequency throughout the year.

Due to the nature of our product/service, it is necessary to run (full-page 4-color ads/only 1/4 page B&W ads).

**Advertising Campaign**

The best way to reach our potential customers is to develop an intense advertising campaign promoting our basic premise -- "XXX" (your selling basis. theme, position in market).

To maintain/establish our XXX company image, the delivery and tone of our statements wil be XXX (understated elegance, hard driving excitement, excellence, glamour, reality, slice-of-life).

Ads will convey the look and feel of a XXX (describe your image) company.

Research indicates that XXX (direct mail, direct response, TV, radio) type of advertising has not yet been used by any of our competitors.

The consumer mindset, as described in "Marketing Strategies" is XXX (see also Customer section).

Ideally, after becoming familiar with our product/service, the consumer will XXX.

[] *Specify actual consumer action – call our toll-free 800 number and place their order using their Visa card, call for a brochure, attend our tradeshow booth, etc.*

[] *Being specific here will set the stage for developing appropriate ads.*

To eliminate the biggest objections to immediate action, our advertisements must address XXX (known/anticipated objections, difficulties with product/service acceptance, how to own/use product or service immediately).

Because XXX (product/service) is so innovative/unique/etc., it is important to develop a promotional campaign that is consistent and easy to understand.

Accordingly, (Company) has created a system of research and response to insure the maximum benefit of our advertising dollars.

[] *Develop an ad history: One way to measure publication effectiveness is to count the number of responses inquiries and/or purchases per 1,000 readers (paid circulation) – given a particular ad. Vary your ads (size, message, etc.) and measure the differences. Now you can calculate the number of responses per your investment in advertising.*

**Preliminary Media Schedule**

| | Circulation | Budget | Ad Size |
|---|---|---|---|
| XXX (Magazine, TV, Radio) | 50,000 | $1,500 | 1/4 Page |
| XXX | 450,000 | $4,400 | 1/2 Page |
| Total | 500,000 | $5,900 | 3/4 page |
| @body@Anticipated Response (ex: 1/1,000) | 500 | $11.80 each | |

[] *List publications.*

[] *Editorial dates -- when they will run special issues (Special Issue: Office Automation, etc.) that will enhance your ads.*

[] *Obtain a copy of SRDS (Standard Rate and Data).*

We expect to achieve a reach of XXX (total circulation/audience), and to maintain that for a period of at least XXX (months).

Due to the XXX (seasonal, geographical, etc.) nature of our audience, we plan to XXX (how you will counter these issues).

In regard to competitor's advertising, it is necessary to XXX.

[] *Explain how your message will contrast with theirs.*

[] *What if they run similar ads?*

**Promotion**

In addition to standard advertising practices, we will gain considerable recognition through XXX.

[] *Trade programs that are advantageous.*

[] *Consumer programs that are advantageous.*

[] *Press releases (if product is justifiably new and innovative).*

[] *Include budget and rationale.*

[] *See also Public Relations section.*

(Product/Service) has already been installed at XXX and XXX (companies, customers, stores, government agencies). Our products/services will be placed/offered in additional XXX's at substantial discounts.

The number of trade shows attended will be increased from XXX to XXX each year. These shows will be attended both independently and with companies with which (Company) has joint marketing/sales or OEM agreements.

Reports and papers will be published for trade journals and technical conferences.

XXX (product/service) will be provided as a service in a XXX (retail store, manufacturing, professional) environment -- a showcase for (Company)'s products/services and an ongoing XXX (test, market test, product development, promotional) environment.

Ideal consumer actions would be XXX (call 800#, clip the coupon, come to store, call for a demo).

**Incentives**

[] *Consider the appropriate use of advertising specialties like coffee mugs, t-shirts, imprinted gifts and gadgets.*

[] *Look in your Telephone Classifieds under "Advertising Specialties" and request some catalogs for ideas.*

**Direct Mail**

[] *Go to your local Post Office and request copies of The Mailer's Guide. It contains abridged information on bulk mailing permits, mail classification items, customer service programs, and other facts basic to mailing needs.*

[] *Collect mailing list catalogs -- look for all the possible outlets for your product.*

[] *Look in your Telephone Book Classified Advertising under "Mailing Lists."*

[] *Complete the chart below -- the list may surprise you as well as prove to be a valuable resource for resellers.*

| Store/Company type | Total | SIC Code |
|---|---|---|
| Department Stores | 23,275 | 5311 |
| Garden Supply Stores | 16,496 | 5261B |
| Hardware Stores | 40,140 | 5251 |
| Giftware Wholesalers | 3,524 | 5199G |
| Electrical Equipment Whlse | 41,313 | 5063 |
| Total | 124,748 | |

@subhead 1@**Corporate Capabilities Brochure**

*Objective*

To portray (Company) as the leading supplier of state-of-the-art dynamic XXX.

*Recommended Contents*

Introduction/background

[] *Importantly, a distinction between the "new" XXX and other products.*

[] *Statement of business philosophy.*

[] *Statement on technology and list of "firsts."*

Facilities

[] *A photographic tour.*

Company profile

[] *Sales – portray full selling team, including Representatives, Distributors as a savvy, dedicated support group with one overriding mission: customer satisfaction.*

[] *Marketing – present marketing department in their role of market research, product development, new product management, etc., providing improved product ideas to the user.*

High-Tech Companies

[] *Manufacturing – in-depth view of sophisticated manufacturing with special emphasis on performance, inspection, advanced methods, capacity.*

[] *Technical Support/Quality Assurance – portray the QA and technical support staff as highly competent and dedicated group of individuals concerned with customer satisfaction, and with elimination and/or improvement of substandard XXX's.*

[] *Product Development – present super high-tech image of the R&D group and their facilities. State-of-the-art image critical. Product innovation critical. Photos of "secret" products undergoing tests, etc.*

**Sales Support Collateral Materials**

Sell XXX (Product/Service)

[] *Audio/Video Introduction Tape.*

[] *News Releases – List appropriate.*

[] *Brochures.*

Attract and Support Distributors

[] *Introduction – Letter.*

[] *Business Plan – Brief outline describing objectives, strategy, tactics to align resellers with you.*

[] *Questions & Answers -- Address common questions.*

[] *Some Ideas -- Other thoughts to be planted in reseller's minds -- **align their thinking** with yours (collect their input from successful experiences).*

Help Distributors Sell XXX

[] *Presentation Binder.*

[] *Presentation Format -- 1-on-1, Groups.*

[] *Phone Script.*

List items that will assist the communications process

| | |
|---|---|
| Ads | Newsletters |
| Brochures | Post Cards |
| Bulletins | Presentations |
| Business Cards | Price Lists |
| Catalogs | Promotions |
| Charts | Proposals |
| Data Sheets | Questionnaires |
| Direct Mail | Reports |
| Financial Reports | Résumés |
| Forms | Stationery |
| Handouts | Telephone Scripts |
| Invitations | Videos |
| Letters | |

@subhead 1@**Investment In Advertising And Promotion**

For the first XXX months/years of our project, advertising and promotion will require $XXX (figure about 20% of sales $$$ the first year). On an ongoing basis we feel that we can budge our advertising investment as XXX% of total sales.

This figure is necessary because of XXX (the specific goals you must meet).

[] *What is the optimum spending level for advertising and promotion?*

[] *How does this compare with industry averages?*

Our Spending vs. Industry Average

Advertising
Sales Promotion

Trade
Consumer
Other (specify)

[] *Note that these figures may differ from those expressed in the Business Objectives ch. The numbers here may be a percentage of shipments or may have other contingent conditions attached.*

Compared to industry average we are investing (more/less) in (Trade, Consumer, etc.) promotion because XXX.

[] *Do the "heavy spenders" perform better?*

[] *What are your conclusions on advertising spending policy in this category?*

# ANNEX IV

## BUSINESS PLAN OUTLINE OF CONTENTS AND SUMMARY

# (Company)

**October 1993**
*(month and year issued)*

**Business Plan Copy Number _____**

**This document contains
confidential and proprietary information
belonging exclusively to
(Company).**

**(CEO's Name Here)
Chief Executive Officer
Address
City, State Zip Code
(xxx) xxx-xxxx**

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**11 Appendix**

[] *Be sure to number the pages of your plan. It is highly recommended that you use section numbering and number each page within each section vs. straight sequential numbering (i.e., 2-1 to 2-7).*

[] *Topics can be listed as main sections or as subsections (for example: Pricing & Profitability, Selling Tactics and Distribution are subsections under the main section Marketing Strategy).*

# FERROFRAME CORP.

## Executive Summary

[] *This section is an abstract of your company's present status and future direction.*

[] *It is usually written after all the other sections of your business plan are completed because it gives readers an overview of your business and it indicates how your business plan is organized.*

[] *Edit the Executive Summary to about 2 pages.*

In 19XX, XXX (your group, company, product developers) was formed/created to XXX (produce and distribute XXX, take advantage of XXX, fill the void of ... -- describe the purpose of your activities).

[] *Company mission statement covering your line of products and services -- What kind of company do you want to be?*

Now, (Company) is at a point where XXX (what you need or want to do next -- take advantage of a specific opportunity or one in your marketplace; build your business to the next level, etc.).

**Background**

For many years people have XXX.

[] *How people managed to do without [your product/service].*

[] *How and where a similar product or service is now being used.*

The "state of the art"/condition of the industry today is such that XXX.

[] *Explain your place in the industry vis-a-vis competition or technology, etc.*

Our operation was producing $XXX (sales, units, products) by 19XX, and has operated at XXX (financial condition -- profitable, break-even, etc.) ever since. Revenue projected for fiscal year 19XX without external funding is expected to be $XXX. Annual growth is projected to be XXX% per year through 19XX.

**Concept**

[] *Description of product or service.*

[] *Desirability of your product or service.*

We have just started/completed the design/development/ testing/introduction of (product/service) -- a novel and proprietary XXX (example: soap for cleaning vinyl, retail store, construction tool, etc.).

Compared to competitive products (or the closest product available today) our (product/service) can/will XXX.

The ability to XXX is a capability unique to (Company)'s products/services.

[] *How would <u>your</u> customers compare your product with those of competitors?*

[] *Advantages product or service has -- its improvements over existing products or services.*

Our strategy for meeting/dominating the competition is XXX (lower price, bigger/better -- your unique selling proposition).

(Company)'s target market includes XXX (types of customers).

(Company) is rapidly moving into its XXX (marketing phase).

This approach is generating a tremendous amount of interest throughout our industry.

In addition to our existing products/services we have developed/plan to introduce XXX follow-on products/services, (product) is a XXX and is especially useful to XXX (prospective customers) who can now easily XXX.

Other products/services include XXX.

All products from (Company) are protected by the trademark and copyright laws, and XXX (Patents, etc.).

Responses from customers indicate that our XXX (product/service) is enjoying an excellent reputation. Inquiries from prospective customers suggest that there is considerable demand for it. Relationships with leading OEMs (Original Equipment Mfgs.), retailers, Fortune 500/1,000 companies, major accounts, manufacturers and distributors substantiate the fitness of (Company) for considerable growth and accomplishment in our industry/area.

**Objectives**

[] *Near term and long term.*

Our objective, at this time, is to propel the company into a prominent market position. We feel that within XXX years (Company) will be in a suitable condition for further expansion, an initial public offering or profitable acquisition. To accomplish this goal we have developed a comprehensive plan to intensify and accelerate our marketing and sales activities, product development, services expansion, engineering, distribution and customer service. To implement our plans we require an investment of $XXX for the following purposes:

[] *Choose the activities pertinent to your goals:*

[] *Build manufacturing facilities and ramp up production and inventory to meet customer demands.*

[] *Maximize sales with an extensive campaign to promote our products/services.*

[] *Add retail outlets, regional marketing/sales offices, print a direct-mail catalog.*

[] *Reinforce Customer Support services to handle the increased demands created by the influx of new orders and deepened penetration into existing accounts.*

[] *Augment company staff to support and sustain prolonged growth under the new marketing plan.*

[] *Increase Research & Development to create additional follow-on products/services as well as to further fine-tune our competitive advantages.*

**Management**

Our management team consists of XXX (how many) men and women whose backgrounds consist of XXX years of marketing with XXX (Fortune 500 company names look great here), XXX years of corporate development with XXX (more Fortune 500 company names look great here too), XXX people with XXX years of engineering and design with XXX (company), a chief financial officer with XXX years of accounting, administrative, merger & acquisition, banking experience with XXX (company).

[] *Actually, any good company backgrounds pertinent to your management team's functions are good references to demonstrate a solid background and assure a higher probability of future success.*

Additionally, our outside Management advisors provide tremendous support for management decisions and creativity.

In-House Management

XXX
President

XXX
VP Marketing & Sales
XXX
Controller
XXX
Operations Manager

Outside Management Support (hourly/project basis)

XXX
Accountant/CPA
XXX
Attorney
XXX
XXX Consultant

**Marketing**

XXX (research firm, industry report, trade journal study) research projects a worldwide/nationwide market for XXX (product/service) to be approximately $XXX by the end of 19XX. Conservative estimates suggest (Company)'s market share, with our intensified and accelerated marketing plan, product/service development, manufacturing and customer service would be about XXX% -- generating $XXX by the end of 19XX.

[] *Describe the projections and trends for the industry or business field.*

The fundamental thrust of our marketing strategy consists of XXX (appealing to walk-in retail customers, reaching executives by direct mail, demonstrating XXX in manufacturing facilities).

[] *Describe briefly how you will make sales happen.*

We intend to reach XXX (a class/type of customer; market segment) by XXX (placing a variety of classified ads, mailing a full-color catalog every 3 months, a full-scale telemarketing campaign -- marketing/sales/promo tactics).

Overall, our company can be characterized as a XXX (high-profile retail merchant, aggressive distributor of XXX, quality manufacturer of XXX -- the business and image for your customers to see).

[] *Who are your customers? Where are they and how do you reach them?*

[] *Are they buying your product/service from someone else?*

[] *How will you educate customers to buy from you?*

A partial list of [actual] customers includes:

XXX
XXX
XXX

Also, XXX prospective clients presently evaluating XXX (product/service(s)) for use are XXX (actual customers).

***Finance[]***

*List customers in Customers subsection of the Market Analysis section.*

*[] Briefly forecast financial expectations.*

*[] See Income Statement, Budget, Cashflow, Balance Sheet (w/ratios), etc. attached.*

In XXX years we will have XXX (achieved goal) and our investors will be able to XXX (collect their return on investment).

**Conclusion**

(Company) enjoys an established track-record of excellent support/service for our customers. Their expressions of satisfaction and encouragement are numerous, and we intend to continue our advances in the XXX marketplace with more unique and instrumental XXX (products/services).