

CEP

Croatian Enterprise Promotion

Croatian Enterprise Promotion Activity

Quarterly Report #11

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Submitted by:
Deloitte Touche Tohmatsu Emerging Markets

Submitted to:
USAID / Croatia

Progress from April through June, 2004



**Deloitte
Touche
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EXECUTIVE SUMMARY

The second quarter of 2004 was devoted primarily to conduct of practicum assignments in the tourism and wood processing industries. CEP also continued its activities in training and certification, and support to the Association of Management Consultants (AMC), our principal partner organization.

With the completion of this quarter, CEP has three months of work left in its period of performance. During this remaining period, CEP is pursuing five major work components:

- 1) Institutional strengthening and support to the AMC, continued development of basic association infrastructure and member councils development of member services, implementation of marketing programs to position the association and publicize its activities, assistance in selection of new director;
- 2) Completion of development of international certification programs for consultants, specifically in quality management topics (ISO and HACCP Food Safety), and provisional certification of a minimum of 60 Croatian consultants in these skill areas;
- 3) Development of industry-specific training curricula, using existing CEP courses as a foundation, for consultants in the food processing, tourism, and wood processing industries;
- 4) Completion of supervised paid practicum assignments for a total of 55 consultants in the war affected areas;
- 5) Provision of a full-time advisor to the new Small Business Promotion and Guarantee Agency (HAMAG) to develop capacity and SME support programs, and assistance to other USAID legacy institutions.

1. REVIEW OF THIS QUARTER'S ACTIVITIES

1.1 Project Background

On September 28, 2001 Deloitte Touche Tohmatsu Emerging Markets, Ltd. (DTTEM) and the United States Agency for International Development (USAID), through its Regional Contracting Office (RCO), signed contract #160-C-00-01-00108-00 ("the Contract") for the implementation of the Croatian Enterprise Promotion Activity ("CEP" or "the Project").

The purpose of CEP is to provide technical assistance to remove constraints and market failures impeding the smooth and affordable provision of expert business consulting services and financial products to Croatia's small and medium enterprises (SMEs).

CEP supports USAID/Croatia's Strategic Objective 1.3 - Growth of a Dynamic and Competitive Private Sector. The intermediate results include:

IR 1.3.2 Strengthened Capacity of SMEs to Operate and Compete

IR 1.3.2.1 Adoption of Improved Technologies

IR 1.3.2.2 Increased Access to Financing

IR 1.3.2.3 Strengthened Business Associations

This report summarizes our activities and overall progress for the 2nd quarter, 2004. It is provided in accordance with Section F.4.d, Technical Reports, and Section G.5 Periodic Progress Reports of the Contract.

1.2 Overview

During the reporting quarter, the CEP team achieved the following results:

Consulting Practicum Assignments

- Completed first 18 weeks of assignments with nine enterprises (small hotels) in the tourism industry in Dalmatia (3rd program);
- Completed first ten weeks of practicum assignments focusing on wood processing enterprises in Slavonia;
- Completed first two months of destination marketing strategy practicums for the town of Lovinac and the Vodice Tourist Board.

Croatian Small Business Agency (HAMAG)

SME Promotion Advisor Paul Moran assisted HAMAG in training enterprise promotion staff, establishing a network of SME providers, and staffing and facilitating cooperation between HAMAG and AMC to create a consultant certification program for government-funded assistance to SMEs.

Assistance to the AMC

Assisted AMC with the following activities:

- Continued development of work programs for Councils on Membership & Marketing, and Training and Certification;
- Began development of a seminar to get industry managers and consultants together, the topic – impact of EU accession for the Croatian processed food industry.

Certification Programs

- Conducted ISO 9000:2000 Food Safety Management course under AMC license to the Registered Board of Assessors Ireland (RBAI);
- Conducted training, examination and certification of participants in HACCP Food Safety, four seminars in cooperation with the Croatian Association of Small Hotels.

Appended to this report are the following:

- A statistical summary of participation in CEP/AMC training seminars since the beginning of the CEP project;
- A list of AMC trainers whom CEP trained and recruited as trainers for the AMC;
- A statistical report on food safety exams.

1.3 Work Completed and Underway

The following tasks or activities were in progress during the 2nd quarter:

1.3.1 Development and Administration of Enterprise Practicum Assignments in Cooperation with the AMC

CEP and AMC are on schedule with the enterprise practicum programs, in which selected participants receive two weeks of training in various management consulting topics, followed by 15 to 20 weeks of paid consulting work in team assignments within enterprises.

Small Hotels Practicum Program in Dalmatia

During the second quarter, CEP completed the first eighteen weeks of the small hotels practicum assignments in Dalmatia, working with nine hotels in middle Dalmatia, focusing on marketing, customer relationship management, food safety, and cost reduction. Results are encouraging; they include implementation and sustainable activities in: training hotel staff in customer service, improving sales literature, expanding promotional vehicles, establishing linkages with agencies, HACCP implementation, cost reduction and investment studies for expansion in facilities and services.

Accomplishments include:

- Completed marketing studies for the following small hotels: Kristina (Vodice), Borovnik (Murter), Dujam (Split), Jadran (Split), Milenij (Baska Voda), Consul (Split), Biokovo (Makarska);
- Completed HACCP plans for : Kristina, Borovnik, Dujam, Consul, Milenij, Biokovo, Villa Marija (Tucepi);
- Completed implementation of CRM procedures at Borovnik, Kristina, Orion (Vodice), Jadran, Consul, Dujam, Milenij;
- Completed investment studies for Dujam and Kristina;
- Implemented cost allocation and/or yield management tools at Jadran, Consul, Dujam, Biokovo, and Milenij.

Wood Industry Practicum Program in Slavonia

During the second quarter of 2004, CEP organized classroom training for the wood processing practicum program in Slavonia (conducted April 5-16) for 14 consultants. In addition to CEP's usual focus on marketing and productivity, this program emphasizes strengthening of existing supply relationships and other cooperative arrangements between Croatian wood processing enterprises, in order to increase the variety and competitiveness of Croatian value added wood products in foreign markets.

Accomplishments during the second quarter included:

- Completed marketing study for Spacva;
- Installed work order system in Kupres, Strizivojna Hrast, and three of the cooperative member firms;
- Assisted Spacva and Strizivojna Hrast to identify less expensive sources of loan finance, and in preparation of loan application support documents.

In early June, CEP organized a trade promotion visit by Spacva and two CEP wood practicum consultants to several hotels and architects representing hotels in Dalmatia, with the goal of promoting sale of interior furnishings to hotels under construction or renovation. The visit generated considerable interest, and Spacva has already been asked to submit proposals for supply of wood flooring and furniture. Spacva management plans to aggressively pursue this market.

Town of Lovinac

We are providing assistance to the town of Lovinac in design and implementation of a destination marketing strategy for adventure tourism. This is an exciting opportunity to support a town and region that are in the earliest stages of tourism development. As a result, our practicum consultants are making an enormous contribution to the long term sustainable development of tourism infrastructure there. From strategic assistance measures, e.g., development of a destination marketing plan, to concrete tactical assistance, e.g., creation of web page and multimedia CD, to direct help with the infrastructure itself, e.g., establishing hiking and biking trails, our team's scope of work in Lovinac is one of the most diverse and comprehensive yet undertaken. In June, training of private accommodation providers in CRM and basic guest interaction issues, the first ever there, was conducted by our tourism expert Alan McGuigan. A week later a village party was organized for travel agency representatives to introduce them to the region and upcoming planned tour events for visitors to nearby towns – mainly in the Zadar region. The event was well attended – approximately 30 guests and members of the press – and several newspaper articles resulted. In July, work will continue on the marketing strategy, web page, marking of trails and development of promotional literature/CD. The team is also assisting with preparations for another village party, but with a special annual recurring theme – Lovinac Day. Specialty foods, folklore activities and visits to nearby attractions will be featured. These events have demonstrated an ability to generate considerable interest in the region efficiently and quickly.

Tourism Board of Vodice

CEP is assisting the Vodice Tourist Board with the development of a destination marketing strategy / plan to better support the region's tourism initiatives and providers. The plan will be used to identify specific new markets to pursue (Scandinavian tour operators for instance), develop new sales literature to sell the region's assets among more lucrative market segments, and establish a process to make sales contacts. A new web page is being negotiated with a designer and work continues on a certification approval process for accommodations providers. Our team is creating a system to train, inspect, monitor and approve accommodations providers, who currently have no recognizable minimum standard to attain, for subsequent listing on the Tourist Board website. This will become a valuable tool for the Tourist Board to exert control over the quality of rooms available to visitors, and conversely to assist visitors and room providers alike to find each other.

1.3.2 Assistance to HAMAG

In order to assure an acceptable level of SME development knowledge among all providers working under government funding, HAMAG is developing a certification system for government-funded SME advisors. During the second quarter of 2004, CEP provided short-

term technical experts from the U.S. and Croatia to work with the HAMAG Resident Advisor in design and development of the new system. A principal objective of the assistance was to take maximum advantage of AMC's current capacity to train and test SME business advisors. In April, SME Promotion Advisor Paul Moran led a UNDP-funded study tour for HAMAG SME promotion personnel to review the consultant certification program in Ireland, scheduled for mid-April.

The certification steering committee of HAMAG, assisted by the SME Promotion Advisor, has completed its design work on the certification program. AMC participated in the work of the steering committee. HAMAG's new Supervisory Board has recently met and approved the certification program. The assessor training program has been completed including Powerpoint presentation, handout materials (operations manual), and training exercises. During the month of July, we will complete final production of case studies for examination of Certification candidates, and will assist with further development of the voucher scheme.

1.3.3 Training and Certification Activities

CEP has committed to achieving provisional certification (passage of examination, with experience requirements yet to be achieved) of a minimum of 60 ISO auditor or HACCP consultant practitioners. This is being accomplished through three AMC course offerings leading to examination and certification, including: ISO Lead Auditor, HACCP Food Safety, and ISO Food Safety Management Lead Auditor. As detailed in Appendix C, a total of 73 participants have either been internationally certificated or achieved provisional certification through the end of the second quarter of 2004, including 51 certificates in HACCP (CIEH) of which 9 were for credit (exemplary scores), and 22 certificates in ISO 9000:2000 (IRCA and RBAI).

CEP and AMC were busy during the quarter hosting both HACCP and ISO Food Safety Management seminars. The fourth and last of the HACCP seminars organized for the Small Hoteliers' Association was held in early June. It was facilitated by our HACCP expert Barrie Evans and an AMC trainer Sasa Susnic. In June, 28 additional students completed the HACCP course and took the CIEH exam. During the second quarter of 2004, AMC conducted the following seminars:

Workshop Course	Date	Location
SME Finance	April 13-14,2004	Opatija
Practicum training – wood industry	April 5-16,2004	Osijek
HACCP	April 19-20,2004	Pula
Marketing	April 29-30,2004	Split
Consulting Skills	May 4-5,2004	Zagreb
HACCP	June 2-3,2004	Zagreb
HACCP	June 17-18,2004	Zagreb
FINSTAR-FINPRO CD-pilot	June 17,2004	Zagreb
Food safety management systems (RBAI)	June 28-July 2,2004	Zagreb

Human recourses management - pilot	July 29-30,2004	Zagreb
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From the beginning of the CEP contract through June 30, 2004, AMC/CEP have conducted a total of 38 training seminars (including 3 two-week practicum training sessions), with a total of 419 participants. A statistical summary of participants in AMC/CEP seminars to date is presented in Appendix D.

Notably:

- Approximately 47 percent of participants to date are consultants, and 35 percent are from industry;
- More than 47 percent of participants to date are female;
- The most popular individual courses have been HACCP Food Safety (9 seminars, 127 participants), Marketing (5 seminars, 51 participants) and SME Finance (4 seminars, 56 participants).

CEP continues to assist AMC in identifying and training instructors for the seminar courses. To date, AMC has signed training contracts with more than twenty consultants (several are contracted to teach more than one course). A list of AMC trainers contracted under CEP is included in Appendix B.

CEP has assisted the Small Hotels Association (SHA) with their drive to become a national association, by conducting HACCP Food Safety training for hotels and restaurants in four regional locations during the months of May and June, under SHA sponsorship.

The following other tasks or activities were in progress during the second quarter of 2004:

- Investment Study course – A new course on how to prepare an investment study was prepared by a CEP consultant, with pilot testing planned for early July;
- Completion and distribution of CD-ROMs containing seminar course materials. The following table shows the status of preparation of CD-ROMs for workshop courses.

	Courses	Versions	Status	Provided to AMC
1	HACCP	For participants	Complete	Yes
2	HACCP	For trainers	In process	
3	Consulting excellence	For participants	Complete	Yes
4	Consulting excellence	For trainers	In process	
5	Marketing	For participants	Complete	Yes
6	Marketing	For trainers	In process	
7	Cost reduction	For participants	Complete	Yes
8	Cost reduction	For trainers	In process	
9	SME finance	For participants	Complete	Yes

10	SME finance	For trainers	In process	
11	Human resources	For participants	In process	
12	Human resources	For trainers	In process	
13	Hazard analysis	For participants	Complete	Yes
14	Hazard analysis	For trainers	In process	
15	ISO introduction	For participants	In process	
16	ISO introduction	For trainers	In process	

Remaining CDs will be completed in the next quarter including complete course packages for AMC and USAID close-out purposes.

1.3.4 Assistance to AMC

All of the training courses either developed or have been arranged on behalf of the AMC. The ISO Food Safety Management course, for example, is licensed to the AMC for its use. CEP handled the purchase, piloting of the course and assistance in certification of AMC tutor-trainers.

Support to the AMC Councils has involved participating in meetings and assisting with developing a structured approach to conducting AMC activities, including intensive assistance to the Marketing Council to transform the AMC marketing plan into workable actions via a GANNT chart action plan with timeframes and persons responsible. A promotion and publicity program is under way to communicate the AMC mission and specific events to members, potential members and the business community at large. These activities have been greatly expanded from the prior year.

The Code of Ethics (Conduct) has been finalized with the assistance of CEP, and printing has been ordered for distribution to member consultants and at AMC events.

A guide for distribution to member consultants and their clients, "How to Use Consultants," was completed, with printing scheduled in July.

Assistance to the AMC Presidency Council has been ongoing including assisting with regular event and meeting preparation, and helping with resource allocation to implement the strategic plan.

During the 2nd quarter, CEP assisted AMC with the following activities:

- Selection of a new Director – CEP is funding an executive search firm to recruit candidates for replacing the current AMC Director, who will leave Croatia on August 31 to attend graduate school in Belgium.
- Certification of consultants - Approximately 45 consultants attended the AMC Roundtable on certification held on June 8. There is considerable interest among members in establishing a certification of consultants that meets international standards and provides credibility in the European market.
- Revision of the AMC's business model - Once the new AMC Director is in place, the Presidency Council would like to develop a more specific plan for 2005 that would increase AMC activities and revenues.

1.3.5 New Industry-Specific Products

During the second quarter, CEP implemented the following industry-specific consulting products that were developed for use in the practicum programs, with the objective of streamlining each product for implementation within a maximum of four weeks, so that they will be affordable on a commercial basis.

Tourism

Customer Relationship Management tools and products:

- Guest questionnaire
- Customer relationship management procedures
- Rulebooks on behavior towards the guest, employee dress code
- Job standardization and job descriptions

Marketing tools and products:

- Brochures
- Direct marketing tools (mailing lists, data bases)
- Marketing plans

Financing and cost reduction tools

- Excel-based yield management
- Supplies and inventory management tool (under development) developed
- Supplier evaluation form
- Cost analysis and benchmarking spreadsheet.

Wood Industry

Financing and cost reduction tools

- Order costing model
- Cost reduction and allocation model.

1.3.6 SME Finance Products

- In the 2nd quarter, CEP completed work on two CD-ROMs to assist entrepreneurs to obtain finance:
 - FINSTAR - a user-friendly program to be used primarily by entrepreneurs to identify the most appropriate and favorable loan sources in Croatia. The CD will be regularly updated and covers hundreds of loan and loan guarantee programs;
 - FINPRO - an Excel-based spreadsheet model to be used by financial consultants in identifying the most appropriate financing sources and developing information for loan applications.

A pilot seminar for both products was conducted on June 17. CEP contracted with the AMC to conduct four regional FINSTAR rollout seminars in July, to introduce the program to consultants and entrepreneurs, and to publicize the availability of consulting assistance and products.

- An AMC consultant with expertise in business and financial plan preparation was also retained to develop a course in how to prepare investment studies. This was initiated as the result of AMC member requests for such a product. The course materials were completed in June for pilot testing by AMC in July. Participants receive hands-on instruction and a manual to allow them to prepare studies and advise clients.

1.4 Progress Against Benchmarks – Intermediate Results

We are making progress against major project benchmarks, as shown below:

Benchmark Per RFP	Progress
1.1 Establish an Advisory Group	Advisory group established –first meeting April 2002
1.2 Support Advisory Group	Three meetings were conducted during first year – members also participated in promotional functions for CEP and AMC
2.1 Provide information on all industry-specific associations in Croatia	Association Inventory Report submitted March 2002
2.2 Determine three to five associations for consulting services market development work	Listed in Association Inventory Report
2.3 Implement tailored program to assist selected associations	HUP being assisted via AMC support work
2.4 Repeat same work for at least additional three industry associations	Working with tourism associations
2.5 Every six months present report on progress of each associations assistance activity	Updated report on cooperation with HUP was submitted in early July 2004
3.1 Identify feasible option for establishment of an independent SRO	SRO Feasibility Study completed March 2002
3.2 Help execute incorporation of the SRO	Association of Management Consultants registered August 2002; AMC had approx. 120 members as of June 30, 2004.

3.3 Help the SRO to produce detailed sets of standards and corresponding requirements for business consultants	Code of professional ethics was adopted by AMC in September, 2003 and distributed in April-May 2004
3.4 Help SRO to complete the testing methodologies and certification procedures for business consultants in Croatia	Certification programs developed for ISO and HACCP in cooperation with international accrediting bodies; 73 provisional certifications have been awarded to date
4.1 Provide basic information on all providers of business consulting services	Consultant Inventory Report submitted January 2002
4.2 Design and initiate the implementation of market research for the SME sector	Survey of Enterprise Consulting Needs of 200 enterprises conducted April-May 2002; Survey of Training Needs of Tourism Sector conducted April-May 2003
4.3. Deliver relevant reports on the market research work with recommendations	Consulting Needs report submitted July 2002 – includes recommendations for focus of training materials development based on research findings; Tourism Survey report submitted August 2003
4.4 Develop consulting packages, transfer knowledge on the packages to the Croatian business consulting industry and facilitate the commercialization of the consulting techniques and practices	Eleven courses developed or acquired; 38 seminars conducted to date with a total of 419 attendees; additional seminars currently planned for 3 rd quarter of 2004.
4.5 Train 20 instructors to deliver CEP/AMC workshop courses	21 instructors trained and under contract to AMC
5.1 Determine initial list of special studies including detailed plan for carrying out the first two such studies	Two studies conducted –1) Basic Structure and Services of Small Business Promotion Agency (March 2002); and 2) Strategic Plan for Small Business Promotion Agency (Jan 2003)
5.2 Determine need for feasibility or other studies related to inefficiencies in SME finance markets including detailed plan for carrying out such studies	Mortgage Backed Securities study (June 2002)

1.5 Issues and Constraints

No outstanding issues to date that impede our ability to accomplish the tasks specified in the Contract.

2. WORK PLAN FOR NEXT QUARTER

2.1 *Interim Objectives and Plans for Achieving Them*

Our objectives for the third quarter include:

- Complete site assistance for the small hotels practicum program and conduct closing ceremony in Split on July 7;
- Complete site assistance for the wood industry practicum program and conduct closing ceremony in Osijek on July 21;
- Complete site assistance for practicum programs for the Vodice Tourism Board and Town of Lovinac;
- Organize and conduct rollout seminars for SME Loan Finance (FINSTAR) for entrepreneurs in four regional locations;
- Organize and conduct pilot of investment study course;
- Continue a widespread promotional campaign for the AMC, focusing on tangible activities of interest to consultants and their potential client base;
- Achieve a smooth transition in the AMC Director’s replacement;
- Train the first group of HAMAG Assessors, who will be responsible to evaluate consultant applicants for certification;
- Plan and conduct seminars for food industry on preparing for EU accession, in cooperation with HUP and the AMC, to be held in September.

2.1.1 *Assistance to AMC*

Stimulation of Demand and Promotion of Consulting Opportunities for Training Course Participants

- Prepare and publicize results and success stories in media, promote through associations;
- Coordinate with AMC to conduct FINSTAR seminars;
- Cooperate with other donors and donor projects to identify consulting opportunities for AMC members;
- Assist the AMC Presidency with selection and training of a new Director;
- Print and distribute the guide “How to Use Consultants” to member consultants and the business community at large.

Assist AMC as needed with training workshop delivery. The current AMC schedule for the 3rd quarter of 2004 includes 6 workshops:

Workshop Course	Date	Location
How to prepare an investment study-pilot	July 2-3, 2004	Zagreb
FINSTAR	July 13, 2004	Split
FINSTAR	July 15, 2004	Opatija
FINSTAR	July 20, 2004	Zagreb
Customer Relationship	July 21, 2004	Osijek

Management		
FINSTAR	July 22, 2004	Osijek

Additional workshops will be scheduled and conducted through the end of the third quarter and contract completion.

2.1.2 Certification of Consultants in Quality Management

At the end of June, Barrie Evans returned to Croatia to assist the AMC to conduct the fourth ISO Food Safety Management (FSM) seminar, which was well attended by seven new participants plus three others to re-sit the examination. We believe this is an excellent indication of the market acceptance and need for FSM training. The seminar, which spans five days at a cost of 150 euros per day, is not an inconsequential investment. These seminars will resume in September.

2.1.3 Development of Training Curricula

A new course in the Basics of Food Hygiene will be discussed with local food safety and food industry professionals. If consensus is reached that such a course would be advantageous for hotel, restaurant and catering staff, an internationally recognized course with certificate will be purchased under license from CIEH and piloted. In addition, the two-day HACCP certificated course will be upgraded to address the restaurant and catering industry more directly (it now has a production focus). In this instance, by contract end, CEP will have handed over a complete series to train food professionals at all levels, each one building upon the next:

- Introduction to ISO Quality Management
- Basics of Food Hygiene (with exam)
- Introduction to HACCP Food Safety
- Intermediate Hazard Analysis (with exam)
- ISO Food Safety Management (with exam).

2.1.4 Practicums

- Continue small hotels program, with completion scheduled for July 9, 2004;
- Continue wood industry program, with completion scheduled for July 30, 2004;
- Continue destination marketing programs in Vodice and Lovinac, with completion scheduled for August 27, 2004
- Continue practicum program with Vinkovci wood cooperative, with completion scheduled for August 20, 2004.

Assistance to the Town of Lovinac

Assistance efforts to the town of Lovinac will shift to implementation of regional site development. This will include all activities in support of rural and active outdoor tourism. Six hiking and biking trails will be being cleared and marked, caves will be made accessible (with careful attention to avoid disturbing their natural features), a second village party will

be held and a trade show in Zadar will be attended to generate awareness of activities. By the end of the next quarter, Lovinac will have established itself as aural destination with viable offerings for tourists.

Assistance to the Vodice Tourism Board

Vodice Tourist Board assistance will focus on continued development of a strategic plan in parallel with implementation of specific aspects, emphasizing tourist assets that differentiate the region. A catalogue of certificated private accommodation providers will be created (with the framework of a seal of approval award and promotion system), a web page produced, and new promotional literature established (based on the general appearance of the web page). A guest survey will be collected and results analyzed. Team will finish preparation of a marketing plan for the region, then present a detailed action plan with activities and completion dates to the TB in August.

2.1.5 Assistance to HAMAG and other legacy institutions

Assistance to HAMAG

As the HAMAG process for consultant certification has been developed and a manual for its implementation presented, efforts in the coming quarter will address completing training materials for assessors and also for certification candidates, then piloting them for the assessors. Assessors will be contracted by HAMAG to evaluate consultant applicants for certification. An expanded version of market research previously undertaken – to determine the usefulness of HAMAG services at the regional development office level – will also be undertaken and analysis completed.

2.2 Potential Problems and Needs for Assistance

At this stage, we foresee no major or unusual impediments to our ability to achieve the objectives outlined above during the next quarter.

2.3 Expected Staffing Requirements

We will use the following short-term assistance, which is currently planned:

Task	Consultant	Timing
Jeff Baldwin	EU accession seminars for food industry	September 13-24

Assist wood enterprises with marketing and product design	Willem Baaij – wood industry expert	July 12-23
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3. BUDGET AND CONTRACT ADMINISTRATION

3.1 *Project Expenditures and Remaining Budget*

No major outstanding issues. Approximately 87 % of the three-year budget as modified has been expended through June 2004. It is projected that the remaining 13% of the budget will be spent during the 3rd quarter.

3.2 *Project Staffing this Quarter*

In addition to the core full-time CEP team, the following individuals contributed to the project this quarter:

Consultant	Approximate LOE in 2nd quarter 2004
Jeff Baldwin – Assistance to AMC	19 days
Barrie Evans – HACCP and ISO Instruction	25 days
Tom Dossenbach – Wood industry practicum	12 days
Alan McGuigan – Tourism practicums	28 days
Jim Valentine –HACCP	IESC volunteer – two months

3.3 *Contract Administration*

No administrative issues.

4. CONCLUSION

CEP expects to meet its targets in training, certification, and practicum assignments, as well as in establishing a sustainable, voluntary, self-regulatory association for business consultants in Croatia. In addition, we are taking advantage of the opportunities provided by the enterprise practicum assignments to develop and test commercializable consulting products, and models for industry-level initiatives in competitiveness enhancement.

**APPENDIX A
PARTICIPATION IN CEP/AMC TRAINING SEMINARS**

**SUMMARY STATISTICS
July 14, 2004**

No.	Workshop Title	Location	Dates	Number of Participants	Participant Background					Participant Gender		Promotional Effectiveness (participants hearing of course from)			
					Consultant	Industry	Government	Education / Other	Male	Female	press paid advertisement	press article or story	mailing	telemkt., web, wom, other	
TOTALS (May 2002 - March 2004)		Percent Number		100,0%	47,3%	34,6%	12,4%	2,4%	52,3%	47,7%	16,0%	0,0%	35,6%	33,9%	
				419	198	145	52	10	219	200	67	0	149	142	
				2002	84	48,8%	31,0%	15,5%	4,8%	57,1%	42,9%	10,7%	0,0%	40,5%	48,8%
1	HACCP Food Safety (Pilot)	Zagreb, Jurišićeva 19/II	May 20-24, 2002	12	6	2	4		7	5			12		
2	HACCP Food Safety	Zagreb, Amruševa 2	Sept 25-27, 2002	20	10	6	2	2	10	10	9		2	9	
3	SME Finance (Pilot)	Zagreb, Kačićeva 3	October 1-2, 2002	18	9	7	1	1	10	8			8	10	
4	ISO 9000 Basic (Pilot)	Zagreb, Jurišićeva 19/II	October 2-4, 2002	11	6	4	1		8	3			3	8	
5	Marketing (Pilot)	Zagreb, Jurišićeva 19/II	October 16-17, 02	12	5	2	5		8	4			5	7	
6	Cost reduction (Pilot)	Zagreb, Jurišićeva 19/II	November 19-21	11	5	5		1	5	6			4	7	
				2003	184	48,4%	33,7%	8,2%	2,2%	51,6%	48,4%	15,2%	0,0%	27,7%	50,0%
7	Consulting excellence (Pilot)	Zagreb, Jurišićeva 19/II	February 4-5, 2003	9	7	1	1	0	5	4	0	0	0	9	
8	HACCP Food Safety	Zagreb, Hotel Sheraton, Kneza Borne 2	February 10-12, 2003	16	4	4	8	0	8	8	0	0	3	13	
9	ISO Lead Auditor (Pilot)	Zagreb, Jurišićeva 19/II	February 13-21, 2003	5	4	1			3	2	0	0	0	5	
10	SME Finance	Zagreb, Jurišićeva 19/II	February 27-28, 2003	11	7	4	0	0	6	5	0	0	1	10	
11	Marketing	Zagreb, Jurišićeva 19/II	March 4-5, 2003	12	8	3	1	0	5	7	3	0	1	8	
12	Consulting excellence	Zagreb, Jurišićeva 19/II	March 18-19, 2003	11	9	2	0	0	5	6	0	0	5	6	
13	Cost reduction	Zagreb, Jurišićeva 19/II	March 25-27, 2003	9	6	3	0	0	4	5	2	0	1	6	
14	HACCP Food Safety	Split, Hotel President, Starčevićeva 1	April 23-25, 2003	10	4	6	0	0	4	6	0	0	3	7	
15	Human Resources (Pilot)	Zagreb, Jurišićeva 19/II	April 29-30, 2003	7	4	2	1	0	5	2	0	0	0	7	
16	Consulting excellence	Sarajevo	May, 13-14, 2003	13					8	5					
17	Marketing	Osijek, Europske avenije 11	May 20-21, 2003	7	3	3	1	0	5	2	2	0	0	5	
18	ISO Lead Auditor	Zagreb, Jurišićeva 19/II	June 16-21, 2003	6	3	0	1	1	1	5	0	0	0	6	
19	Practicum training - food industry - Slavonia	Osijek, Europske avenije 11	June 16-27, 2003	13	2	11			8	5	11		2		
20	ISO FSM Lead Auditor (Pilot)	Zagreb, Jurišićeva 19/II	June 23-27, 2003	10	5	0	2	3	4	6	0	0	0	10	
21	Practicum training - tourism industry - Dalmatia	Split	October 6-17, 2003	15	7	8			7	8	10		5		
22	HACCP Food Safety	Zagreb, HUP office, Pavla Hatza 12	October, 28-29, 2003	16	16				6	10			16		
23	HACCP Food Safety (for ACE Project)	Zagreb, HUP office, Pavla Hatza 13	November, 18-20, 2003	14		14			11	3			14		

			2004										
			151	45,0%	37,7%	15,9%	1,3%	50,3%	49,7%	19,9%	0,0%	42,4%	6,0%
24	Practicum training - small hotels - Dalmatia	Split	Feb 9-10, 2004	14	5	9			6	8	9		5
25	SME Finance	Zagreb	Feb 17-18, 2004	16	5	11			8	8			16
26	Marketing	Opatija	March 9-10, 2004	10	3	7			3	7			10
27	ISO 9000:2000 Food safety management systems	Zagreb	March 15-19, 2004	5	4		1		1	4			5
28	ISO 9000:2000 Food safety management systems	Zagreb	March 22-26, 2004	5	5				4	1			5
29	ISO 9000:2000 Food safety management systems	Zagreb	March 29- April 2, 2004	7	1	4	1	1	5	2	4		2
30	SME Finance	Opatija	April 13,14, 2004	11	1	8	2		6	5	4		7
31	Practicum training - wood industry - Slavonia	Osijek	April 5-16, 2004	13	2	11			11	2	12		1
32	Marketing	Split	April 29-30, 2004	10	7		2	1	4	6			3
33	HACCP Food Safety	Pula	April 19-20, 2004	12	12				3	9			
34	Consulting Skills	Zagreb	May 4-5, 2004.	7	7				4	3			3
35	HACCP Food Safety	Zagreb	June 2-3, 2004.	18			18		13	5			
36	HACCP Food Safety	Zagreb	June 17. - 18. 2004	9	7	2			4	5			3
37	ISO 9000:2000 Food safety management systems	Zagreb	June 28 - July 2, 2004	7	4	3			1	6	1		2
38	Human resources management-pilot	Zagreb	June 29-30, 2004	7	5	2			3	4			2

Course	Number of Seminars	Number of Participants							press paid advertisement	press article or story	mailing	telemkt., web,wom, other
			Consultant	Industry	Government	Education / Other	Male	Female				
Summary, 2002-2004												
TOTAL	38	419	198	145	52	10	219	200	67	0	149	112
HACCP Food Safety	9	127	59	34	32	2	66	61	9		53	
SME Finance	4	56	22	30	3	1	30	26	4	0	32	20
Practicum training	4	55	16	39	0	0	32	23	42	0	13	0
Marketing	5	51	26	15	9	1	25	26	5	0	19	21
Consulting excellence	4	40	23	3	1	0	22	18	0	0	8	16
Cost reduction	2	20	11	8	0	1	9	11	2	0	5	13
ISO Lead Auditor	2	11	7	1	1	1	4	7	0	0	0	11
ISO 9000 Basic	1	11	6	4	1	0	8	3	0	0	3	8
ISO 9000:2000 Food Safety Management - at	5	34	19	7	4	4	15	19	5	0	14	14
Human Resources	2	14	9	4	1	0	8	6	0	0	2	9

APPENDIX B - AMC CONTRACTED TRAINERS UNDER CEP		
July 14, 2004		
COURSE	NAME	COMPANY
1 SME Finance	Željko Kovač	OPK d.o.o.
2 SME Finance	Ivan Pilepić	Privredna banka Zagreb d.d.
3 SME Finance	Marko Slunjski	freelance
4 SME Finance	Tino Antonini	Microgrupa d.o.o.
5 Human Resources Management	Darko Iveković	Iveković Consulting d.o.o.
6 Human Resources Management	Neda Iveković	Iveković Consulting d.o.o.
7 Human Resources Management	Nada Čakar	Trening centar d.o.o.
8 Customer Relationship Management	Dijana Bezjak	freelance
9 Cost Reduction	Marko Slunjski	freelance
10 Cost Reduction	Ante Božić	freelance
11 Cost Reduction	Dalibor Šuta	Microgrupa d.o.o.
12 Cost Reduction	Berislav Bolfek	Management Consulting
13 Consulting Skills	Anton Florijan Barišić	Chronos Info d.o.o.
14 Consulting Skills	Rebeka Pejković	CEP USAID
15 Consulting Skills	Tina Turk	Deloitte & Touche d.o.o.
16 Applied Marketing and Market Research	Ružica Marušić	Ruža-M d.o.o.
17 Applied Marketing and Market Research	Anton Florijan Barišić	Chronos Info d.o.o.
18 Applied Marketing and Market Research	Zvonimir Čordašić	Business Centar Vinkovci
19 Applied Marketing and Market Research	Tea Višek	Cos Chem d.o.o.
20 Intro to ISO 9000:2000	Robert Deriš	Qualitas d.o.o.
21 Intro to ISO 9000:2000	Vlatka Ščetarić	Qualitas d.o.o.
22 Intro to HACCP Food Safety	Nataša Dramlić	Biotechnicon d.o.o.
23 Intro to HACCP Food Safety	Ivana Krstulović	Biotechnicon d.o.o.
24 Intro to HACCP Food Safety	Oliver Brajković	Kolumbus d.o.o.
25 Intro to HACCP Food Safety	Saša Šušnić	Rijeka Institute of Public Health
26 How To Prepare Investment Study	Željko Kovač	OPK d.o.o.
27 FINSTAR	Mirta Đidara	Neos d.o.o.

Appendix C– Statistical Report on Food Safety Exams

21st July, 2004

HAZARD ANALYSIS - HACCP

(Chartered Institute of Environmental Health, London)

Certification course

Time	Participants	Exam taken	Credit	Pass	Fail
October 2003	16	15	2	11	2
March 31, 2004	17	19	0	4	15
April 20, 2004	12	12	0	2	10
May 6, 2004	7	7	1	2	4
May 13, 2004	13	13	1	5	7
May 28, 2004	6	6	1	2	3
June 2, 2004	11	11	3	5	3
June 3, 2004	18	18	1	9	8
June 18, 2004	9	9	0	2	7
Total HACCP	109	110	9	42	59
Aggregate CIEH pass rate				46 %	
November 2003	14	None		n/a	n/a

International Register of Certificated Auditors (IRCA)

ISO 9000:2000 Quality Management System - Lead Auditor Course

February 17-21, 2003

	Pass	Fail
1 Silvana Tomić Rotim	1	
2 Žarko Baštovanović	1	
3 Olga Štajdohar Pađen	1	
4 Boris Vrcelj		1

June, 2003

	Pass	Fail
1 Vesna Pavletić		1
2 Ljiljana Dravec	1	
3 Lana Novosel	1	
4 Boris Bušac	1	
5 Vera Pečar	1	
6 Ivona Herljević		1

Total ISO QMS	7	3
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Pass rate 70 %

International Register of Certificated Auditors (IRCA)

ISO 9000:2000 Food Safety Management Systems - Lead Auditor Course (RBAI)

March 15 - 19.04

	Pass	Fail
1 Slaven Aljinović USAID	1	
2 Denis Pešut Institute for public health	1	
3 Vedrana Jurčević Institute for public health	1	
4 Ana Bilandžija Biotechnicon d.o.o.	1	
5 Lidija Žeravica Biotechnicon d.o.o.	1	

March 22 - 26.04

6 Oliver Brajković Kolumbus	1	
7 Saša Šušnić Institute for public health, Rijeka	1	
8 Vladimir Prodan Adriacon	1	
9 Nataša Dramlić Biotechnicon	1	
10 Romeo Bišćan Coram	1	

March 29 - April 02.04			
11 Slavica Mazor	Kraš d.d.		1
12 Goran Vrabec	USAID-DAI		1
13 Mladen Cvitaš	Zavod za ispitivanje kvalitete		1
14 Marko Brođanac	Đakovština d.d.		1
15 Branko Diklić	Đakovština d.d.		1
16 Kristijan Eremit	SGS Adriatica	1	
17 Snježana Primer	Veterina d.o.o.		1
June 28 - July 02.04			
18 Đana Pahor	Institute for Public Health of Primorsko-GHranska C		1
19 Ines Marković	Institute for Public Health of Primorsko-Goranska C		1
20 Tamara Muždeka	Institute for Public Health of Primorsko –Goranska	1	
21 Ana Gržetić	EKO-LAB d.o.o. Rijeka		1
22 Damir Jagić	Filikon - Center for Business Operations Improvem	1	
23 Valentina Zoretić - R	Labud d.o.o.		1
24 Marjeta Miholić- Jeić	Labud d.o.o.	1	
Candidates re-taking examination -			
11 Slavica Mazor	Kraš d.d.	1	
13 Mladen Cvitaš	Zavod za ispitivanje kvalitete		1
17 Snježana Primer	Veterina d.o.o.		1
Total ISO FSMS		15	12
ISO FSMS pass rate		56 %	
		Pass	Fail
GRAND TOTAL		HACCP + FSMS + QMS	73 74