

PD-ABZ-809

University of Delaware

Project Number: 183-A-00-97-00020-00

Final Report

Period Covering: April 1, 1996 - December 31, 2003

Implementation Context and Economic Environment

In the late '90s, among other sectors of the Bulgarian economy, finance performed weakly and generally restrained, rather than promoted economic development. A prime example of this was the limited credit activities preformed by the commercial banks. Their credit portfolios saw a dramatic decrease over those years, reflecting both economic and institutional factors. The share of credit extended to the private sector as a share of GDP was only 12% at the end of 1999. The lack of alternative financing vehicles such as developed capital market and venture capital schemes, uncertainty on the part of entrepreneurs about Bulgaria's business environment, and low capitalization of the companies contributed to the shortcomings of the financial sector. Those years were also marked by continuous changes in the legal and regulatory framework governing commerce, industry, and finance in Bulgaria.

In Fiscal 2002, the Bulgarian economy started to show positive trends in growth despite the slow or declining demand on international markets and sluggish European economies. GDP was growing at an average annual rate of 4.5%, unemployment began to decline, and bank loans to the private sector increased by 32%. According to the National Statistics Institute, the private sector share of GDP was 62.4%. Economic growth however, was mostly due to tourism and increased domestic investments, while industry registered a 5.5% reduction in sales for the first six months of 2002.

Fiscal 2003 was marked by some positive developments in Bulgaria's economy as a result of the stable macroeconomic framework and balanced state budget, low inflation and increased lending by banks. The private sector continued its growth at 4.5-5% per annum. The European Union recognized Bulgaria as a functioning market economy (a conclusion with which we disagree) but warned that reforms must continue in order for the country to withstand the competitive forces in the EU market.

GDP grew by 3.8%, as compared to 3.4% in 2002. Gross domestic product stood at a preliminary \$4.002 billion. The private sector's share of GVA (gross value added) rose by 6.7% to 71.1%. The industrial sector accounted for 27.8% of GVA and was dominated by machinery and metal products, food processing, textiles, chemicals, construction, electronics, and energy production. Agriculture accounted for 12.5% of GVA. Bulgaria's current account deficit for the first four months of 2003 was \$721.2 million (3.8% of GDP), increasing by nearly 93% year-on-year. Foreign direct investment attracted into the country in January-April 2003 reached \$281.1 million compared to \$209.7 million for the same period in 2002, which covered 39% of the current account deficit.

Total foreign trade increased by 36.3%. The value of exports in the first nine months of 2003 was \$5.5 billion, an increase by 32.2% as compared to the same period in 2002. However, the foreign trade balance continued to be negative (- \$1.5 billion). Bulgaria's main foreign trade partners are Germany, Italy and Greece – comprising 63% of the total. Bulgaria's relations with EU candidate member-states have improved over the first nine months of the year. Bulgaria maintains a positive foreign trade balance with Turkey and Romania.

In the third quarter of 2003, unemployment fell to 12.7% as compared to 14.9% for the same period of 2002. The inflation rate was 1.9%, as compared to 3.3% during the same period of 2002. Consumer prices rose by 1.7% year-on-year.

Despite these improvements, Bulgaria continues to face a number of challenges, including the need to address the continued high level of unemployment and improving the economic status of groups in society that have not benefited from recent economic growth. Bulgaria needs, as well, to strengthen its governance and market institutions so that it can be ready to compete within the European Union. The Government is addressing these challenges through its economic and social program with emphasis on promoting sustained private sector-led growth and poverty reduction through improvements in the business environment, better governance and anti-corruption, and improved targeting of social assistance and building social capital.

Assessed Performance and Results Achieved

FLAG/University of Delaware implementation objectives were designed to produce results under S.O.1 of the USAID/Bulgaria Results Framework. FLAG/UD program impacted critical aspects of the implementation context as outlined above. FLAG/UD delivered results-oriented interventions to the Bulgarian private sector, including finance facilitation to ensure access to credit and supportive training to enhance critical business skills and improve business practices. The FLAG/UD program was managed for the University of Delaware by FLAG International, LLC.

While statistics portray a steady improvement in Bulgaria's economy since 1997, the performance has been uneven and insufficient to overcome many of residual problems, especially to achieve sustained

improvements in the general standard of living. Hence, throughout this period there continued to be a real need for outside assistance to Bulgaria, particularly to enable the private economy to move beyond the daunting impediments to its growth. FLAG's activities in Bulgaria should be seen in this context: past assistance responded to demonstrated needs and resulted in demonstrable improvements. Moreover, while needs are always present, their character is always changing and the character of assistance must evolve to meet the challenge. FLAG and FLAG/UD, in particular, provided assistance to the Bulgarian private sector over the past seven years. Experience was accumulated and adjustments were made, as a regimen of medicines may be adjusted by a doctor to best answer a patient's changing condition. The lessons taught by these experiences are summarized in Attachment B to this report.

FLAG/UD provided training in support of its finance facilitation and TA services to private Bulgarian enterprises through a series of in-country training offerings on financial management and business development topics. FLAG/UD implemented focused management training to target both entrepreneurs and bank loan officers, where appropriate, coordinating with USAID's other implementers, so that a better understanding of the role of commercial lending to the private sector could be achieved on all sides. This also contributed to introducing more competition in the banking sector. FLAG/UD improved business operations and business practices in competitive business clusters by offering certificate training to business owners and managers in a series of finance and marketing executive training courses and seminars.

Modular training offerings were adjusted in depth and breadth so as to be ideally pitched to the audience's needs. In order to extend the reach and effectiveness of training, internet technology and distance learning formats, successfully piloted within the FLAG/UD on-going program, were employed and expanded.

Special attention was dedicated to growing the skills and capacity of a pool of local consultants and trainers to replicate FLAG/UD's sector-leading expertise and training methods. A local consultants' network, built around the Bulgarian Association of Management Consulting Organizations (BAMCO) membership and qualified junior faculty of business departments at local universities, was activated to spearhead certification standards practices, educational reform, and advocacy issues.

FLAG/UD leveraged its business planning activities by providing dedicated support to existing schemes such as the Loan Portfolio Guarantee with United Bulgarian Bank (UBB), the Development Credit Authority with First Investment Bank (FIB), the Resource Center Program, the EBRD SME credit lines, and others. FLAG/UD served as a liaison between Bulgarian entrepreneurs and commercial banks to assist both parties in effectively utilizing specific programs and guarantee schemes, thus reducing the weight of collateral requirements and complicated banking procedures.

FLAG/UD responded to the demand among its trainees, clients, and others for pre-export financing and the issues of constraints on supply of such financing including primarily policy, risk assessment, regulatory, structuring, and funding. Using a combination of training, business plan writing, TA in transaction structuring and presentation, and other measures, FLAG/UD worked towards surmounting the constraints surrounding this form of finance.

To date, FLAG/UD has developed sixty business plans generating over \$29,000,000 of financing for client firms in the agribusiness, light manufacturing, IT, and tourism sectors. In addition to business planning services, FLAG/UD implemented intensive finance facilitation assistance and adjunct financial consulting and training to improve company competitiveness. Illustrative examples of our track record include the following:

FLAG/UD pioneered the Certified Financial Analysts training in Bulgaria. The training was aimed at preparing participants for the First Level Examination for acquiring the Chartered Financial Analyst designation. Training was based on the Association of Investment Management and Research (AIMR) Candidate Body of Knowledge, important to practicing investment analysts and finance professionals. In 2000, FLAG/UD started offering CFA training through open and distance learning methods. Curriculum emphasized the global application of investment principles suitable for analyzing fixed income, equities, derivative instruments and real estate. It combined theory with best practices, including topical knowledge of available sources of finance and preparing loan proposals with a strong conceptual base. The training targeted export-oriented firms, because of their need for state-of-the-art financial knowledge to make investment decisions, find capital, reduce costs, and increase profits in order to compete with foreign companies. FLAG/UD also adapted a CFA course and completed customized training for the employees of the Securities and Stock Exchange Commission (SSEC). This course was adapted to address the needs of the regulatory and enforcement side of the capital market.

The CFA training program graduated 272 participants – 50% of whom were women. FLAG/UD also implemented the CFA Level II training course. This training leads to increased knowledge of global financial

principles and adoption of international accounting standards, resulting in increased competitiveness on global markets. A final evaluation of the results and acceptance of that training shows that 88% of the participants found the course useful, 80% stated that the course met their expectations, and 75% of the trainees would recommend this course to their friends and colleagues.

FLAG/UD assisted BAMCO to certify 52 local consultants using the methodology of the London Institute of Management Consultants. BAMCO developed a recognized ethics code for professional consultants in Bulgaria and became a member of the International Council of Management Consultants. As part of the close cooperation with BAMCO, Delaware International (DI), the University of Delaware leave-behind NGO in Bulgaria, became a member of the association.

FLAG/UD worked consistently with clients needing to implement ISO standards into their manufacturing and commercial operations. Often, we did this with local partners to facilitate their own institutional strengthening and development at the same time as we aided the clients. FLAG/UD trained the consultants of seven Regional Development Agencies who improved and diversified services to their business clients in the regions. A number of consultants were trained by teaming with Volunteer Experts. The local consultants were later used to provide technical assistance and training to FLAG clients, which contributed to developing local consulting capacity. FLAG/UD worked with SZEDA management on the updated Business Plan of the Agency, as well as training in business plan writing for local consultants affiliated with the Agency. FLAG/UD consulted the Kyustendil Regional Development Agency on business plan preparation and compiling a manual to assist the RDA in developing information on fundable projects for submission to financial institutions, marketing training services, and seminar design and preparation. FLAG/UD, together with the consulting company ABC Invest - Varna, the Bulgarian Association for Partnerships (BAP), and Varna Economic Development Agency (VEDA) organized a cycle of seminars on corporate and financial management. This marked the graduation of BAP as a client and its advent as a provider of sustainable services. FLAG/UD and BAMCO consultants offered an assistance package to the Haskovo-based Maritsa Association of Regional Municipalities and Zlatograd Economic Development Agency, comprised of business planning and counseling on business diagnostics, planning, budgeting, and control issues. FLAG/UD assisted the Agency for Small and Medium Enterprises (ASME) with the Ministry of Industry, to screen, evaluate, and compile the business plans of eight Bulgarian private companies looking for debt or equity financing. The business plans were presented at the Croatia International Central European Initiative Economic Forum, organized by the European Bank for Reconstruction and Development (EBRD). FLAG/UD assisted the Institute for Market Economy, a local think tank, in developing the draft of the Mortgage-Backed Securities Law and its public discussion.

FLAG/UD completed a program focused on working with strategic partners in the financial sectors under SO 1.4. Four hundred and sixteen bankers from 34 banking institutions successfully completed the training courses. FLAG/UD commercial bank training partner - the International Banking Institute generated over \$12,750 in net revenues. The program contributed to the strengthening of the Bulgarian banking sector and the establishment of a more stable banking system. One Hundred and eighty-one stockbrokers, from each of the licensed investment intermediaries, completed FLAG/UD-provided broker/dealer licensing training. A FLAG/UD partner institution in the broker/dealer licensing training - the Bulgarian Association of Licensed Investment Intermediaries - generated over \$18,000 net revenues. The program contributed to the goals of creating a friendly environment for capital market participants by improving the general knowledge and the public awareness of the securities industry through training, transfer of knowledge and skills, disclosure of information, and better coordination. It also contributed to the development and strengthening of working relations between the national network of investment intermediaries, national and regional structures, international organizations, and other partners. Another 342 professionals from the banking and securities industries participated in custom tailored short term seminars.

FLAG/UD provided technical assistance to Expressbank for sub loans under the EBRD loan agreement for \$5 million for lending against warehouse receipts. The \$5 million loan agreement was part of a larger financing of \$30 million for lending against warehouse receipts as stipulated by the Memorandum of Understanding signed between EBRD and the Bulgarian Ministry of Agriculture, Forests and Agricultural Reform. Expressbank was one of the first banks in Bulgaria to start lending against warehouse receipts. Twenty-three branch employees, primarily credit experts, credit inspectors, branch managers and legal advisors of nine bank branches were trained on specific skills relating to financing agricultural commodities, legal framework of grain storage and trade, lending against warehouse receipts, and enforcement of collateral.

FLAG/UD helped United Bulgarian Bank to utilize the Micro Enterprise and Small Business Loan Portfolio Guarantee. FLAG/UD efforts and commitment in support of the implementation of the guarantee facility resulted in \$1,973,772 of loans put under guarantee. The purpose of the Guarantee is to help qualifying micro-enterprises and small businesses to mobilize credit through the formal financial sector on the basis of a

risk sharing arrangement. It covers up to 50% of a bank's net loss on the principal of loans made to qualifying businesses.

FLAG/UD also assisted FIB to develop documentation for a Development Credit Authority (DCA) facility, a portfolio guarantee program to cover up to 50% of the risk exposure on the principal of loans to qualifying non-sovereign Bulgarian borrowers. The chief objective of the program is to promote long-term financing, which increases the efficiency and competitiveness of Bulgarian entrepreneurs.

FLAG/UD engaged in follow-up activities proposed in the action plan of the SEETI conference, specifically in the area of competitiveness and regional trade linkages. FLAG assistance was focused at the group and cluster levels and aimed at achieving increases in client exports. WE sought to achieve sustained growth through interventions that would result in improved competitiveness and more effective regional trade linkages. In order to increase the quality and effectiveness of its services and provide an adequate response to the need for efficient marketing information exchange, FLAG established a Trade Development Center (TDC), staffed by all FLAG organizations. The mission of the Center was to support the FLAG goals of export promotion, business-to-business relations, competitiveness, trade facilitation and cooperation, aimed at export increase, establishing of effective trade linkages, and sustained growth in the targeted industry clusters. The Center established relations with the Bulgarian Trade Institute, the Export Promotion Center at the Ministry of Industry and the Bulgarian Chamber of Commerce, and joined forces with these institutions in facilitating trade show participation and enhancing business-to-business relations.

FLAG/UD assisted companies in competitive industries to develop their cost projections, marketing and export strategies and business plans. FLAG/UD offered quality services to entrepreneurs and companies looking for outside technical, managerial, or financial support or investors needing good investment opportunities. FLAG/UD provided full-scale business planning and finance facilitation services along with identifying eligible projects and consulting to clients. FLAG/UD provided finance facilitation services to improve the access of businesses to other forms of financing such as: venture capital, leasing, factoring, and pre-export financing to the amount of \$28,762,065. Four alternative tourism operators were assisted in business plan preparation for the SAPARD program. FLAG/UD assisted three other clients in their SAPARD Program applications. Meat Products Manolov SP was assisted in business plan preparation. The investment amount funded by SAPARD for this project is \$830,590. FLAG/UD assisted GazCom, a poultry producer, with the development of a \$1,030,488 business plan in compliance with SAPARD program requirements. FLAG/UD assisted Ajdarevo Geothermal Plant in updating their business plan for raising \$528,960 for the purchase of additional required equipment, allowing the company to generate about 18,000 MW annually and create 15 new jobs. FLAG/UD consulted MM Consult in their development of a business plan for raising \$1,000,000 in equity and \$5,000,000 in debt for the establishment of a factoring operation. As a result 10 new jobs were created. FLAG/UD assisted Voinco Consortium through the development of a job creation proposal, supported by strategic marketing analysis, conceptualizing of the project operational cycle, and financial five-year plan for generating funds amounting to \$4,341,709 over the first two years of the project.

FLAG/UD conducted an Assessment of Small Lodging Enterprise Development in the Bulgarian Alternative Tourism Sector and carried out its action plan, aimed at achieving increased competitiveness of the Bulgarian alternative tourism industry, export facilitation, increased access to financing and job generation. FLAG/UD conducted a series of technical support programs to tourist accommodation providers that included sales, marketing and business planning training and focused "Know-How" transfer. As a result, over 97 alternative tourism operators adopted improved business operations, and productivity rose 22%. The number of related jobs increased by 11%.

FLAG/UD with cooperation from the Bulgarian Association for Alternative Tourism published the first comprehensive National Guidebook to Bed and Breakfasts and Guesthouses in Bulgaria. The guidebook is in full color and includes information on how to get to the destination, scenic routes and byways, directions to cultural and historical monuments in addition to detailed information on each available B&B and Guesthouse, and is instrumental for promoting in-country travel of foreign tourists and establishing Bulgaria as a preferred alternative tourism destination. The first edition of the Guide, consisting of 2,000 copies was distributed at major gas stations throughout the country. As a result, sales of alternative tourism accommodations increased by 25%. Jobs generation in the sector increased by 10%. The economic payoff of the first edition only for the first six months after its publishing was 8,700 overnights, plus retail sales of tourist product and services at the local level.

FLAG/UD consulted the Association of Private Hotel and Restaurant Owners on defining the concept, establishing the criteria and promoting on a national level a Quality Assurance Program as well as the Green Hotel Initiative Award. Both programs aimed to improve environmental performance and contributed to successful business operations. Fifty-seven companies adopted improved business operations. Productivity

increased by 24%. Job generation increased by 9%. Sales of tourist accommodations increased by 20%. FLAG/UD also provided assistance to the Eco Label Certification and Quality Assurance Programs for the Bulgarian Hospitality Industry through the development of a national Green Hotel Initiative Award website (www.greenhotel.net), as well as a national Quality Seal of Bulgarian Hotels website (www.qualityhotels-bg.com). The adoption of eco-oriented best management practices, as well as new products and services is needed for implementing eco-efficient building technology, replacing appliances, providing eco-friendly consumables and recycling waste products typically generated by hotels such as paper, glass, aluminum, grease and oils, and organic waste.

FLAG/UD provided administrative support to FLAG Consortium through ASD. ASD provided support to all three FLAG Committees and it provided all FLAG member organizations with database Implementation Status Reports. ASD submitted FLAG consolidated quarterly activity reports. ASD published the FLAG Newsletter and distributed it to FLAG member organizations, other USAID implementors, clients, RDAs and local strategic partners. ASD provided maintenance and monthly update of the FLAG and TDC web sites.

**Attachment A
Performance Data**

**FLAG/UD Impact Evaluation Findings by Indicator
April 1, 1996 - December 31, 2003**

IR 1.3.2.1 Improved Business Performance of Private Sector Association Members		
INDICATOR	RESULT	
1. Export increase in assisted priority industry clusters.	\$3,727,760	
2. Value of linkages in assisted priority industry clusters.	\$23,758,028	
3. Growth in employment in assisted target firms. (Jobs created and retained)	2,060	
4. Domestic sales increase in assisted priority industry clusters.	\$7,461,000	
5. Improved competitiveness and efficiency of target industry clusters measured by increased sales per employee ratio.	10%	
6. Number of companies from assisted priority industry clusters introducing international industry standards such as ISO, HACCP, AQL, IAS, etc.	732	
TOTAL NUMBER OF PROJECTS COMPLETED:	TOTAL NUMBER OF VOLUNTEERS / TRAINERS PROVIDED:	TOTAL NUMBER OF BUSINESSES IMPACTED:
630	286	3,256

In addition to the above, FLAG/UD contributed the following results under:

IR 1.3.2. Private Sector Business Support Associations and Institutions Strengthened

INDICATOR	RESULT
1. Increase in revenue from dues and services of assisted associations / ISOs.	\$68,281
2. Increase in targeted associations' fee-paying members.	130
3. Increase in targeted consulting firms' revenues.	\$41,575

- **Women-owned businesses** - 99
- **Women-managed businesses** - 96
- **Female employees** -3,917

- 467 training offerings to 5,047 participants
- 60 business plans generating more than \$29,000,000 committed for financing for client
- 586 management functions improved and in place

Attachment B

Lessons Learned

There are a number of lessons FLAG learned in the course of implementing its seven year long program. Most of those lessons come as confirmation of what have been FLAG's strengths and advantages. Some of these strengths were originally designed into the program and some came from re-evaluations of these strengths and how they played out in the process of operating in a challenging environment and the need to adapt to changing beneficiary needs and conditions.

- FLAG established that providing a complete package of services works much more effectively than a single type of intervention and generates best results by recognizing that businesses have a multitude of problems and need a corresponding breadth of resources to overcome them. When technical assistance; finance in the form of grants, loans or finance facilitation in descending order of effectiveness, and management training are used in carefully programmed ways over a significant period of time the impact was greater and the results more gratifying than assistance that was limited in scope and time.
- The FLAG Model proved to be an efficient and effective way to provide private sector support. Using the demand driven approach, applying rapid reconnaissance and diagnostics, performing in-depth analysis of client needs prepared on a consistent basis, and providing technical assistance and training tailored in response to specific needs all yielded positive results that would not have been forthcoming in more limited forms of intervention.
- FLAG achieved comprehensive data collection, processing, and analysis on a consistent basis which was critical to following progress of individual clients, especially relative to the rest of the client base. The information thus produced permitted the intensive FLAG Model to be used while still parsing critical data and without becoming inundated and bogged down with useless information and losing track of results. The information services themselves became an integral part of the FLAG Model and ultimately permitted FLAG to, in the deceptively simple phrase, "manage for results". This has been appreciated equally by AID, stakeholders and clients.
- The informational underpinning described above had the further effect of permitting operating efficiencies and reduced costs by centralizing data collection and reporting as a result of integrating all members' efforts.
- At the same time that the FLAG Model demonstrated the ability to manage for results, it showed a quality of flexibility that permitted change to be absorbed without damage to results. Strategic change was possible that permitted re-focusing to new priorities and indicators, while preserving the FLAG model rationale. Tactical change was possible because the FLAG Model values the ability and developed the means to find the right resources quickly in order to accomplish specific tasks, often in areas that had not yet been explored and under outside time pressure.

Attachment C

Sustainability

University of Delaware created as a legacy a private entity, eFLAG, by spinning off the training offerings, for which there has been proven market demand. The company developed its portfolio of services to emphasize in-house training for medium size Bulgarian and international companies, as well as further developed its online learning platform and course offerings. The company is pursuing a well-defined market expansion strategy detailed in its business plan and financial projections. eFLAG is well-positioned within its market niche as a local executive training provider and the first operational online learning platform and is doing well against the competition. eFLAG is using IAS in its financial reporting. Within a year of its separation from the grant operation the company is already breaking even on its monthly income statements during the current quarter.

UD has identified another leave-behind entity in Bulgaria – Delaware International Partnership (DI). An increasing percentage of DI's deliverables were being offered on a fee-for-service basis, and fees increased over close-out period until they reached the full market level. DI was thus positioned to function as a self-sustaining consulting entity.

DI will continue to act as a leader in innovative consulting and a model for other business support organizations (BSOs). DI will consolidate partnerships with consulting and business development organization for the purposes of executing packaged commercial consulting offerings. DI will continue to specialize in finance facilitation and business preparation consulting, as well as sector-specific training.

Corporate Capability Statements of University of Delaware Legacy Entities

eFLAG Learning Solutions (www.eflag.cc)

The Company

eFLAG Learning Solutions is a Bulgarian consulting and executive training company. eFLAG was incorporated in Sofia in October 2002, inheriting eleven years of positive experience in providing quality business training in Bulgaria and the SEE region. eFLAG business training combines in-class with Web-based learning. eFLAG represents a new training service formula, a commitment to uniform high quality, and the use of state-of-the-art technology and delivery methods.

We at eFLAG are a high-powered team delivering custom-tailored training and consulting with appreciation for the relevant local business conditions. eFLAG comes in response to the high demand for quality professional finance, accounting, and marketing training and the readiness of business managers and their employees to use computers in a blended e-learning format. To date more than 6,000 have successfully completed our courses and will attest to our status as the leading training provider in Bulgaria. We also have a number of satisfied clients in Serbia, Montenegro, and Kyrgyzstan. We are known in the SEE region as the provider of distance learning finance courses based on the CFA body of knowledge.

Mission and vision

We are making eFLAG known as the provider of excellence of blended in-class and online "expert-rich" executive training content for business and finance professionals. We are establishing eFLAG as the brand name and seal of quality of a business community and a trainers' network committed to leadership and innovation. We believe in knowledge convertible to profit, client satisfaction and long-term client relations.

Service capability

Executive Training for results-oriented firms to help them make better investment, finance, and marketing decisions, find capital, reduce costs, and increase profits and ultimately improve their competitiveness. Specific experience and focus on intermediate and advanced finance, accounting, business planning and loan application training and consulting.

Consulting and Training Skills Transfer for junior consultants to upgrade their consulting and tutoring skills in advanced finance and IAS content, including transfer of specific e-structor skills, required for course authoring and conversion to a distance learning web-based environment. eFLAG's own team of locally trained and qualified e-learning specialists includes an elite group of a dozen actively practicing local e-structors, content experts, e-learning advisors, facilitators and Internet coaches.

e-Learning Consulting for training and academic institutions and Business Support Organizations (BSO), transitioning to commercial executive training and Web-Based Training (WBT). Training, practical counseling, and coaching in e-learning essentials, methods, platform architecture, project planning and management, e-learning start-up decision making based on ROI analysis. Ongoing eFLAG consulting includes advice and training for Bulgarian universities of the Virtual Campus Consortium on how to convert to an online learning environment.

e-Learning Hosting for partner content providers. We have developed our own e-learning platform, which has most of the essential features of the Learning Content Management Systems (LCMS) available from large commercial vendors. We create and host electronic libraries with communication and collaboration features.

Value-adding features of our training

- Sophisticated and readily applicable content
- Design in accordance with needs
- Western-style curricula
- Relevance to local context
- Quality and experienced instructors
- Course certificate with recognized value in the business community

Client benefits

- Interactive "learning by doing"
- Time and space independent distance learning format

- Attention to individual learner needs and pace
- Testing and “mock” testing tracking progress

eFLAG Unique Advantages

- **Content:** client-centered, expert-rich, contextualized finance, accounting and marketing content for company managers, bank and financial services companies’ personnel. Established provider of CFA body of knowledge in blended e-learning format in SEE for the last three years.
- **Legacy Success Story:** eFLAG is a sustainability success story of high replication value. Experience in effective transition from USAID-sponsored project team to a self-sustaining commercial entity in under a year.
- **Distance Learning Methods and Platform:** fully functional e-learning market leader in Bulgaria and the region, operating on the basis of its own franchise-like business formula involving low budget platform and operating solutions, characterized by a co-sourcing network of local trainers and consulting organizations and a self-propelled virtual training and learning community.

eFLAG courses and seminars

We adapt our content for maximum learning outcomes in response to client needs. We typically provide several training formats: short 1-3 day seminars; 1-2 week courses, blended e-learning 6 week courses with 2 in-class sessions and online interaction and testing for the rest of the course duration. Our current courses and seminars include the following titles:

1. Advanced Credit Analysis
2. Brand Management
3. Budgeting
4. Business Planning
5. Business Valuation
6. Communicating with Clients
7. Competitive Intelligence
8. Conducting Trade Negotiations
9. Corporate Governance
10. Corporate PR
11. Corporate Finances
12. Cost Accounting
13. Developing a Marketing Concept
14. Effective Sales Skills
15. Export Marketing and Trade Promotion
16. Financial modeling with Excel
17. Financial Accounting
18. Financial Statements Analysis
19. International Accounting Standards
20. International Payments and Trade Finance
21. International Trade and Contracting
22. Inventory Management
23. Leasing Operations
24. Loan Officers’ Training: Consumer Loan Training and Collecting
25. Measuring and Managing Company Value
26. Quantitative Methods
27. Working Capital Management

Add-on Service

eFLAG launched a new service under the ELS brand name in the fall of 2003 (<http://els.eflag.cc/>). The new product package gauges on the power of Internet to enhance the image of client companies and the potential of e-learning for employee development purposes. While many offer web design services the novelty of the ELS package is that it integrates design with copy writing. The fusion results in power and sales impact. ELS enhance client web presence with in-company tailored e-learning. It definitely appeals to managers who within a modest budget have to train large groups of staff, located in different cities, without taking them away from work. With the full packages service from ELS, clients exploit the benefits of e-learning to improve their company performance and increase their competitiveness.

Delaware International Partnership (NGO) (www.delin.org)

The Company

Delaware International (DI) Partnership has operated as a consulting company in Bulgaria and internationally since its incorporation in Sofia in 1994. DI's main strength is in finance facilitation, business planning, and investment projects, as well as in sector-specific counseling, especially in the tourism and IT industries. Along with its private sector activities DI has been the local implementer for a number of donor projects sponsored by USAID, EBRD, and the World Bank. The DI team executed the University of Delaware Management Training and Economics Education Project (1991-95) and has been a core member of the FLAG Consortium delivering firm level technical assistance and training for the last eight years. DI is part of the FLAG International alliance of transition management consultants, operating in the US and South East Europe. DI is also a member of the Bulgarian Association of Management Consulting Organizations (BAMCO).

What We Bring to the Table

- A decade of consulting experience in transition economies
- Appreciation and understanding of the local business environment
- Well-educated consultants with insights and experience
- Sector-specific expertise for targeted solutions
- International reach to new potential markets
- Strong relationship with local and international sources of finance
- Excellence in proposal preparation and presentation
- Lasting partnership to help you build on initial success

Our Mission

Our mission is the delivery of professional advice and high quality services to help client companies capitalize on business opportunities and turn obstacles to their own best advantage. We draw on our multi-faceted experience of providing critical advice to small and medium sized businesses, corporations, financial institutions, business associations, Business Centers, Regional Development Agencies to provide strategic and operational business solutions relevant to the local context and the global market.

Our Philosophy

Our experience is in working with clients in their own environment. We develop customized solutions based on client needs in the areas of strategic planning, accounting and finance, marketing and sales, tourism, economic development, trade / investment facilitation and IT project management.

We emphasize practical knowledge and skills over concepts and theory. Our services are action and goal oriented. We work closely with our clients to develop implementation plans for improved strategies, operations, and bridge skills gaps. We build long-term working relationships based on trust and confidence. Our commitment to the client is to maximize measurable results and deliver quality and cost-effective services. We seek to surpass expectations by providing innovative, effective business solutions through integrating expertise and resources.

Our Approach includes the following phases:

1. Understanding the issues, goals, and constraints

In order to provide an effective solution we must understand your situation, the opportunities you have, and the obstacles standing in your way. By listening to our clients, conducting extensive background research, and not rushing to draw a conclusion, together we can come up with a meaningful and practical solution.

2. Implementation

Once the solution is identified we can assist in securing the financial resources needed and/or provide the technical expertise necessary for implementation. A solution without action does not help the business and, frankly, results in a waste of time and resources on the part of the company. We do not consider a project complete until our clients are achieving the results expected in the proposed solution.

3. Follow-up

Initial success is not the end of the story, or our involvement. Market conditions change. Your success will draw the attention of your competitors and new opportunities/threats will arise. Only through staying alert and refocusing as needed can your business continue to prosper. Our goal is to establish a mutually beneficial long term working relationship with our clients.

Our Consultants

DI has a team of highly educated professional consultants who have gained their degrees, or have been retrained in Western Europe, or the United States, and have mastered their skills working alongside U.S. and West European consultants and trainers. Our advisors are experts in their respective field. They are practitioners, rather than academics. Our principal areas of expertise include:

- Strategic Planning
- Alternative and Eco Tourism
- Feasibility Studies and Business Planning
- Financial Analysis and Valuation
- Managerial and Cost Accounting
- Market Analysis and Planning
- Trade and Investment Facilitation
- Regional Economic Development
- IT Project Management

Our Services

Business Planning and Finance Facilitation

We move funds to where the good projects are by wielding the right tools and techniques for the job. Some see a business plan as the hurdle in front of a source of finance. In truth, the business plan is a lot more than that; we see it as the blueprint to success. In partnering with us you will improve your chances to go forward in your business.

To date we have developed close to fifty business plans generating more than \$26,000,000 committed for financing for client firms in the agribusiness, light manufacturing, IT, and tourism sectors. Our latest project included the development of a business plan which raised €700,000 that carried a 7% annual interest rate. Recently, we also completed two SAPARD projects approved for over \$1,000,000 in funding.

Alternative and Eco Tourism

We have conducted an Assessment of Small Lodging Enterprise Development in the Bulgarian Alternative and Eco Tourism Sector and carried out the implementation of its action plan, consisting of technical assistance, consulting and training for the development, as well as enhancement of small, locally owned and operated hotels, bed and breakfasts, and other services that make tourism work in underdeveloped and non-traditional tourist areas of the country.

Jointly with the Bulgarian Association for Alternative Tourism (BAAT), DI published the first in Bulgaria National Guide on Bed and Breakfasts and Small Family Hotels. The guidebook includes information on scenic routes and byways, directions to cultural and historical monuments in addition to detailed information on Bulgarian Bed & Breakfast & Family Hotels and will be instrumental for promoting in-country travel of foreign tourists and establishing Bulgaria as a preferred alternative tourism destination.

We have also implemented a project in Eco Label Certification and Quality Assurance for the Bulgarian Hospitality Industry. This is part of a wider initiative for an integrated approach to improve the overall quality and image of Bulgarian hotels.

Information Technologies

We have a strong belief in the current capabilities and future potential of the Bulgarian IT sector. To this end we have assisted in the successful development of a business incubator model and leveraging of over \$1.2 in EU funding for the two targeted high-tech incubators in Gabrovo and Varna. DI has extensive experience in assisting IT companies' innovative projects in their search for outside financing. We have also established a physical presence in the United States to facilitate the identification and contracting for software development projects utilizing Bulgarian programmers.

Market Research

We can provide market research reports, information on international trade shows, and sources for equipment or products all aimed at facilitating direct business contacts and/or joint ventures with foreign companies.