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**VEGA/BTD**  
**Semi-Annual Report**

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## **1. OBJECTIVES OF THE VEGA/BTD PROGRAM**

The ultimate goal of the VEGA/BTD program is, through demand-driven cooperation with the BSO sector, to mobilize innovative ideas and sound business practices for the purpose of increasing competitiveness, generating jobs and developing sustainable mechanisms for delivery of business services to the private sector.

In addition, VEGA/BTD strives to promote dynamic and efficient public-private policy dialogue through targeted support to the Government of Bulgaria's SME policy agencies. Areas of emphasis include: SME assistance and promotion activities, investment promotion and development, economic policy reform initiatives and improved competitiveness, particularly through assistance to industry-specific clusters active in the local economy.

In compliance with USAID/Bulgaria's Strategic Objective 1.3 "Economic Growth and Increased Prosperity", this initiative will create and improve already existing business systems and consultancy mechanisms. These business systems and consultancy mechanisms will engage in the strengthening of small and medium size enterprises that will secure their future sustainability and economic prosperity in the international market after 2007, when Bulgaria is expected to join the European Union.

## **2. EXECUTIVE SUMMARY AND M&E RESULTS**

During the second half of 2006, VEGA/BTD delivered TA projects to 28 BSOs and another 75 tourism operators, impacting over 262 Bulgarian businesses through SME sector targeted consultations, EU standards certification process and facilitation of consultations with potential investors. Supported BSOs increased their revenues by \$167,341 and their profitability increased by 9.8% on semi-annual basis. Eight (8) new jobs were created and another 62 were sustained. Over 85% of the new jobs created were for females. 17 new products and services were developed and introduced, another 16 improved. These lead to attracting 124 new members and additional 53 new clients served. A business linkage amounting to \$5,769 was completed and another five potential business linkages were established. BSO clients conducted 52 consultations with potential investors as a result of which ten (10) new leads were established.

Over 75 tourism operators throughout the country were assessed and included the Tourism Cluster project. In the short period of time since the beginning of this project (less than five months), tourism operators reported \$3,400 increase in revenues as a result of introducing seven new services and serving 280 new tourists. Five new jobs were created and another 42 sustained. Two of the hospitality providers participated in EU standards certification programs, mainly HACCP.

### Contribution to Targets Table

I. Job Creation & Improved Economic Performance				
Performance Indicator	2005 Baseline Data	2006 Annual Target	Cumulative Semi-Annual Result	Fulfillment of Annual Target
#1. Increase in BSO revenues	N/A	12% increase	\$170,741	N/A
#2. Increase in BSO profitability	N/A	5% increase	9,8% increase	N/A
#3. Increase in BSO employment	20 employees / new consultants	8% increase	13 new jobs or 18% increase * 104 jobs sustained	59%
#4. Increase in the number of BSO clients / members who are using new/improved products or services	4 / BSO / year	5 / BSO / year	New members – 124 New Clients - 333	New members – 89% New Clients – 65%
II. Investment & Trade Indicators				
Performance Indicator	2005 Baseline Data	2006 Annual Target	Cumulative Semi-Annual Result	Fulfillment of Annual Target
#5. Number of investment / trade linkages, JV, etc. established	2 linkages completed	5 linkages completed	1 linkage completed * 5 potential linkages established	20%
#6. Value of investment / trade linkages established	\$1,014,200	\$2,000,000	\$5,769	0.3%



III. Quality Assurance & Certification Indicators				
Performance Indicator	2005 Baseline Data	2006 Annual Target	Cumulative Semi-Annual Result	Fulfillment of Annual Target
#.7 Number of SMEs Benefiting from BSO services in the certification process	34 SME / year	3 / BSO / year	27 SMEs or 1 SME / BSO	32%

### 3. PROGRAM ACTIVITY

#### a. Ongoing and Completed Projects

##### I. Information and Communication Technologies

**Project:** ICT Service and Quality Certification (CMMI)

**Client:** ESI Center

**Dates:** April 2006 – May 2007

**Project Summary:** The ICT Service and Quality Certification activity is designed to help Bulgarian software and ICT service companies attain the international CMMI certification. Essentially it ensures that companies have the right systems and processes in place to guarantee quality and enable them to absorb more rapid growth or investment. Co-financed by VEGA/BTD, the European Software Institute (ESI) will work with at least 12 companies ensuring at least 3 get the full CMMI certification and the bulk of the rest reach what is essentially the ¾ mark (IT Mark certification). VEGA/BTD is matching the funding for the certification process contributed by the Regional Competitiveness Initiative (RCI).

**Results to Date:** In the reported period ESI Center Bulgaria completed the project activities for assisting ICT companies in Bulgaria to achieve process maturity, which will give them a quality-based competitive advantage. As a result 4 companies approached CMMI certification and 7 companies targeted IT Mark certification in the framework of the project. As of December 2006 the activities directly supported by the project included:

- ESI Center Bulgaria organized a focused information campaign to inform the Bulgarian ICT companies about the opportunities for participation in the project. As a result four companies launched CMMI-based programs and 7 companies launched IT Mark related activities. The companies were selected according to the selection criteria.



- In 2006 ESI Center Bulgaria completed three ITMark assessments, one CMMI Class B assessment and one certification appraisal and provided continuous support to all the companies included in the program. As a result the first company in the region was certified against CMMI Maturity Level 2, one company achieved IT Mark Premium certification and one company achieved IT Mark certification.
- An important output from the project was the initiation and organization of an ambitious technology transfer program for the ESI Center Bulgaria experts. As a result three experts were qualified as IT Mark appraisals, one expert was trained as CMMI Instructor and one expert is on his way to becoming a CMMI Lead Appraiser. The created local capacity will significantly improve the access of the Bulgarian IT enterprises to the world recognized IT Models.

Together with providing direct support under the project ESI Center Bulgaria organized additional activities related to the project goals such as practical workshops and direct meetings with Bulgarian ICT companies. The joint organization of the activities was highly appreciated by all of the relevant stakeholders. The project not only created awareness about the importance of the certification for the increasing the competitiveness of the ICT sector in Bulgaria, but also strengthened the capacity of ESI Center Bulgaria to provide such services on a sustainable basis.

**Long-Term Expectations:** It is expected that the CMMI Certification will improve the management structure and ultimately increase the revenues, future investment and partnerships for each company that goes through the process. In addition, the activity will ensure that at least one Bulgarian consultant/BSO is able to attain the status of CMMI-certified assessor. This will lower the costs substantially for future Bulgarian companies that may want the certification, as currently they must hire expensive international consultants to go through the assessment process.

## II. Tourism

**Project:** Project “Authentic Bulgaria”

**Consultants:** THR, Markenstein and Bildebrand; Atanasov and Ivanov; Netage

**Dates:** May 2006 – September 2007

**Project Summary:** The Authentic Tourism activity is designed to help smaller hospitality and tourism providers to develop better tourism products and attract high-value tourists – not the low-value, mass-market tourists, common in the Black Sea resorts. This is done through a better understanding of target markets, creation of a certification and assessment system geared toward the things that matter (e.g. service, hospitality, community integration, local products, knowledge and culture) and a well designed market strategy. The official government star rating system doesn’t encourage or measure many of the things that are relevant to the smaller, more authentic establishments (restaurants, hotels, etc), nor does it provide much that is particularly meaningful to the higher-value tourist.

**Results to Date:** During the reported period VEGA/BTD has completed the following stages of the tourism project:



- VEGA/BTD has managed four (4) tenders for local sub-contractors to help with the development and implementation of all the project tasks. The following are the selected companies:
  - Assessment consultancy – THR
  - Legal Consultancy – Atanasov and Ivanov
  - Marketing and visual design – Markenstein and Bildebrand
  - Web solutions – Netage
- Foreign consultant Susan Warren has designed an Assessment and certification System for authentic, sustainable tourism. On the basis of that system VEGA/BTD has trained six (6) certified assessors at THR to execute the first round of assessments. By the end of November 2006, 75 hotels were assessed and 55 were certified with different level of achievements in the quality of service they provide to customers. This is a completely new line of service for THR, and thus VEGA/BTD has contributed to the addition of a new expertise in the service portfolio of this local BSO.
- To promote the unique Bulgarian tourism product, VEGA/BTD has attracted Markenstein and Bildebrand as marketing/advertising consultancy. The company is responsible for establishing the “Authentic Bulgaria” brand as a credible trademark. They have produced several research documents including Target Market Analyses and Research on the EU Media, which could be used for future promotional initiatives. Together with those reports, VEGA/BTD has hired an external consultant to prepare a US Target Market Analyses in order to determine the best opportunities for tourism trade show participations. The findings showed that the new brand should focus on attracting European travelers in the initial stage of development of the program. Markenstein and Bildebrand have prepared an overall marketing strategy for the “Authentic Bulgaria” quality mark and a complete marketing package to advertise the activities of the VEGA/BTD project in and outside of Bulgaria.
- In October 2006, VEGA/BTD organized a study tour for selected tourism providers, participants in the working group, which serves as an advisory board for the project. The study tour aimed at highlighting the best practices in tourism customer service and exposing Bulgarian tourism providers to a variety of tourism offerings in nearby regions – accommodation, culinary, product development, etc. – that cater to a higher-value form of tourist than Bulgaria normally attracts. The group visited Croatia and Slovenia, regions which have established themselves as very successful tourism destinations. The findings from the study tour were presented to the Bulgarian media in a seminar in December.
- Currently VEGA/BTD is preparing the presentation of the new “Authentic Bulgaria” brand at tourism exhibits in Hanover in February 2007 and in Brussels in March 2007. As part of the promotional materials, VEGA/BTD is publishing a unique guidebook which includes descriptions of all the certified hotels. The guidebook will be published in three languages: Bulgarian, English, and German. Together with the guidebook, VEGA/BTD will publish information about the hotels and about the goal of the “Authentic Bulgaria” project in a promotional website, developed by the Bulgarian software company Netage. The website will be presented as an informational tool at the tourism trade shows as well.



- The VEGA/BTD team is working closely with the legal firm Atanasov and Ivanov for the registration of a non-profit entity, which will continue to promotional activities of the “Authentic Bulgaria” project and will ensure that the quality mark will remain independent and will keep its good standing. It is expected that the NGO will be registered in February-March of 2007.

**Long-Term Expectations:** VEGA/BTD expects that the Authentic Tourism Project will create awareness among Bulgarian B&Bs and family hotels on how to use their native authenticity to differentiate themselves from others in the tourism business. The certified hotels and B&Bs will have guaranteed authenticity, unique character, individuality, personalization, experience and have the highest standards of unobtrusive service, and anticipation of guests' needs. The better service and incorporation of local attractions, food, wine, and culture will attract higher value customers and will establish Bulgaria as an attractive tourism destination.

### III. Investment

**Project:** Communication Strategy and Regulatory Impact Assessments

**Client:** Ministry of Economy and Energy and the Economic Growth Council

**Consultants:** Institute for Market Economy

**Dates:** September – December, 2006

**Project Summary:** Initially the Ministry of Energy and Economy requested support from VEGA BTD for international consultants to work on the draft of the Amendments to the Investment Act. The objective was to incorporate the best practices of Foreign Direct Investment attraction in the new EU Member Countries. In the fall of 2006, VEGA/BTD was approached by the Economic Growth Council, to help prepare a Communication Strategy for better exposure of the activities of the Council. VEGA/BTD created a working draft of the strategy as a part of the overall public relations and media exposure initiative of the Council. As a result of the collaboration of VEGA/BTD with the Economic Growth Council, the Ministry of Economy and Energy has asked VEGA/BTD to provide consultancy support for establishing better regulation and environment for the SMEs in Bulgaria. VEGA/BTD hired a team from the Institute for Market Economy to prepare Regulatory Impact Assessments (RIA) for three (3) laws.

**Results:** The former chief of Check Invest, the best performing investment attraction agency was hire to analyze the draft of the Investment law together with the Institute for Market Economy, a prominent Bulgarian think tank. The analysis and recommendations were provided to the working group on the draft law. VEGA/BTD is in the process of facilitating better public relations for the Economic Growth Council by preparing the new communication strategy. A first draft of the strategy has been presented to the Council in November and awaits comments and additional feedback. The team of the Institute for Market Economy completed the tree (3) assessments in November and made a presentation at one of the sessions of the Council. Evaluations were completed on the following:

- Amendments to the Regional Development Law
- E-government Law
- Conditions and Safety of the Workplace



The recommendations from the presentation will be adapted and included in the new legislation. Based on the positive impact of this collaboration, VEGA/BTD was asked to prepare methodology for Regulatory Impact Assessments, which will be presented to the Ministry of Economy and Energy as a tool for future use. The methodology will be developed before the completion of the activities of the VEGA project in Bulgaria.

**Long-Term Expectations:** It is expected that the suggestions made by the local consultants will be included in the laws and will be introduced into the Parliament in 2007.

**Project:** Bases to Business Parks

**Local Counterpart:** Dobrich Municipality

**VE Consultant:** Mark Frazier, IESC

**Dates:** July 2006 – September 2007

**Project Summary:** The general objective of this activity is to help the local government of Dobrich better utilize the decommissioned military base with existing infrastructure for the purposes of economic growth and development. Successful business/industrial/technology park developments in other countries in the region have shown that municipalities with strong leadership, a productive working relationship with the local business community, and strategic vision have a real opportunity to turn such sites into revenue generating venues that attract investment and create a more competitive business environment. Within the activities of this project VEGA/BTD will provide the Dobrich Municipality with comprehensive guidelines for actions to be undertaken to convert available local real estate into Industrial Parks and will render understanding of potential investors' requirements and expectations when assessing sites with possible industrial/business potential. The VEGA/BTD project will develop capacity within the local administration to create partnerships with local businesses and to provide better administrative services and will support the improvement of the business environment within the local framework of requirements to the business.

**Results to Date:** VEGA/BTD is using the services of Mark Frazier, a US consultant who is specializing in business/technology park development. Mr. Frazier has developed a White Paper with detailed guidelines and recommendations for the future opportunities and the mechanisms for development of a business/industrial park at the military base site in the Dobrich Municipality. A study was done by the Bulgarian company Industry Watch, specializing in the economic analysis of real estate development. Based on the findings of the study the international consultant elaborated on possible private-public partnership as a way of creating a sustainable management instrument for attracting a large foreign developer. The VEGA/BTD team has established close collaboration with the local administration and supports them with capacity building initiatives. Mr. Frazier has also developed a marketing package for the advantages of the Dobrich Municipality as a potential business partner, which has been used at several real estate and investment fairs. This package will be enhanced in the near future to become the primary promotional material for the Dobrich military zone.

In its effort to optimize the services that the Dobrich municipality offers to customers and businesses, VEGA/BTD has employed a local certified company to consult the



municipality on the implementation of better quality standards. The municipality will be consulted on implementing ISO 9001:2000 and ISO 14001:2004. The process will be completed within six months by Via Spectar, after which VEGA/BTD has awarded Moody International with the task to certify the municipality. This effort will immediately make the municipality a more attractive destination for the development of a business/industrial park and will improve its chances to attract a foreign investor with high reputation who will apply a sustainable model of development for the site.

VEGA/BTD is hiring a local consultant, who will prepare the technical documentation for a municipal tender for the development of a detailed urban plan including the newly acquired military base. The detailed urban plan will be the bases for a following tender to choose a potential developer of the site. Our international consultant is in the process of developing the tender dossier to be used by the Municipality to be able to select the best offer possible. It is expected that after the tender documentation is completed the municipality will quickly find a partner in the development of the urban plan. VEGA/BTD is hoping that the plan will be completed and approved by the local government by the end of the summer, so that the status of the site could be determined and included in the promotional materials.

#### **IV. New Product Development**

**Project:** SME Financial Clearing House

**Local Contractor:** Business Center Serdon

**VE Consultants:** Stephen Drozda and Mark Rubin, FSVC

**Dates:** November 2007 – September 2007

**Project Summary:** To ensure that SMEs have access to relevant, timely, unbiased information regarding finance and financial services available to them, VEGA/BTD, in cooperation with a local Bulgarian Business Support Organization, Business Center Serdon (BCS), will design and monitor the implementation of a user-friendly, self-sustaining, frequently updated, searchable and comparable database of the most relevant financial products available, with a transparent accounting of rates, fees and other costs and requirements. The database will be housed and maintained by Business Center Serdon. To maximize the dissemination of information, access to the clearinghouse, and training, could also be provided to Regional Development Agencies, Business Centers and Business Incubators located around the country to ensure that those SMEs without internet access or who are uncertain about the process have easy access to assistance.

There are five, closely interlinked components to this activity:

- Overall project design, including functionality, layout, user interface, and technical specifications for the web and software designers.
- Development of a comprehensive database on current finance offerings for which SMEs are eligible.
- The creation of a robust, user-friendly interface and simple training materials.
- Development of a sustainable revenue plan and clear maintenance procedures.
- Distribution, marketing and training campaign

**Results:** In December 2006, two (2) FSVC Volunteer Consultants arrived in country to work with Business Center Serdon on a Concept Paper for the activities in the project as well as a functional requirements document for the development of the



online portal for dissemination of the financial information for SMEs. The concept paper produced by Mr. Drozda will serve as a baseline data for the creation of a sustainable work plan for the development and implementation of the project. The Functional Requirements paper, prepared by Mr. Rubin will be the major source for creating the tender documentation for the web development of the online portal. The other components of the project will be completed by the end of the VEGA/BTD program.

## V. Other

**Project:** Financial Support for the Printing of a National Revenue Agency Bulletin

**Local Contractor:** Commit- Slavomir Yonev, ET

**Dates:** April, 2006- September 2006

**Project Summary:** The National Revenue Agency (NRA) identified the need for development of a newsletter in the form of a bulletin for internal and external use of in-house professionals and registered professional throughout the country, working in the sphere of accountancy, mandatory social insurance, and tax payment and collection. Due to recent changes in the structure of the NRA and the upcoming EU accession of Bulgaria, NRA has taken the initiative to ensure and provide easy access to information about changes in laws, commentaries of professional law makers and create a platform for discussions among the NRA and tax payers. The first issue (which is the final product of this project) was finalized and delivered in September.

**Long-Term Expectations:** This initiative will improve the standard of tax revenue-related processes in Bulgaria and will educate and prepare citizens and Bulgarian institutions to comply with new EU standards. The NRA has the responsibility to determine distributing methods with a revenue model which will ensure the continuance of this publication.

### b. MBA Enterprise Corps – Year Two Assignments

In Year Three, VEGA/BTD placed four (2) MBA Enterprise Corps (MBAEC) members in local BSOs to work as long-term business advisors for a 12-month term with the BSOs and their SME clients. MBAEC members carry out a variety of tasks that promote the primary components of the BTD program, including, but not limited to:

- business plan development;
- marketing and sales techniques;
- development of new products/services;
- exploration of trade opportunities/international linkages;
- increasing adoption of grades and standards for quality control;
- facilitation of trainings and workshops throughout the year;

Below are short descriptions of the MBAEC assignments:

#### 1. **Synergy Group**

*MBAEC Advisor:* Ian Sims

*Semi-Annual Report – VEGA/BTD*

*July – December 2006*



Current Tasks:

Development of M&A procedures for valuation of companies and implementing these procedures in the organization through practice and staff training. Currently the consultant is researching the viability of establishing a private equity fund in Bulgaria. He is also trying to obtain selling mandates from local companies. Ian is establishing contacts with embassies throughout CEE to obtain names of foreign firms doing business throughout the region.

**2. Mediation Centers within the Bulgarian Chamber of Commerce and Industry (BCCI), Stara Zagora Chamber of Commerce and the American Chamber of Commerce in Bulgaria**

*MBAEC Advisor:* Megan Weber

Current Tasks:

The Consultant is working with AmCham Executive Director and an AmCham board member to determine next steps for the activities of the AmCham Mediation Center (this includes the possibility of outsourcing mediation activities). She has contacted Stara Zagora Chamber of Commerce to identify future support needs and worked with the newly established Professional Association of Mediators in Bulgaria to identify follow up benchmarks, including a scheduling a strategic planning session in early January 2007. At BCCI, Megan worked with the new Mediation Center director to determine the 2007 priorities and projects.

The four MBA EC consultants, working on long-term projects in year two of the project completed their assignments at the end of September 2006.

**1. Association of Apparel and Textile Exporters in Bulgaria (AATEB)**

*MBAEC Advisor:* Paris Childress

Results and Accomplishments:

- Drafted Strategic Plan for BAATPE recommending priorities, organizational structure, and key responsibilities of each staff member
- Designed and wrote numerous marketing materials promoting the apparel and textile industry in Bulgaria for distribution abroad, including the promotional brochure for BGate, the largest annual exhibition for the industry
- Oversaw complete redesign of the Association's website ([www.bgtextile.org](http://www.bgtextile.org)), which provides a long-term platform for the delivery of all the organization's services and communication with members.
- Provided series of training sessions in Sofia, Plovdiv and Sliven on the topic of web-based marketing for SMEs

**2. Jobtiger**

*MBAEC Advisor:* Julia Daley

Results and Accomplishments:

- Made a competitive analysis and market research for the new product; defined target market and competitive forces; assessed competitive dynamics in the region; identified avenues for sustainable advantage; integrated competitive analysis, and submitted recommendations.



- Recommended location for franchise based on legal considerations and identified regulatory considerations and legal compliance issues of starting businesses in the Balkan region
- Researched franchising agreements (wording, key elements, etc.)
- Identified targets, rules, and standards of operating businesses in specific countries in the Balkans and determined appropriate reporting/disclosure requirements for the above mentioned locations.
- Created projections for financial viability and financial pro-formas including P&L analysis and long-term projected financial statement/balance sheet for valuation.
- Assessed potential performance, solvency and value of franchise based on industry standards of similar companies based on region of operation.
- Constructed an "as-if" balance sheet with short-term projected P&L and long term financial statement.
- Assimilated financial analysis and projected return on investment (ROI) in a protected workbook for future use/manipulation.

### 3. **Sagitta**

*MBAEC Advisor:* Ryan Lyford

#### Results and Accomplishments:

- Prepared strategic plan for BGmenu intended to cover 12-18 months. The strategy is broken up into 3 main strategic goals:
  - Established human capital as a competitive advantage by creating a team unequalled in ambition, talent and expertise
  - Achieved operational excellence through development of key resources and a process of continuous improvement
  - Reaffirmed BGmenu's market position as a leader and monopolist via continued aggressive growth and raising barriers to entry
- Developed a loyalty program for the business to improve the market position of the company. The loyalty program was made up of two levels – Gold and Platinum. The Gold membership is available to anyone while Platinum is only open to those who order over a certain amount from BGmenu.
- Developed an investor package to help shop the company to investors and bring in needed capital. The package includes: 2-page "teaser" that can be sent out to a wide array of potential investors; executive summary which reads like a business plan; industry analysis and market segmentation; financial statements, management profiles and assessment of risks.
- Created specific action plans for marketing to support the company's strategic goals
- Prepared various presentations, product ideas and some assistance to mattress group, which is another company owned by Sagitta.

### 4. **Serdon Foundation**

*MBAEC Advisor:* Joel Froese

#### Results and Accomplishments:

- Made recommendations for computer and office procedure related improvements in the Serdon office.
- Commissioned the creation of a logo for Serdon Foundation by US-based volunteers, evaluated entries, and selected finalist.



- Created a website for Serdon Foundation
- Created and refined Excel-based timesheet that is being used by all Serdon employees (and possibly partners in the future.)
- Contributed to BC Serdon proposals and reports. Made contributions to a few market research projects, and developed/refined some of the technical and procedural details for USAID's RCI tourism project and the financial clearinghouse project.
- Developed ideas for Serdon's marketing strategy. Recommended reexamining who is the client of the foundation, who may be potential new clients, creating a quarterly newsletter to be distributed to all partners and clients and included with standard promotional materials
- Trained Serdon staff in various business and computer-related tasks
- Created a new, comprehensive employment application form that will also serve as an evaluation tool of applicant's English language skill

#### 4. MEDIA EXPOSURE

In May 2006 VEGA/BTD employed the services of Media Planet to help popularize the activities of the program in Bulgaria. Below is a break up of the number of publications by activity, which have contributed to the better exposure of VEGA/BTD's initiatives.

Event	Date	Number of Publications
Small Grants 3 <sup>rd</sup> Round Awarding Ceremony	May 19	17
Authentic Bulgaria First Launch	June 12	27
Start of assessments of the hotels participating in the Authentic Bulgaria Project	September 10-30	23
Assessment of Regina Hotel through the Authentic Bulgaria Project	September 15	10
ICT Third Round Table	September 21	6
Authentic Bulgaria Second Launch	November 1	30
Authentic Bulgaria Media Training Seminar	December 1-2	29

#### 5. TESTIMONIALS FROM LOCAL COUNTERPARTS

##### **Bulgarian Web Association**

As a result of VEGA/BTD assistance, BWA started to market its activities, events and members to the SME market. BWA was able to attract 10 new SME members to its existing membership base of 37. BWA catalogues were distributed to over 5,000 potential clients with personalized letters to General Managers of SMEs representing BWA activities, events, members and their specialization. BWA activities contributed to the presentation of 264 web sites at the Contests of International Web Festival, Albena 2006. That represents close to 70% increase from last year. All these activities resulted in increased interest in the activities of the Association and attracting numerous new registrations (close to 100 only over a two-week period) for the next BWA event titled "BG Site 2006" and numerous registrations for a three-day seminar dedicated to Web, Internet Media and Internet Marketing and Advertising.



## **RSTU**

The seminar conducted with VEGA/BTD assistance was instrumental in enhancing the skills of the participants in the marketing and sales of IT products and services as well as in the development of successful marketing strategies. The qualification and experience of the presenter Mr. Boot were extremely helpful in acquainting participants with the U.S. market for IT products and the existing possibilities for BG producers who are seeking potential partners or clients in the U.S.

RSTU's role of co-organizer of the event was extremely helpful in improving the image of the organization and its establishment as a professional organization in the BG IT sector. The event became the foundation for a series of meetings aimed at establishing RSTU as an organization catering for the professional needs of BG SMEs dealing in the IT sector. The consultations and presentations of Mr. Boot were extremely helpful for the participating companies in their long term strategic planning.

## **ET Robert Alexandriysky – Global Service**

As a result of VEGA/BTD assistance we were able to issue numerous bulletins, including market analyses, marketing and design information, awareness publications in the media on more than 100 news items from the world of textiles. All this information is also available online at [www.tune-in.info](http://www.tune-in.info), which became a forum of new ideas and smart entrepreneur decisions, based on global awareness. TUNE-IN was presented at the BGate International Fair at the InterExpo Center in Sofia. The projects was extremely helpful in increasing the interest in Bulgarian apparel production, which in turn resulted in over 10% increase in Bulgarian apparel industry products exported to the EU market.

## **Bulgarian Chamber of Commerce and Industry, Sofia**

The MBAEC volunteer identified more than 15 potential funding sources not previously known to BCCI. Given the long-term nature of popularizing mediation in Bulgaria in order to gain wide-spread acceptance, the opportunity to apply / receive grant funding is pertinent to the continuation of the Mediation Center. While some of the revenue is generated from settling cases and providing training to new mediators, additional funds can support a more wide spread marketing effort. Marketing will increase awareness of mediation across the country with the ultimate goal of having the population recognize it as a valuable and chosen alternative to in-court dispute resolution services when possible.

## **Bulgarian Association of Companies in the Light Industry**

We are extremely satisfied with the assistance received from VEGA/BTD. The online bulletin that is being distributed to over 200 companies each week is extremely useful and interesting. Wishing you success, we hope to continue our cooperation with VEGA in 2007 as well!

## **Association of Dairy Processors**

With VEGA – BTD assistance, the Association conducted a series of training seminars and technical assistance projects for the Bulgarian dairy sector. Sixty experts from the Ministry of Agriculture and Forests, technologists and managers from the dairy processing industry participated in the training offerings in Bulgaria and Italy. These



resulted in sustainable results in terms of increased production and improved quality of dairy products. These projects were instrumental in assisting over 207 Bulgarian dairy producers in their adoption and implementation of European quality standards.

### **Business Center Dobrich**

Dobrich BC is continuing to build upon its successful activities initiated in the first half of 2006. The brochures developed with VEGA – BTD assistance continue to be distributed among SMEs in the region. They proved to be instrumental in attracting new customers and increasing the awareness of the activities of the Business Center, as well as the various possibilities for cooperation with businesses and other institutions in the Dobrich region. In addition to this, the personnel of Dobrich BC enhanced their professional capabilities in EU programs project development. As a result, the Business Center developed three investment proposals for clients in the road construction, food processing and tourism sectors, aimed at attracting financing under the EU PHARE SME Development Grant Scheme for "Human Resource Development and Employment Generation".

### **ICT Cluster**

#### *Government Policies and Procedures*

The ICT Cluster continued its active on-going dialogue with the GOB as well as its support to the implementation of the current tasks, projects and strategies. ICT Cluster representatives participated in a Working Group on the development of a strategy for the implementation of electronic health care services to the Ministry of Health. On Sept. 21, 2006 with the financial support of VEGA – BTD, the ICT Cluster conducted the 3<sup>rd</sup> Round Table where representatives of IT businesses, government institutions and NGOs discussed the possibilities for increasing the competitiveness of the Bulgarian IT sector.

### **JobTiger**

The MBAEC Volunteer has been very helpful with the analysis and improvement of the existing online products, as well as with the development of franchising documentation for existing products, aimed at expanding the company model to new and emerging international markets. As a result, a franchising competitive and regulatory analysis was prepared, recommendations for the location of the franchise were made, based on legal considerations, as well as cash flow pro-forma excel model developed.

### **ELC**

As a result of VEGA/BTD assistance ELC participated in the 2007 SIETAR EUROPA Competition. Three companies participated in the bid and ELC won the competition. The participation in this competition will lead to significant increase in revenues for ELC as a result of the numerous business contacts established.