

PDTA7534



INTERNATIONAL EXECUTIVE SERVICE CORPS

IESC LITHUANIA

AN AMERICAN LEGACY



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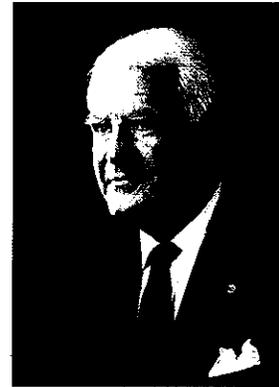
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A MESSAGE FROM THE PRESIDENT

As the largest not-for-profit managerial and business development organization of its kind, the International Executive Service Corps - IESC has firmly established itself for over three decades as a powerful global presence.

We first opened an IESC office in Vilnius, Lithuania in 1992 in answer to the economic transition then facing this Baltic republic. Since then, hundreds of technical assistance and business development projects have been successfully completed for Lithuanian clients in both the public and the private sectors.



By fostering meaningful and long-term partnerships with IESC volunteers, industry experts, business leaders, high-ranking government officials and the US Agency for International Development (USAID) both in Lithuania and in the United States, IESC's office in Lithuania has thus managed to play a pivotal role in the country's economic and business development. At IESC headquarters, we know the real secret of this success - the continued dedication, hard work and enthusiasm of IESC volunteers and staff members alike who have given their time and experience through the years to assist clients in Lithuania. We applaud them and take special note of the great number of Lithuanian-American volunteers who have helped IESC to forge an even stronger alliance between Lithuania and the United States.

To date, USAID has been the main source of funding for IESC activities in Lithuania. Now, a transition is taking place in which IESC and USAID have joined together in an effort to transform the IESC office there into a Lithuanian-owned, for-profit consulting firm. This independent and self-sustaining firm, which will soon be known as the International Business Network (IBN), has the strong support of both IESC and USAID.

After the transition of IESC Lithuania to IBN which takes place in the fall of 1998, the new company and its staff members will continue their many achievements in Lithuania. Taking advantage of well established contacts and networks, a portfolio of respected clientele, years of solid business experience and the IESC legacy of delivering first-class business services to Lithuanian and American clients, IBN will build on the IESC legacy and continue this level of excellence into the next century.

A handwritten signature in black ink that reads "Hobart C. Gardiner". The signature is written in a cursive, flowing style with a prominent flourish at the end.

IESC PRESIDENT & CEO Hobart C. Gardiner



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

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A Message from the USAID Mission Director

Since 1991, USAID has contributed \$65 million in support to encourage democratic and free market reform in Lithuania. One of USAID's most successful activities has been its long-term collaboration with IESC. Lithuania's economy has benefited significantly from the work of more than 150 Americans donating their time and expertise as IESC volunteer executives. The collaboration between USAID and IESC has resulted in a remarkable record of achieving results: increased economic growth, greater exports, creating and saving thousands of jobs.

But it is not a simple story about economic impact. Since 1995, a unique partnership has developed between IESC and USAID. With excellent support from IESC Stamford and a highly skilled local team, IESC Lithuania Country Director George Gray had a new vision for partnership with USAID.

The result was both innovative and practical. The collaboration between the organizations was enhanced to better respond to the needs of Lithuanian companies. USAID and IESC broadened their partnership to optimize the impact on Lithuanian business, allowing improved project management, better feedback, and faster turnaround. Through this new relationship, IESC volunteers made even deeper impacts with less resources.

The relationship between IESC and USAID can be seen as a case study in partnership. George Gray provided exceptional leadership and vision as Country Director. USAID and IESC saw the need to build for the future. George Gray, working with USAID and IESC Stamford, proposed to create an organization to continue the success of the IESC program after USAID support ends, a business that will consult Lithuanian companies in upgrading their manufacturing processes, improving service, and restructuring management.

That organization will be known as the International Business Network. It is a true innovation: the first of its kind in the region and the first time IESC and USAID collaborated to develop such a venture. USAID and IESC spearheaded this unique project to continue an IESC-type program in Lithuania. A for-profit venture, IBN will provide expert consulting for Lithuanian businesses into the next century. It is certain to add to the impressive record of IESC volunteer success, while benefiting from its years of experience in-country.

The new company takes partnership to another level, and it is part of USAID's legacy to Lithuanian business after the country graduates from U.S. government support in 2000. USAID hopes that its groundbreaking partnership with IESC and its outcome - the International Business Network - can serve as a model for cooperation between IESC and USAID worldwide.

USAID Mission Director for the Baltic Republics Ronald J. Greenberg

A VISION FOR PARTNERSHIP



U.S. Ambassador Keith C. Smith (left) and USAID Mission Director for the Baltic Republics Ronald J. Greenberg created a new model for American business cooperation with their Lithuanian partners.

In early 1990, Lithuania regained its independence and again became a democratic republic. With this new status came the many social, political and economic challenges which accompany independence and a transition to a market economy. The government accomplished this by insuring Lithuania's competitiveness in the global market and by seeking long-term economic growth for the country.

In order to assist Lithuania in this transitional period, the United States Agency for International Development (USAID) opened an office in Vilnius, Lithuania in 1992. USAID support was provided to Lithuanian clients in industry and government through technical assistance, training and promotion of investments. By implementing programs in fields such as privatization, banking, energy sector reform, environmental protection, education and humanitarian aid, USAID ultimately became one of the largest bilateral donor agencies in Lithuania. The International Executive Service Corps (IESC), with USAID funding, followed this lead and soon opened its own office in Vilnius in the summer of 1992.

Like USAID, IESC recognized that by helping Lithuania participate actively in the free enterprise system, social and political development would naturally follow. IESC strategy, created in cooperation with USAID, was thus based on three major goals: to assist in private sector development; to support the process of economic reform; and to strengthen democratic institutions. IESC's priority was first to provide assistance to an industrial sector that was both eager to be privatized and would result in a positive impact on the Lithuanian



economy as a whole; then to key public sector firms whose markets evaporated in the transition to a market economy, and to large and medium industries with outmoded technologies, and finally to banks and government institutions.

From 1992 to 1998, 157 IESC volunteer executives from the US completed more than 245 technical assistance projects in Lithuania, thus helping the country in its efforts towards privatization. Experts in management, engineering, computer technology and finance assisted manufacturing and service companies, banks and public organizations to improve methods, equipment and management techniques. A unique contribution was also made by Lithuanian-American volunteers who carried out approximately 25 percent of all projects. Their ability to speak the language and their knowledge of Lithuanian history and culture contributed greatly to the success of the projects.

During the past six years, IESC Lithuania has provided technical and managerial help to more than 115 clients in sectors such as finance, manufacturing, energy, business services, education, government and municipalities. More than 51 percent of IESC clients in Lithuania are located outside of the capital city. Approximately 70 percent are small to medium-sized enterprises. Roughly 10 percent are owned and operated by women. Many of these IESC clients, some of whom were once state-owned enterprises, have now emerged in the Lithuanian economy as models of success.

USAID and IESC have made a substantial contribution to the development of the free market economy in Lithuania. A recent evaluation of all USAID-supported programs stated that IESC Lithuania ranks as “among the best implementing organizations in terms of impact, cost effectiveness and professional effort.”

In addition to the many positive impacts which have resulted from USAID and IESC efforts in Lithuania, a cooperative relationship has developed between the two organizations. The strategic partnership and collaborative project management practices have laid the foundation for an even closer partnership in the future.

In order to continue working towards private sector development and economic reform in Lithuania, USAID and IESC are supporting a unique effort in transforming the IESC Lithuania operation into a Lithuanian-owned for-profit consulting firm. The new firm, known as the International Business Network (IBN), will continue to provide business consulting services to Lithuanian companies. In this way, the individual impacts of USAID and IESC in Lithuania are not simply a piece of Lithuanian history, but rather they become a sustainable, long-term legacy.



BUILDING PARTNERSHIP

1992 to 1994

Since its independence in 1990, Lithuania has made great progress in private enterprise. Nonetheless, in the early years, there was still much work to be done with regard to economic reform, environmental protection and development of the financial services sector. With this in mind, USAID initiated in the 1992 to 1994 period a broad-based program to encourage private sector development, to assist industry and businesses in creating a strong financial sector, to address environmental concerns and to support the public sector in the democratization process.

In support of the above programs, USAID simultaneously initiated an ambitious privatization program in Lithuania. Both IESC and USAID believed that privatization was a prerequisite for the integral development of private enterprises. IESC, in cooperation with USAID, began to target three priority areas: to encourage the privatization of medium and large enterprises; to assist educational institutions in training future entrepreneurs; and to support energy conservation and environmental protection at the enterprise level.

Since the program's inception in 1992, IESC Lithuania's activities expanded rapidly. Between 1992 and 1994, a total of 66 volunteer executives from the US completed a total of 80 projects in the areas of finance, manufacturing, marketing, computer technology and public administration. More than 50 percent of all projects were carried out in rural areas where assistance was most needed. Lithuanian-Americans were particularly active volunteer executives.

While IESC activities were expanding, fledgling private enterprises in Lithuania were identifying additional needs that would help them cope with economic growth. To address their needs, IESC initiated a business development services (BDS) program. This program, together with the American Business Linkage Enterprise (ABLE) program, was designed to identify foreign partners and investors, new technologies and business planning methods for Lithuanian businesses. Through these initiatives, IESC was able to assist Lithuanian companies enter into US markets and in turn, US companies were able to find distributors and joint-venture partners in Lithuania.

In response to the country's relative lack of business know-how, IESC initiated a Long Term Intensive Focus on Enterprises (LIFE) program. In an ongoing effort to partner volunteers with businesses, this innovative program focused on providing a variety of training and advisory services for a select number of companies over an extended period of time. IESC ex-



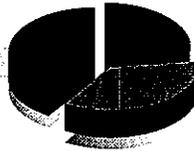
perts proactively assisted these companies in strategic planning, financial oversight, marketing and human resource management.

During the first two years in operation, it became clear to IESC that the measure of positive project impacts on even a handful of enterprises was far greater than the funds spent on the projects themselves. As proof of this, several former public enterprises that received IESC assistance have since become the strong, private companies they are today - including Ekranas, Snaige, Astra, Utenos Alus and many others. These companies enjoy considerable profit margins, are able to attract foreign investors and form promising partnerships for the future - all of which will move Lithuania forward in its ultimate goal of becoming a healthy democracy and viable economic market.

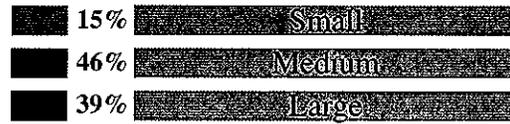
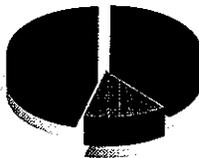


1992-1994

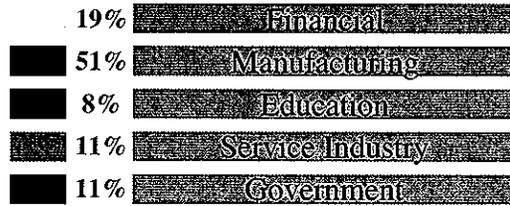
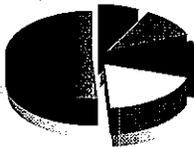
Client Ownership Category



Client Size



Client Type



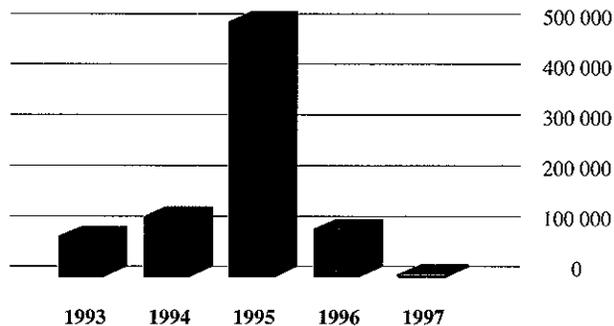
Project Type



EDS Transactions 1993-1997

(Business Development Service)

USD Transaction value



Kaunas University of Technology (KTU)

Kaunas University of Technology is one of the largest educational and technical institutions in Lithuania, dating back to 1920's, offering studies in a wide range of technological and physical sciences fields. During the many years of the university's existence, about 80 percent of engineers in the country graduated from KTU. The Center for Professional Development (CPD), a self-supporting department of KTU, provides continuing education and



training to businesses and industry. Since 1989 the University has been in a process of conducting institutional reforms, and as soon as IESC offices opened in Lithuania, KTU requested IESC's assistance.

Several of IESC's marketing and management specialists prepared recommendations for re-organization of faculty administration, and business administration, took steps

to initiate and implement a Business Appraisal Curriculum, and advised on the international standards of ISO 9000-TQM analysis. IESC experts organized and delivered many seminars for middle and senior level managers and technical personnel for several industries, banks, hotels, insurance companies, transportation, and trading entities. As a result, the Center for Business, Research and Appraisal was established, an appraisal methodology was developed, and a training program for appraisers was initiated.

In 1994, a retired US Ambassador Thomas Melady served as an IESC volunteer at KTU. His project was to upgrade the Business Management Center and to create an MBA program. He started an Ambassador's Day program inviting ambassadors from various countries to KTU to interact with students and faculty. An MBA program was introduced and contacts with other universities were made to develop intercollegiate relationships.

Dr. Petras Baršauskas, KTU Assistant Rector said that IESC volunteers were the first ones to introduce franchise and business evaluation concepts to our university. As a result, the University became a center for innovation and influenced business regulatory system in Lithuania. Assistant Rector said that: "IESC knows exactly what type of volunteer expert we need, one that can fulfill the needs of our institution".

Baltic Amadeus

Baltic Amadeus, the first and one of the largest computer company in Lithuania with a multimillion dollar turnover, requested IESC assistance to review company's management operations. The firm imports and sells hardware and software from a variety of US computer companies.

An IESC volunteer expert completed several technical assistance projects for the company. He immersed himself in the company and made a series of recommendations regarding responsibilities of officers, employee relations, compensation techniques and imperatives, and sales skills. After several months the volunteer returned, reviewed the progress, and found that 90 percent of his recommendations had been followed. He then set to work on the profitability and the financial aspects of the firm. Soon it became obvious to the company's officers that because of the volunteer's input, the company had improved its performance measurably.

Victor Tonkich, President of Baltic Amadeus, made these observations:

"Compared to one year ago, our company has shown profitable improvements:

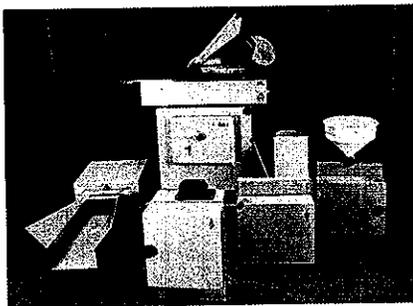
Our sales increased 26 percent, our expenses are down 7 percent, operating profit has gone from negative to positive, and we have acquired three new large and important clients: Vilnius Technical University, Lithuanian Airlines, and Agriculture Bank".



Mr. Tonkich continued: "All of the financial improvements are the direct result of the IESC volunteer's recommendations on budget and business review meetings to control the business. Our new clients are the indirect result of the volunteer's recommendation on cooperation with IBM. Because of the multiple IESC projects with the same volunteer, it was possible to receive recommendations, implement them, and then check how well we had changed our business".

Astra

Astra is a manufacturer of major appliances located in the city of Alytus. Since 1961, the company has supplied Lithuania and the neighbouring NIS countries with laundry equipment. Early in 1994, Astra began restructuring its operations, recognizing that this was necessary to be able to adapt to the new market situation. Astra needed help and contacted IESC Lithuania.



An IESC volunteer marketing expert evaluated the company's production process, recommended changes and improvements, restructured its marketing strategies and opened up negotiations with American Dryer Corporation of Fall River, Massachusetts. Subsequently, in 1995, American Dryer Corp. signed a supplier deal with Astra to provide Astra's stores with commercial and consumer clothes dryer drums. This deal has brought \$160,000 in sales to the American company. Meanwhile, Astra's overall sales increased by \$200,000, - a 10 percent annual increase. That same year Astra signed a \$400,000 joint-venture contract with a French company and increased its sales by \$300,000.

"The IESC volunteer expert was instrumental not only in helping us to open negotiations and sign a contract with US companies, but also assisted in restructuring our production process which resulted in a major shift of our operations", said Stasys Žemaitis, Astra's marketing director. "Through the volunteer's encouragement, we participated in a world-wide exhibition in Milan, Italy and made potentially profitable contacts with two Italian manufacturers", said Žemaitis.

Today Astra is a private manufacturer of appliances with a bright future. "Each year brings us closer to the Western market. Every year we purchase dryer drums from US companies in the amount of \$100,000", said Žemaitis.

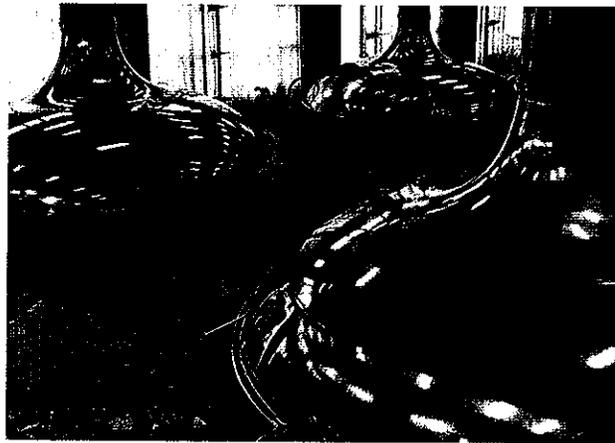
Up to 1997, 85 percent to 90 percent of the company's production was laundry equipment. In 1998 there was a major shift in Astra's production: now 55 percent of its production is for laundry equipment and 45 percent to 50 percent for special appliances, such as laundry tubs and food processing equipment. Overall production increased 30 percent. "Our market has

shifted from supplying only NIS to exporting to Germany, Czech Republic, Holland, and Denmark. Our investments have increased \$200,000. Through the assistance of IESC's expert, we were able to achieve our modest success and look forward to a profitable future", concluded Stasys Žemaitis.

Utenos Gėrimai

Established in 1977 and reorganized as a joint stock company in the early 1990, **Utenos Gėrimai** is one of the major beer and soft drink producers in Lithuania and bottlers of Pepsi-Cola Co.

Between the years of 1992-1994, IESC provided several volunteer experts to Utenos Gėrimai. These volunteers made a series of recommendations and helped analyze and restructure marketing, management, production, financial and sales departments in order to assist the company in reaching their goals of improved product quality and profits. One expert helped modify the production process designed to prolong the life of the product and make it more acceptable to export. In 1996, Utenos Gėrimai was a major producer of beer and soft drinks in Lithuania, with net profit of \$1,867,000.



Recently Utenos Gėrimai was fully privatized, 50 percent of the shares was bought by Scandinavian companies Baltic Beverage Holdings and Hansa Investments. In 1998, Utenos Gėrimai company was re-organized into a new company Utenos Alus.



A NEW MODEL FOR PARTNERSHIP

1995 to 1996

In the period from 1995 to 1996, USAID and IESC continued to deepen their impacts and broaden their successes in Lithuania by building a new strategic partnership that would best respond to emerging client needs.

IESC Lithuania continued to play a significant role in supporting the country's economic development and growth due to its ability to deliver a wide range of cost-effective, specialized services to its clients. Although technical assistance to medium and large businesses remained a fundamental IESC strategy, small and medium-sized enterprises were increasingly targeted, as well as assistance to new entrepreneurs.

By assessing the past few years of activities, USAID decided from 1995 to 1996 to narrow its sphere of activity and deepen funding in several priority areas in order to complement other donors' activities, and to achieve the most sustainable impacts. USAID's new criteria included activities that would result in sustainable, medium-term economic growth; activities that would lead to systemic change within three to five years; activities for which the United States would have special skills to offer, and activities that would be integrated and would draw on cooperation among organizations.

Based on the new criteria, IESC refocused its own activities in Lithuania in improving fiscal management and tax policy; reforming the banking sector and expanding capital markets; strengthening legal reform for private banking and business operations; and improving energy policy and safety. USAID strategy aimed at helping Lithuania restructure its economy and democratic processes with a more sustainable approach. The emphasis on sustainability ultimately became the distinguishing characteristic of the new partnership forged between IESC and USAID.

In 1996, USAID and IESC developed a new model for partnership that strengthened the system of delivering technical assistance. Among the changes that were implemented was a more comprehensive annual work plan; a growing number of USAID referrals for technical assistance projects; a new project management approach and ongoing project impact assessment strategy that allowed more flexibility and efficacy; and a revised role for IESC as an on-call advisory team for USAID.



The newly implemented system of referral projects served to assist USAID staff in the implementation of its mission strategic plan for Lithuania. The new project management approach provided greater flexibility for USAID in making these project referrals. Joint project review meetings were held regularly to review and monitor progress. Frequent communication between USAID and IESC staff promoted amicable working relationships and provided an opportunity to involve other USAID-supported organizations in Lithuania.

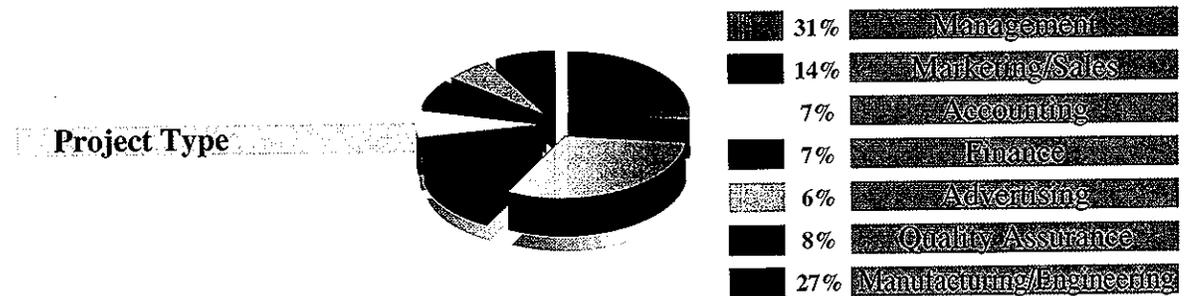
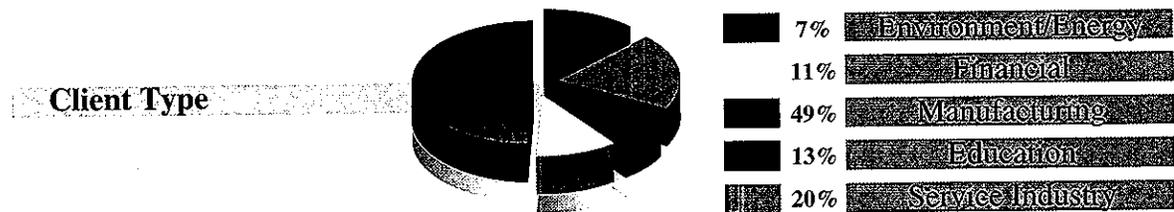
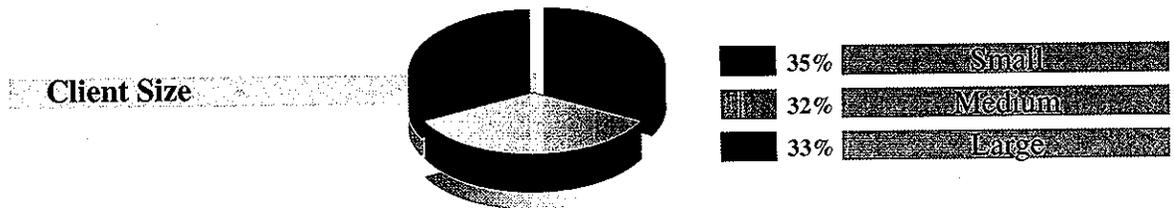
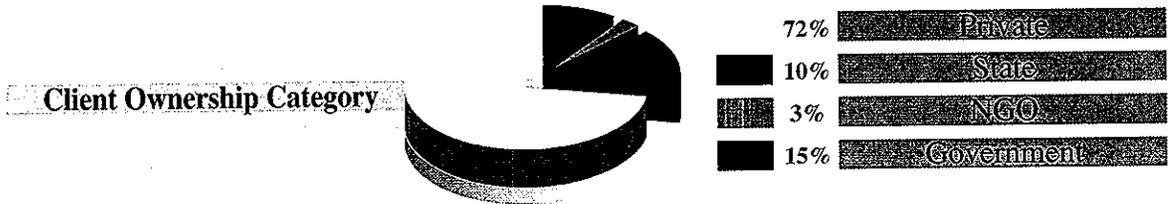
In effect, USAID now had in IESC a partner that could fulfill the role of a rapid response team, while, in turn, IESC benefited from the resources of USAID's project managers. USAID project managers had the flexibility to add, change and/or adjust the work of the mission to meet emerging needs. Specialized technical assistance could be requested, an assistance project planned, an appropriate IESC volunteer executive found and work begun with impressive turn-around time. Implementation of USAID's strategic objectives in this manner became more effective and significantly increased the per-dollar impact of its programs.

Based on the new work plan, IESC activities continued to support the process of private sector development, especially in areas such as machine building, metal working and food processing; to implement and compliment USAID strategy in fostering legal and financial sector reform; and to maximize the impact of IESC resources in coordination with other USAID-supported organizations. As in earlier years, IESC assistance was focused on helping the private sector in Lithuania.

By the end of 1996, Lithuanian businesses had developed at an impressive pace, but management still needed to enhance their individual business skills in order to compete successfully in an increasingly competitive global market. In response to this demand, IESC launched a series of management training programs in which standard technical assistance to individual companies was supplemented with seminars and workshops in quality control, management, sales and marketing methods.

The fact that a growing number of IESC's technical assistance projects were direct referrals from USAID program managers indicates the level of synergy between USAID and IESC. Under the leadership of USAID Mission Director for the Baltic Republics Ronald J. Greenberg and IESC Lithuania Country Director George Gray, a new paradigm based on cooperation and teamwork was thus set, and a vision for lasting, sustainable impacts was realized.

1995-1996



Narbutas & Co.

Narbutas & Co. started in 1991 as a small office furniture manufacturer. By 1996 the company was one of the most rapidly growing furniture companies in Lithuania with 300 employees and annual sales exceeding \$5 million.

Narbutas & Co. came to IESC seeking assistance in improving their production capabilities in order to meet growing consumer demand. After evaluating the company's business strategy, and overall organizational structure, an IESC volunteer expert pinpointed the need for improvement. Working with the CEO and other senior managers, the IESC expert made recommendations for developing management capabilities and improving investment strategies to meet their recent growth in business.

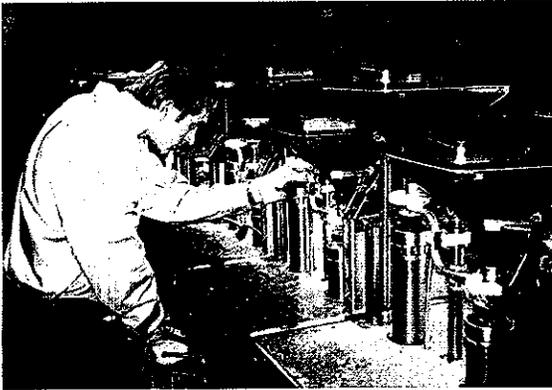
By the end of 1996, the company, following the IESC expert's recommendations, increased its sales by \$850,000, spent \$3,000,000 in wood processing equipment, and created a new management structure for personnel and production departments. Now Narbutas & Co. has become the largest private manufacturer of office furniture in Lithuania, expecting very significant growth in the sales and export of their product.



Petras Narbutas, General Director of the company had this to say: "About three years ago as our company grew, new problems became more complex and some of them were quite difficult to solve by ourselves. One needs knowledge which can be accrued only through many years of experience. An alternative was to find and rely on those who already have it. IESC provided us with such expertise for us to learn from their know-how. As the result of the experts help, we opened new contemporary furniture section, increased our output almost two-fold, and became a leader in the furniture manufacturing in Lithuania. Equally or even more importantly, we matured as an organization, for which we are thankful to the IESC volunteers".

Ekranas

One of the largest private companies, **Ekranas** had undergone significant changes in the past years. In 1997 Ekranas became the first Lithuanian company to obtain a \$30 million World Bank loan, all of which the company will use to renovate its production lines. Last year Ekranas exported more than \$60 million in television screens, most of them to its main partner, Samsung Berlin. But only a few years ago, the future of the huge plant was dim. For help, Ekranas turned to USAID.



“Our market disappeared, our production was not efficient and did not meet Western standards. Our consultant from USAID helped us to improve our production”, said Eimutis Žvybas, General Director of Panevėžio Ekranas.

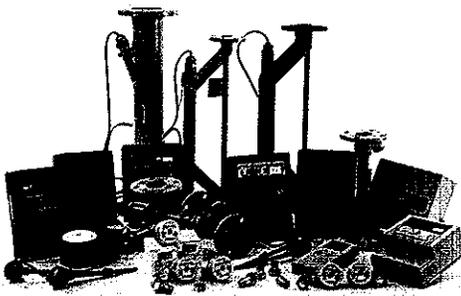
It was an expert from IESC who analyzed the screen coating process and determined that there were some problems. Another IESC expert assisted Ekranas in improving account-

ing procedures, defined the boundaries for financial reporting, cost accounting and financial analysis for top management.

With the help of USAID funding, the company acquired new equipment from the United States, changed its production process and significantly improved both the efficiency and quality. “After some changes to our production process, and new equipment, we could compete in the world market. Samsung evaluated our screens very highly and they became our new partners, said Mr. Žvybas”.

Katra Ltd.

Katra, a private company, produces flow meters for water and heat. The instruments are very sophisticated, and do their measurements by ultrasound. The president of the company realized that his academic career did not prepare him for managing a company and selling a product, so he turned to USAID for help. An IESC expert helped to prepare a business plan, and set goals for his company to follow. He developed their Quality Manual and helped prepare the paperwork for the ISO 9000 application. Thus, Katra became the first company in Lithuania to



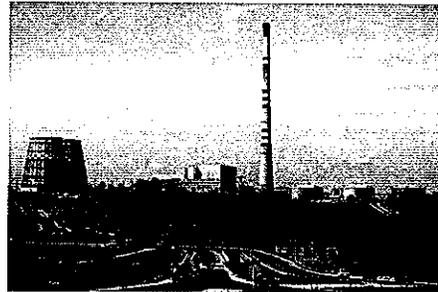
receive ISO-9000 certification and serves as a model for other companies seeking this certification. This highest international certification enables the company to export their entire range of products to the EU without further recourse to their regulatory authorities.

During the last seven years, the company's staff increased from five part-time employees to over 250. In 1997, gross sales increased \$2 million, of which fifty percent are export sales. Capital investment in land, buildings, production equipment, and vehicles amounted to \$750,000.00.

The president of Katra, Albinas Bačiliūnas, asserted that "IESC expert's recommendations served as a foundation for the company's quality system and the business plan will be a living document which will be changed as the company grows".

Vilnius Power Station

Vilnius Power Station is the main source of electricity, heat and hot water to the city of Vilnius and the surrounding region. During the period of 1995 - 1997, IESC was asked by the Power Station management to render technical assistance for three major projects: construction of four 60,000 ton capacity fuel tanks, expansion of existing Pump Station and inspection and evaluation of existing 820 ft. tall smoke stack. The four fuel storage tanks would provide operating fuel for a full heating season. The savings would amount to approximately \$600,000 per year, depending on oil price fluctuations.



An IESC volunteer, during the 1995 - 1997 fuel tank construction period provided assistance in the application of API-650 standards for metal construction, welding and quality control. The Director of Vilnius Power Station emphasized that the IESC volunteer's assistance in the review of documentation, drawings, control of incoming materials, and resolution of contractual problems had contributed very significantly. The estimated cost of the project was approximately \$30 million.

In 1997, the same volunteer returned to the Power Station to assist in the expansion of the existing Pump Station, which would supply heat and hot water to the city's new subdivision. Total value of this project was approximately \$5 million.



In 1996, IESC provided a volunteer expert to evaluate the condition of the 820 feet tall smoke stack that may

be in need of repairs or modification. His recommendations were estimated to save the Power Station \$70,000.

Vytautas Stasiūnas, Director of Vilnius Power Station had this to say about the volunteer's contribution to the fuel tank construction project: "This was our first time in working with an US expert, and being exposed to someone from a different school of thought. Aside from his input to the technical aspects of the project, we were exposed to analyzing construction problems in a different manner, especially as to the way it would be handled in the US. With his participation, we were able to avoid a possible conflict and to find a compromise between our techniques and those of our contractors".

Sigmanta

Sigmanta is a privately owned company engaged in designing computer systems and computer production, providing Internet services and implementing governmental computerization projects. In 1995 Sigmanta signed a contract with IBM to produce IBM's RS/6000 family computers. It is the only company in Central Europe to obtain an Original Equipment Manufacturing (OEM) contract with IBM.



Before privatization, Sigmanta was jointly formed by the Ministry of Industry and Trade (MIT) and the Ministry of Communication and Informatics (MCI) to implement integrated information infrastructure for the nation-wide government management system. IESC Lithuania was asked to assist the Ministries in this task, and in the establishment of the new computer company Sigmanta.

Sigmanta needed to re-design its management structure and marketing abilities and open negotiations with companies in other countries. Five IESC volunteer experts assisted Sigmanta in restructuring their operations, introduced new marketing techniques and helped to initiate communications for negotiations with IBM. Through the IESC volunteer efforts, the contracts with IBM resulted in the total amount of \$530,000. In addition, with the IESC expert's help, the company developed partnerships with Hermis Bank, Informix, Navision, and other Lithuanian companies. By that time Sigmanta's annual sales reached \$2,250,000.

Rolandas Markevičius, Assistant Director of Sigmanta, emphasized the efforts of IESC experts: "Through the efforts of IESC volunteers, we were able to start our co-operation with IBM, and with other firms. Improvements in our work methods, as well as new business ideas were formulated in working with the volunteers. We are very grateful to IESC and the volunteer experts for their help in putting our company on the right track".




A NETWORK FOR THE FUTURE

1997 and Beyond

In 1997, as USAID funding began to decrease and some USAID programs in the region were phased out, USAID Lithuania adopted four new strategic objectives in Lithuania in an effort to sharpen its focus: to improve fiscal management; to develop a more stable financial environment; to strengthen energy policy and safety; and to create increased, sustained citizen participation. IESC responded to these new USAID strategic objectives by targeting priority clients and specific areas of activity and by continuing its close collaboration with USAID Lithuania and other USAID contractors.

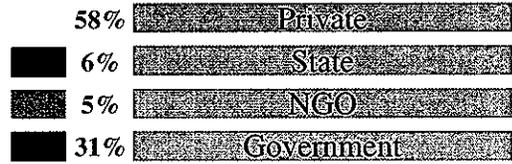
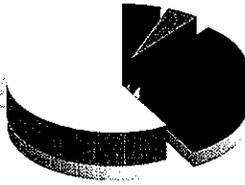
In order to continue fostering Lithuania's private sector growth into the future, IESC, with USAID support, plans to transform its office and staff in Vilnius into an indigenous for-profit consulting firm. In preparation for this challenge, IESC launched an intensive training program for its existing Lithuanian national staff, conducted by IESC volunteer executives with years of management consulting experience. USAID is granting IESC a one-year extension until September 1999 to support this effort. IESC's leave-behind firm, called the International Business Network (IBN), will begin operations in the fall of 1998 and will provide a wide range of technical, managerial and business consulting services.

In addition, IBN will establish a Lithuanian-American Business Network with the objective of increasing US business involvement with small and medium-sized Lithuanian companies. Selected IESC experts, primarily of Lithuanian heritage, will serve as regional representatives in the United States, working closely with IBN in fostering mutually beneficial partnerships between US and Lithuanian businesses.

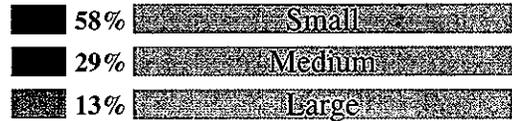
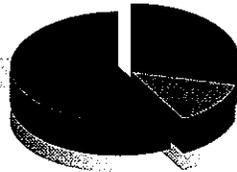
By giving their full support to this new consulting firm, USAID and IESC are leaving behind a legacy which will respond to the needs of a healthy democracy and a growing free market economy in Lithuania. This legacy will deepen business linkages between Lithuania and the United States, stimulate and strengthen Lithuanian businesses, and encourage broader public participation in the democratic process.

1997-1998

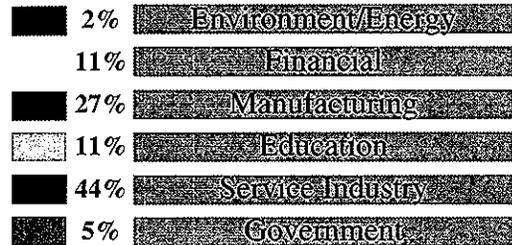
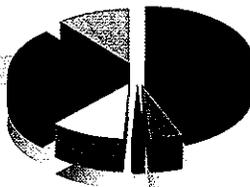
Client Ownership Category



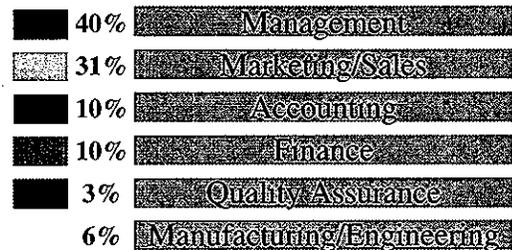
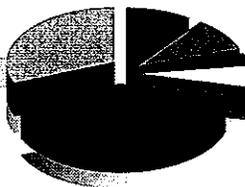
Client Size



Client Type

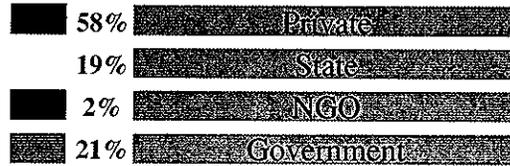
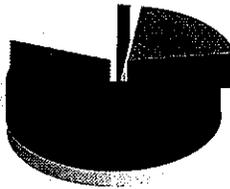


Project Type

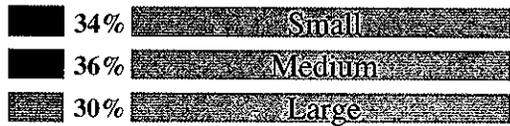
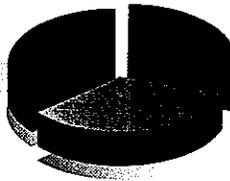


1992-1998

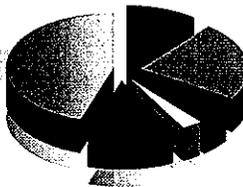
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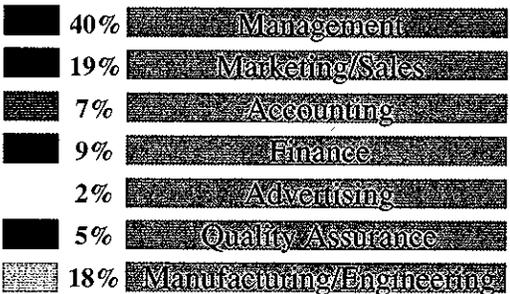
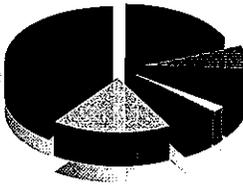
Client Size



Client Type



Project Type

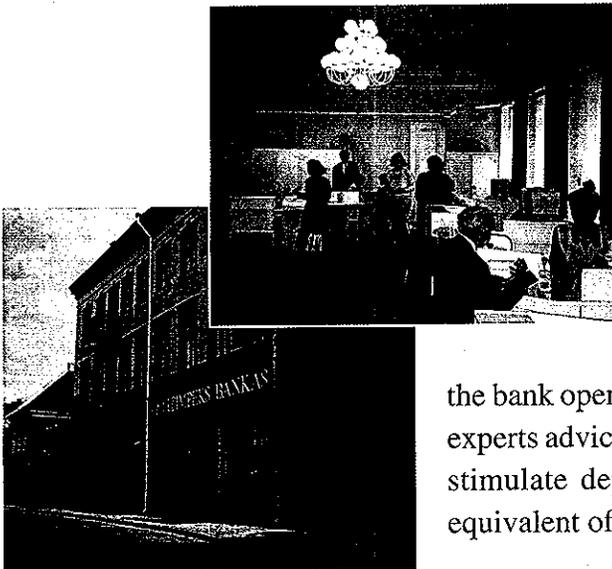


Litimpeks Bank

Litimpeks, a full service bank, opened in 1991. During the 1995 banking crisis in Lithuania, the bank had to suspend its operations for several months. In the interim, Litimpeks concentrated its efforts on regaining public confidence, focused on increasing its capital and searched for new clients and partners. For help, Litimpeks turned to USAID.

USAID referred to IESC technical assistance projects designed to help the bank prepare for an international audit and assist in the recovery plan. IESC volunteers worked with the bank's

personnel in improving banking activities, concentrating on financial analysis, loan procedures, foreign exchange operations, and international audit management. A model audit system was designed by the volunteer including related internal audit procedures.



Litimpeks bank soon started its recovery process. From June 1996 through 1997, the bank opened 6,200 new accounts. In following IESC experts advice, Litimpeks advertised a special program to stimulate deposits, resulting in record deposits, the equivalent of \$ 200, 000 in a one week period.

According of the Chairman of the Board Gintautas Preidys, the assistance received from USAID and IESC was very timely and allowed the bank to optimize its operations concentrating on the most important strategic goals. Today the bank is moving successfully toward its goals, as it is shown by 90 percent of returned clients and by three times the amount of new accounts it had in 1995. In addition, Litimpeks successfully issued \$37,500,000 in stock - 80 percent of which is owned by foreign investors.

"This essential stock capital growth will allow us to expand our business and investment banking, give us the ability to participate in insurance brokerage, open new business services, and satisfy our clients in all of their banking needs. The bank's management firmly believes that the near future will show not only our full recovery, but a profitable one as well", said Mr. Preidys.



Vilniaus Venta

Vilniaus Venta, a Joint Stock company, is an engineering and manufacturing firm that designs, develops and manufactures microelectronic components for computers, television, telephones and other communication equipment where integrated circuits are utilized.

Venta suffered a rapid decline in their sales market after the fall of the Soviet Union. In order to survive, the management came to the IESC seeking an expert to assist in improving the quality of Venta's products, develop a quality control system that meets ISO 9000 standards, and assist in finding new partners.

An IESC expert developed a Quality Manual which greatly assisted the company in implementing quality standards. He also conducted a seminar for top management and engineering staff on ISO 9000, Statistical Process Control and Total Quality Management.

Throughout the project, the expert was in contact with a potential Italian partner for Venta, which eventually resulted in a \$500,000 financing agreement. Venta increased its ties to US companies, including an ongoing agreement to purchase \$70,000 in raw materials from the International Rectifier Co. In 1997, implementation of higher quality standards helped Venta increase its overall sales by \$1,000,000, save 130 jobs, while creating another 200 jobs.

The Manager of Quality Assurance, Dr. Romualdas Navickas said that "IESC volunteer expert helped our company to develop a Total Quality Management system. It would be difficult to imagine how we could have achieved this without the invaluable help of the IESC expert".



Šiauliai International Airport

After a year and a half of work, and about \$30 million of investment **Šiauliai International Airport**, once the largest Soviet military airbase, and now a new cargo and passenger airport, opened in August of 1997. The Municipality of Šiauliai established the airport and contracted the Netherland's Phillips corporation to reconstruct it. The air-





port now has a 3.5 km runway, and a 23-meter high flight control center and its services include passenger service, air cargo and aircraft maintenance facilities. It is now the only CAT 1 (no weight or weather restrictions) international airport in the Baltics.

An IESC volunteer expert provided continuing assistance on various aspects of airport management, from maintenance to organization, revenue generation, marketing, and entrees to the Aviation Business community, international airlines, air cargo carriers and others. The volunteer's final report reflects his opinion that this is a very viable project and he relates specifics as to why and how he came to this conclusion: "My view of the potential of the airport is quite optimistic. The collateral development of the Free Economic Zone (FEZ) appears to be moving toward implementation.

Lithuania will have an airport at the current operating standards with space, a community of 100,000 with a skilled and educated work force, good roads, railroad access, and companion FEZ".

IESC considers the assistance to Šiauliai International Airport as a very promising investment in the Lithuanian transport development, which is a key sector in the whole range of Lithuanian- American business cooperation.

Government of Lithuania Department of European Affairs

One of the main purposes of the Department of European Affairs (formerly, Ministry of European Affairs) was the coordination of the last phase of enterprise privatization in Lithuania, including 14 strategic companies, such as Lithuanian Telecom. The Lithuanian Government hired advisors from world-wide consulting and legal firms to announce an international tender to privatize these strategic companies.

Due to the lack of experience in dealing with such advisors, the Department of European Affairs requested an IESC volunteer expert to provide assistance in the form and substance of Advisory Service Agreements. These agreements are used to provide services in preparing contracts for the government to sell shares of stock of each of the 14 strategic companies being privatized. The Department also sought IESC experts' views as to what should be



expected of consultants, and the roles that they may contribute to a successful privatization process.

Paulius Kulikauskas, formerly Vice-Minister of European Affairs, said: "I wish to express our gratitude to both IESC - for finding an expert of outstanding experience and to USAID - for providing full funding for this assignment. In all of the tasks on the principles of implementation, advisory services to privatization, legislative framework, and transaction documents, the IESC expert excelled in analyzing presented documents. He exposed their weaknesses and proposed necessary drafting to amend the documents in a receptive and flexible manner. The expert suggested and outlined the ways of thinking and reasoning to follow, so that the government's interests are fully safeguarded and implemented in the legal documents".

Pačiolis

Established as a consulting company in 1993, **Pačiolis** very quickly found its market niche in the areas of accounting and tax consultation. The company also publishes books and periodicals, and organizes accounting, tax and financial seminars.

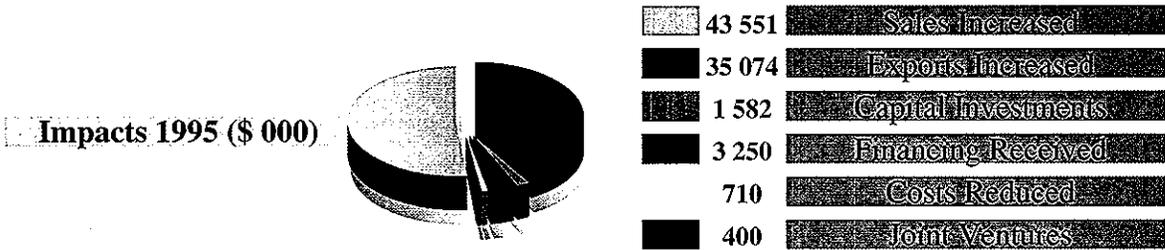
Pačiolis requested IESC's assistance in the development of a Western-style audit system, along with its policies and procedures. Knowledge gained from working with IESC volunteers was spread widely as the company has market recognition and has an influence in the Lithuanian Ministry of Finance, as well as in the Lithuanian Audit and Accounting Institute.



By 1997, Pačiolis had over 250 employees and a 15,000 client base across Lithuania.

Gintaras Juškauskas, Vice President of Pačiolis, praised the work done by the IESC volunteer: "For us to hire an expert with the equal qualifications of an IESC volunteer would have cost us at least ten times more. It is difficult to calculate the direct impact of the volunteer's input, but it can be said without a doubt that his assistance greatly contributed to the quality and resulting profitability of our company".

PROJECT IMPACTS



IMPACTS

	1992-1994*	1995**	1996**
Employee Skills Improved	83%	97%	83%
Training Received	-	83%	63%
Management Improved	56%	69%	58%
Marketing Improved	78%	67%	68%

* Based on data taken from Client Results Surveys of 18 clients served between 1992 and 1994.

** Based on data taken from Client Results Surveys of 75 clients served in 1995 (35) and 1996 (40). Amounts reflect only impacts for which clients credit IESC assistance.

1992-1997/DIRECT - INDIRECT PROJECT IMPACTS

* Based on the data taken from Client Results Survey. Direct/indirect impacts are based on the results of surveyed Technical Assistance projects.

COMPANY NAME	PROJECT	IMPACT
HERMIS Bank, Vilnius	Computerization	DIRECT: new software systems assessed. INDIRECT: saved \$300,000.00.
JIESIA, Kaunas, Fine ceramics manufacturer	Energy Saving	DIRECT: gas kilns replaced with electric kilns (50% reduced energy consumption), costs reduced \$10,000.00.
SIGMANTA, Vilnius, PC manufacturer	Manufacturing	DIRECT: established business contacts with IBM for supply of PC's parts - total value of transactions \$1,000,000.00. The client was assisted in writing business plan and meetings with several financial institutions regarding loans, as a result a \$2,000,000.00 loan was received from European Bank for Reconstruction and Development; 22 jobs saved, 30 new jobs created. INDIRECT: total sales increased \$2,500,000.00.
UTENOS GERIMAI, Utena, Soft drinks manufacturer	Distribution	DIRECT: 60 new jobs created (in distribution network). INDIRECT: total sales increased \$6,050,000.00.
	Production improvement	DIRECT: employee skills improved, 4 new products introduced.
	Cost Accounting	DIRECT: employees skills improved, organizational structure improved.
ABIŠALA & PARTNERS, Vilnius, Consulting firm	Seminar on economics	DIRECT: 20 new jobs generated in high schools.
	General management	DIRECT: one new product introduced, organization structure improved, 50 new clients obtained. INDIRECT: better services portfolio introduced, sales increased \$150,000.00, capital investments made \$150,000.00.
ALVERONAS, Kaunas, Advertising agency	Advertising	DIRECT: employee skills and quality of services improved.

ASTRA,
Alytus,
Commercial and
consumer laundry
equipment manufacturer

Marketing

DIRECT: business relations with American Dryer Corp. established (total value of transactions \$160,000.00); exports increased (total value \$250,000.00), sales increased \$300,000.00, costs reduced \$100,000.00.

INDIRECT: joint venture with French company Triba achieved (total value \$400,000.00 per year), production equipment purchased (total value \$20,000.00), ISO 9000 standards installed, new sources of revenue secured (total \$300,000.00).

Manufacturing

DIRECT: business ties with Speed Queen Co. developed, total value of transactions \$30,000.00.

INDIRECT: sales increased \$100,000.00, capital investments \$60,000.00, 60 jobs saved.

Preparation of user manuals

DIRECT: quality of users manuals improved, employee skills improved.

INDIRECT: contacts with US company "ADC" established, imports from US increased \$145,000.00, 2 new products introduced, exports increased \$300,000.00, costs reduced 5%.

BALTIC AMADEUS,
Vilnius,
Computer company

Restructuring

DIRECT: costs reduced \$10,000.00, new company organizational structure established.

INDIRECT: distributorship from American CISCO obtained (total value of transactions \$200,000.00), total sales increased \$2,500,000.00.

BANGA,
Kaunas,
TV sets manufacturer

Production

DIRECT: marketing strategy improved, advertising strategy developed.

INDIRECT: business contacts with foreign partner established, total value of transactions \$20,000.00, exports increased, 5 new products introduced, management system improved.

Marketing

DIRECT: sales increased \$5,000.00 - 6,000.00 per month.

INDIRECT: contact with American company established, sales to Scandinavia increased \$10,000.00 per month.

**KAUNAS
TECHNOLOGICAL
UNIVERSITY,**
Kaunas,
CAD Laboratory

IMCAD Design

DIRECT: business ties with Anvil Software Co. established (total value of transactions \$30,000.00), computerized CAD/CAM system established, business with local machinery enterprise developed (total value \$3,000.00), 5 new jobs generated, 10 jobs saved, total sales increased \$3,000.00.
INDIRECT: computerized control of accounting system implemented.

CAD/CAM center for
machinery improvement

DIRECT: contacts with US company "MCS Inc." established, one new product introduced, employee skills improved.
INDIRECT: 7 jobs saved, revenue per employee increased.

CENTRO KUBAS,
Vilnius,
Real estate company

Franchise/Business plan

DIRECT: employee skills improved.
INDIRECT: 3 new jobs generated.

EGLE,
Kazlų Rūda,
Furniture manufacturer

Management

DIRECT: new operational process for chipboard production assessed (total value of technology line \$2,000,000.00).
INDIRECT: total sales increased \$500,000.00, costs reduced by 20%, utilization of local raw material increased (total value of \$600,000.00).

EKRANAS,
Panevėžys,
TV tube manufacturer

Manufacturing

DIRECT: TV tube quality improved resulted in savings of \$20,000.00 - 25,000.00 per quarter, organizational structure improved.
INDIRECT: preparation of manufacturing flat screen TV tube completed, sales increased \$24,000,000.00.

Manufacturing

DIRECT: costs reduced, organizational structure improved, management skills improved, design of TV tubes improved.
INDIRECT: sales increased \$33,000,000.00, quality assurance program installed, revenue per employee increased.

Accounting/Finance

DIRECT: accounting system improved, employee skills improved.
INDIRECT: new marketing strategy developed.

**ENDOKRININIAI
PREPARATAI,**
Kaunas,
Pharmaceutical company

Production quality

DIRECT: sterilizing technology introduced.

VITOMOS ŠVIESA,
Vilnius,
Lighting store

Lighting systems: design,
installation and sale

DIRECT: sales increased 30%, 13 jobs saved, employee skills improved.
INDIRECT: capital investments made \$200,000.00, imports increased \$200,000.00, loan of \$100,000.00 obtained, distribution agreements signed with foreign companies.

**HIDRAULINĖS
PAVAROS,**
Šilutė,
Metal processing company

Marketing

DIRECT: marketing department improved, employee skills improved.
INDIRECT: 3 new products introduced, packaging of products improved.

INFO-TEC,
Vilnius,
Computer company

Production evaluation,
marketing

DIRECT: management and employee skills improved, new marketing materials in English developed, 1 new product introduced.

JIESIA,
Kaunas,
Fine ceramics
manufacturer

General management/
Strategic planning

DIRECT: 4 new jobs generated.
INDIRECT: profits increased 6%, contacts with 5 foreign companies established.

KATRA,
Kaunas,
Liquid flow measurement
equipment manufacturer

Marketing

DIRECT: new dinner sets with new designs introduced, investments in production equipment made (total value \$600,000.00), total sales increased about \$300,000.00.

**KAUNAS
TECHNOLOGICAL
UNIVERSITY,**
Kaunas,
Centre for Professional
Development

TQM/ISO 9000

DIRECT: ISO 9001 certification achieved, 115 new jobs created.
INDIRECT: joint venture total value \$100,000.00 established, 3 new products introduced, sales increased \$2,000,000.00, capital investments made \$750,000.00.

Seminar on TQM/ISO 9000
Curriculum for TQM

DIRECT: the participants from 25 service companies were introduced to principles of TQM and ISO 9000 standards, Centre for Professional Development was assisted in preparation of plan to develop Total Quality Management training program.

KAUNAS
TECHNOLOGICAL
UNIVERSITY

Computer system
program

DIRECT: communications improved, quality of services improved, 2 new jobs generated, 3 jobs saved.

KLAIPĖDOS
KARTONAS,
Klaipėda,
Cardboard manufacturer

Accounting

DIRECT: accounting department computerized.
INDIRECT: exports increased \$500,000.00.

LABBIS,
Vilnius,
Accounting and
bookkeeping software
company

Accounting system
computerization

DIRECT: computerized accounting system created.
INDIRECT: capital investments made \$2,500.00.

LEMA,
Vilnius,
Computer company

Technical writing

DIRECT: company restructured, new organizational chart introduced, marketing department established, employee skills improved.
INDIRECT: 10 new jobs generated, 1 new product developed, quality of products improved, new marketing strategy introduced.

Advertising/instructions

DIRECT: new advertising strategy introduced, 2 new jobs created, marketing department skills improved.

Management

DIRECT: contacts with US company "Sun Microsystems" established, management skills and system improved.
INDIRECT: imports from US increased \$500,000.00, 1 new product introduced, sales increased \$700,000.00.

LITHUANIAN BANK,
Vilnius

Audit

DIRECT: internal audit procedures developed, job descriptions introduced, audit time reduced by 40%, 8 new jobs generated in Internal Audit department.

LITHUANIAN
FINANCIAL BROKERS
ASSOCIATION,
Vilnius

Securities/training

DIRECT: organizational structure improved, employee skills improved, seminar curricula developed.
INDIRECT: marketing improved, 1 new product developed, provision of services per employee increased 150%, 20 new jobs generated.

LITHUANIAN
PACKAGING
ASSOCIATION,
Kaunas

Workshop on packaging
technology

DIRECT: quality of packaging presentations improved, over 150 employees were trained the use of new packaging equipment, 5 new Association members introduced, seminar curriculum on packaging technology developed.

LITHUANIAN
SAVINGS BANK,
Vilnius

Integrated computerization

DIRECT: bank's computerization system improved.
INDIRECT: bankomat ATM MGMT software purchased from US Arkansas Systems Co. (total value of transaction \$50,000.00), computerized credit card operations introduced; sales increased 18%.

LITIMPEKS BANK,
Vilnius

Credit management

DIRECT: employee skills improved.
INDIRECT: loans operations increased by \$10,250,000.00, organizational structure and marketing strategies improved, 4 new services introduced, quality of services improved.

MERKURIJUS,
Kaunas,
Retail department store

Personnel management

DIRECT: new selling methods introduced, sales increased 10%, 60 jobs saved, quality of services improved.

NARBUTAS & Co.,
Vilnius,
Furniture manufacturer

Management

DIRECT: organizational changes in production and marketing departments made.
INDIRECT: market analysis in Lithuania, competition analysis in Moscow accomplished, exports increased \$1,300,000.00, total sales increased \$2,400,000.00, 48 new jobs in sales department created.

Management/Strat. planning

DIRECT: organizational structure improved.
INDIRECT: sales increased \$5,000,000.00, capital investments made \$3,000,000.00, costs reduced 10%, marketing and investment strategy developed.

NOVEMA,
Vilnius,
Advertising agency

Advertising/management

DIRECT: new marketing strategy developed, quality of services and products improved, employee skills improved.

**PANEVĖŽYS GLASS
WORKS,**
Panevėžys

Accounting

DIRECT: western standards bookkeeping and accounting system installed (total value of investments \$30,000.00), 7 new jobs created.

Production

DIRECT: 2 mm thickness glass production introduced (total value of first order \$63,000.00), quality of sheet glass improved, which resulted in sales increase total \$1,203,675.00, 8 new jobs created.

Accounting/Finance

DIRECT: capital investments \$750,000.00, costs reduced 2%, accounting system improved, employee skills improved.

INDIRECT: new organizational chart introduced, quality of services and products improved.

ŠIAULIAI BANK,
Šiauliai

Computerization

DIRECT: optomagnetic data transfer network Novel for 50 work places implemented (total value \$200,000.00).

INDIRECT: client's telephone service introduced, 30 new jobs created. bad loans checking system introduced, accumulative deposits introduced, companies' interest accounts introduced; integrated bank's computerization system developed, total sales increased \$4,000,000.00.

Improvement of services

DIRECT: contacts with US company "Bankers Trust" established, personal bank checks introduced, client service improved.

INDIRECT: 2 new services introduced, bank's revenue per employee increased.

SNAIGĖ,
Alytus,
Refrigerators
manufacturer

Quality control

DIRECT: ISO 9000 standards developed.

INDIRECT: Western clients increased by 30%, new German equipment purchased (total value of \$1,500,000.00).

TELGA,
Tauragė,
Electronics company

Manufacturing of printed
circuit boards

DIRECT: marketing department improved, marketing materials in English prepared, critical problems of management pointed out.

SIGMANTA,
Vilnius,
Computer company

Manufacturing/Marketing

DIRECT: marketing strategy improved, imports increased \$1,000,000.00, exports increased \$5,000.00, capital investments made \$50,000.00, organizational structure improved, loan obtained \$2,000,000.00, 20 new jobs generated.

Computer network development

DIRECT: customer service improved, 15 new members joined computer network, employee skills improved.

INDIRECT: marketing improved, imports increased \$100,000.00, financing from Government obtained \$250,000.00, 5 new jobs generated.

VILNIUS POWER
STATION,
Vilnius

Equipment welding

DIRECT: employee skills improved in communications and usage of information bases.

INDIRECT: company's revenue per employee increased, land and air pollution reduced.

Pump station design/engineer

DIRECT: experience in selection of consultants obtained, employee skills improved, international standards for metal construction adapted, recommendations for pipeline construction prepared.

Metal construction/welding

DIRECT: contacts with American Petroleum Institute established, know-how obtained and equipment purchased for construction and metal processing, inspection of raw materials improved.

INDIRECT: capital investments made \$1,100,000.00.

Repair/maint of smoke stack

DIRECT: engineers prepared for smoke stack reconstruction.

INDIRECT: new technology purchased (total value \$300,000.00).

TIDE,
Kaunas,
Metal processing
company

Processing

DIRECT: improved thermozincification of screw threads, which brought new orders for the company (value \$30,000.00).

INDIRECT: two departments joined, which reduced costs by \$35,000.00 (5%).

**UTENOS
ELEKTROTECHNIKA,**
Utena,
Ovens manufacturer

Advertising/marketing

DIRECT: company brochure improved, advertising department established, 3 jobs created (sales increased \$10,000.00).

INDIRECT: total sales increased \$15,000.00.

Skills: strategic planning/marketing

DIRECT: employee skills in marketing improved.

INDIRECT: exports increased \$60,000.00.

UTENOS GERIMAI,
Utena,
Beer and Soft Drink Company

Advertising

DIRECT: marketing department created (4 new jobs).

VIDE,
Kaunas,
Advertising company

Organization/management

media planning

DIRECT: quality of advertising campaigns, video commercials improved, employee organizational and technical skills improved.

VILFIMA,
Vilnius,
Financial brokers
company

Finance/investments

DIRECT: marketing improved, one new service introduced, sales increased \$100,000.00, costs reduced \$40,000.00.

INDIRECT: 21 new jobs generated.

VIS VITALIS,
Kaunas,
Dental company

Manufacturing

DIRECT: new technology transferred, 5 new jobs created.

VRS,
Vilnius,
Advertising agency

Marketing

DIRECT: new concepts of presentation to clients introduced, organizational structure improved, management skills improved, quality of video commercials improved.

**VYTAUTAS MAGNUS
UNIVERSITY,**
Kaunas

Restaurants

DIRECT: marketing improved, organizational structure improved, 1 new job created, 3 jobs saved, employee skills improved.

ŽEMAITIJOS PIENAS,
Telšiai,
Food processing
company

Dairy products

Packaging

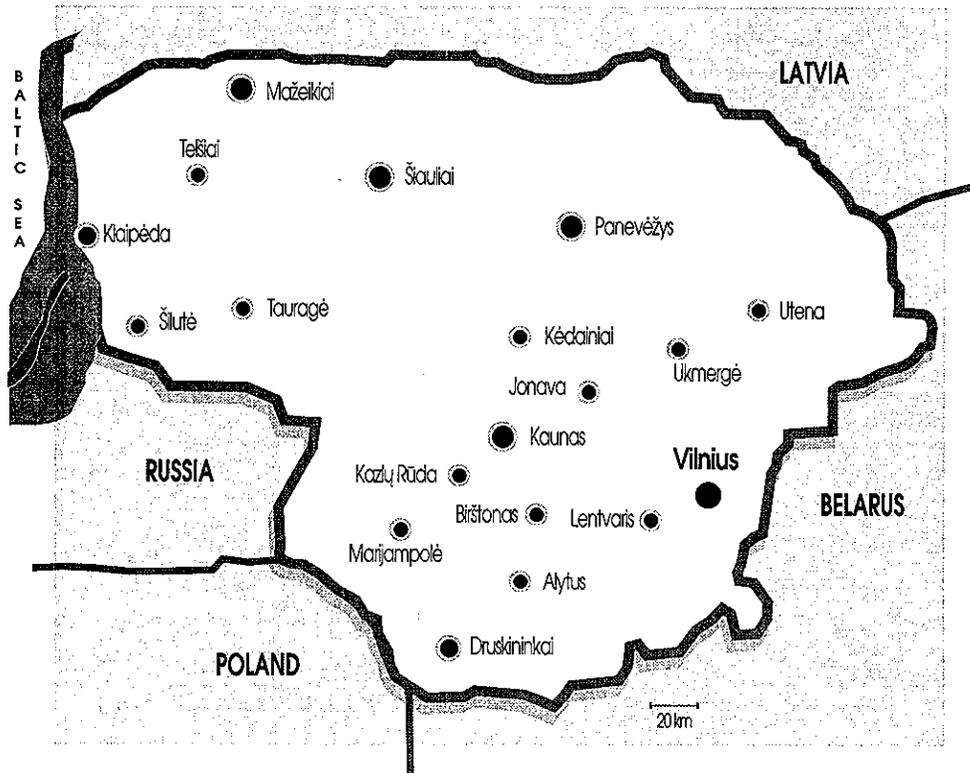
DIRECT: capital investments made \$640,000.00, new technology purchased with total value of \$300,000.00, marketing department established.

ŽVARBA,
Mažeikiai,
Refrigeration equipment
manufacturer

Manufacturing

INDIRECT: one new product introduced.

LOCATION OF IESC PROJECTS IN LITHUANIA



TOTAL PROJECTS

	1992-1994	1995-1996	1997-1998
Vilnius	30	39	34
Outside Capital	50	64	28
Total	80	103	62

LIST OF IESC LITHUANIA CLIENTS 1992 - 1998

Name	Activity	Location
Abišala and Partners	Consulting Services	Vilnius
Achema	Chemical	Jonava
Achema/Azotas	Chemical	Jonava
Alna	Information Technology	Vilnius
Alveronas Advertising Agency	Advertising	Kaunas
Alytus city municipality	Government	Alytus
Association of Lithuanian Pharmaceutical Industry	Pharmaceuticals/Health Care	Vilnius
Astra	Manufacturing	Alytus
Baltic Amadeus	Information Technology	Vilnius
Baltoscandia	Consulting Services	Kaunas
Banga	Manufacturing	Kaunas
Banga (Plastmė)	Manufacturing	Kaunas
Bank Hermis	Financial/Investments	Vilnius
Bank of Lithuania	Financial/Investments	Vilnius
CAD Laboratory	Design of equipment	Kaunas
Čeli	Retail	Vilnius
Centro Kubas	Real Estate	Vilnius
Commercial and Credit Bank	Financial/Investments	Kaunas
Commercial Law Center	Consulting Services	Vilnius
Concern EBSW	Holding company	Kaunas
Eglė	Manufacturing	Kazlų Rūda
Ekranas	Manufacturing	Panevėžys
Electronics Companies: Kaunas TV Factory, Vilniaus Vingis, Telga, Šiauliai TV factory, Nuklonas, Venta	Manufacturing	Vilnius, Kaunas, Panevėžys, Šiauliai,
Electrotechnical Factory	Manufacturing	Tauragė
Elmas/Silva	Manufacturing	Mažeikiai
Endokrininiai preparatai	Pharmaceuticals/Health Care	Vilnius
Fasa	Manufacturing	Kaunas
Geležinis Vilkas	Manufacturing	Marijampolė
IESC Lithuanian Office	Retail	Vilnius
Info-Tec	Consulting Services	Vilnius
Jiesia	Information Technologies	Vilnius
Kaitra	Manufacturing	Kaunas
Katra	Manufacturing	Lentvaris
Kaunas BASC	Manufacturing	Kaunas
Kaunas City Municipality	Consulting Services	Kaunas
	Government & municipalities	Kaunas

Kaunas University of Technology	Education	Kaunas
Kauno Inkaras	Textile/Leather/Fur/Apparel	Kaunas
Kėdainių EAG	Manufacturing	Kėdainiai
Klaipėda Board	Lumber/Paper	Klaipėda
Klaipėda oil enterprise	Chemicals	Klaipėda
Labbis	Information Technologies	Vilnius
Laser Research Center at Vilnius University	Science/Research	Vilnius
Latgalė	Retail	Kaunas
Lema	Information Technologies	Vilnius
Lithuanian Assn. of Designers & Producers	Advertising	Vilnius
Lithuanian Development Agency/ Ministry of European Affairs	Government & Municipalities	Vilnius
Lithuanian Financial Brokers Association	Financial/Investments	Vilnius
Lithuanian Innovation Bank	Financial/Investments	Vilnius
Lithuanian Packaging Association	Manufacturing	Kaunas
Lithuanian President's office	Government	Vilnius
Lithuanian Savings Bank	Financial/Investments	Vilnius
Lithuanian Women's Society	Pharmaceutical	Vilnius
Litimpeks Bankas	Financial/Investments	Vilnius
LORO	Manufacturing	Vilnius
Malva	Agriculture	Kaunas district
Mano Liza	Tourism/Hotels/Restaurants	Vilnius
Marijampolė City Municipality	Government & Municipalities	Marijampolė
Merkurijus	Retail	Kaunas
Miečys	Pharmaceutical/Health Care	Šiauliai
Mineraliniai Vandenys	Retail	Birštonas
Ministry of Communications & Informatics	Government & Municipalities	Vilnius
Ministry of Construction	Government & Municipalities	Vilnius
Ministry of European Affairs	Government & Municipalities	Vilnius
Narbutas & Co.	Manufacturing	Vilnius
Novema	Advertising	Vilnius
Nuklonas	Manufacturing	Šiauliai
Oruva	Manufacturing	Mažeikiai
Pačiolis	Consulting/Services	Vilnius
Panevėžio Muilas	Chemicals	Panevėžys
Panevėžys BMC at KTU/P	Education	Panevėžys
Panevėžys Glass Works	Manufacturing	Panevėžys
Polution Prevention Center	Environmental	Kaunas
Professional Development Center, Kaunas University of Technology	Education	Kaunas
Prototechnika	Information Technologies	Vilnius
Rimeda	Manufacturing	Vilnius
Sanitas	Pharmaceuticals/Health Care	Kaunas
Sekasoft	Information Technologies	Kaunas

Selteka	Manufacturing	Kaunas
Šiauliai Airport	Transportation	Šiauliai
Šiauliai City Municipality	Government & Municipalities	Šiauliai
Šiaulių Bankas	Financial/Investments	Šiauliai
Sigmanta	Information Technologies	Vilnius
Šiljurė	Tourism/Hotels/Restaurants	Kaunas
Silva	Textile/Leather/Fur/Apparel	Kaunas
Snaigė	Manufacturing	Alytus
State insurance company	Insurance	Vilnius
Telga	Manufacturing	Tauragė
Textiles Companies: Audimas, Kintené,	Textile/Leather/Fur/Apparel	Vilnius, Klaipėda,
Sparta, Utenos Trikotažas, Mastis		Utena, Telšiai
Tide	Manufacturing	Kaunas
Tourism Board	Tourism/Hotels/Restaurants	Vilnius
Ūkio bankas	Financial/Investments	Kaunas
Ula	Manufacturing	Druskininkai
Ultra Vires	Broadcasting	Kaunas
University Center for Children with	Education	Vilnius
Development Disorders		
Utenos Elektrotechnika	Manufacturing	Utena
Utenos Gėrimai	Manufacturing	Utena
V. Šimoniūtis Enterprise	Tourism/Hotels/Restaurants	Kaunas
Vakarų Bankas	Financial/Investments	Klaipėda
Velga	Manufacturing	Vilnius
Venta	Manufacturing	Vilnius
VIDE Kaunas Advertising	Advertising	Kaunas
Vienybė	Manufacturing	Ukmergė
Vilfima	Financial/Investments	Vilnius
Vilkas	Textile/Leather/Fur/Apparel	Kaunas
Vilnius Factory of Electricity	Manufacturing	Vilnius
Vilnius Fuel Equipment Plant	Manufacturing	Vilnius
Vilnius Thermal Power Station	Energy	Vilnius
Vis Vitalis	Pharmaceutical/Health Care	Kaunas
Vitomos Šviesa	Hotels/Restaurants/Tourism	Vilnius
VRS studio	Advertising	Vilnius
Vytautas Magnus University	Education	Kaunas
Western Ship Repair Yard	Shipyard	Klaipėda
WOCCU - Credit Unions	Consulting Services	Vilnius
Žemaitijos Pienas	Manufacturing	Telšiai
Žvarba	Manufacturing	Mažeikiai



IESC LITHUANIA VOLUNTEER EXECUTIVES 1992-1998

Name	Address
Aldrich , Anna Lou	New York NY
* Alminas , Leo	Park Ridge IL
Ally , Carl J.	Rowayton CT
Anderson , William	Palmdale CA
Arbour , John A.	Watchung NJ
Austin , William	Robbinsville NC
Baker , David	Columbus OH
Baker , Thomas	Houston TX
Balas , Alexander	Westport CT
Ballantyne , Dorothy	Emigrant MT
** Barton , Graham	Tucson AZ
Becker , John	North Tarrytown NY
Berman , Johnathan	
Beucker , Albert	Melbourne FL
Black , Jan	Cupertino CA
Bloom , Lewis W.	Edison NJ
Bloom , William	Palo Alto CA
Bonheim , Frank	Jacksonville FL
Boughner , Albert	Shaker Heights OH
Broderick , Richard	Carmel IN
Broverman , Michael	Torrington CT
Brown , Duane	Alexandria VA
Brown , Junius	Wilton CT
** Bryan , Thomas	Mahtomedi MN
Bryant , Ralph L.	Fort Collins CO
Canter , Alan	Denver CO
Carpenter , Noble	Canton N. W. OH
Cernius , John	Los Angeles CA
Conlin , John	Seaford NY
Cook , Robert	Santa Barbara CA
Croft , Leonard	Long Beach CA
Currie , Jack	Houston TX
Daud , Fred	Delray Beach FL
David , Robert	New York NY
DeVries , Harvey	Orange Beach AL
Dobkin , Herbert	Maplewood NJ
Dobson , David	Atlanta GA
Douglas , William	Perrer Pike OH
Duerr , James	Lower Gwynedd PA
DuPre , Jules	Anniston AL
Durkin , Roger	Boston MA
Enright , Mark	Basking Ridge NJ
Ferrero , Ursula	Miami FL
Fine , Harold	Rehoboth MA
Friessnig , Rudy	San Jose CA
Fusco , Gabriel	San Diego CA
Fusco , Louis	San Diego CA
Galanty , Sidney	Pacific Palisades CA
Gautsch , Terence J.	Tucson AZ
Gellman , Isaiah	New York NY
Gerth , Robert	West Seattle WA
Gerth , Velia	West Seattle WA

Gillespie , Daniel	Newport Beach CA
Glucksman , Kathleen	Wellfleet MA
Glucksman , Trevor	Wellfleet MA
Gray , George	Tucson AZ
Gray , Mai	Tucson AZ
Greenspan , Jerry	San Diego CA
** Grigg , Gerald	Charlotte NC
* ** Grina , Anthony	Bensenville IL
** Hansen , Robert	Pinehurst NC
Harder , Peter	Killingworth CT
Henderson , Frank	Post Falls ID
Hennekes , Edward	Louisville KY
Hirschberg , Irving	Amagansett NY
Hopper , Jerry	Chapel Hill NC
** Horn , Karl	Jackson TN
Howerter , Sheldon C.	Harlan IA
** Hubbs , George	Golden Valley MN
Ivey , David	Alexandria VA
Jansma , Andries	Flat Rock NC
* ** Janus , Albina	Connecticut CT
Jasin , David	Santa Rosa Beach FL
* Jasins , Milda	Menlo Park CA
Johnsen , Arthur	Cincinnati OH
* Juškus , Bernard	Downers Grove IL
** Kaiser , John	Towson MD
Kane , Robert	Westport CT
Kaufman , Richard	Beaverton OR
Koach , Joseph	Arlington VA
Krabbe , Donald	Fox AR
Krueger , Henry	Placentia CA
Kucera , Frank	Lawrenceville GA
* Kulik , William	Wakefield RI
* ** Kupcikevičius , Vytautas	Oak Lawn IL
Landells , Barry	Chester PA
Lehman , John	La Grange Park IL
Lescroart , John	Palm Beach FL
* Leškys , Michael	West Hills CA
Lewin , Donald	Santa Rosa CA
Lion , Martin	Grande Greenbrae CA
Lloyd , Richard	Pompano Beach FL
Lynch , William	Pembroke MA
MacBride , Dexter	Calabasas CA
MacDonald , Robert	Baltimore MD
Mafi , Khossrow	Woodbury CT
Mahlman , Nancy	Sarasota FL
Mahlman , Robert	Sarasota FL
* Marakas , John	Columbus OH
** Marshall , Mary	Chicago IL
McDermott , James P.	Cambridge MA
McGinty , John	Boyton Beach FL
Meissner , Stefan	Cambridge Canada
Melady , Margaret	Washington DC
Melady , Thomas Patrick	Washington DC
** Middleton , Morris	Orlando FL
Miles , Frederick W.	Phoenix AZ
Mumford , Frederick	Montclair NJ
Nieder , Bailey	Seattle WA

	Nolan , William	Skaneateles NY
**	Oriol , Willard	New York NY
	Page , Rodney	Denver CO
	Parent , James	Rumson NJ
* **	Petkus , Zenon	Park Ridge IL
	Pheil , Charles G.	Petaluma CA
	Pyle , Ross S.	Indianapolis IN
	Quinn , John	Cincinnati OH
	Raisbeck , Edward	Danville CA
	Reichmann , Philip	Glenview IL
	Rose , Harvey	Westport CT
	Rutledge , Harold	Crosset AR
*	Šatas , Donatas	Warwick RI
	Sawers , Peter	Northfield IL
	Schaefer , Hans	Issaquah WA
	Schelber , William F.	Greendale WI
**	Schieler , Calvin	Ripon WI
	Schneider , Lloyd	St. Petersburg FL
	Schnell , Robert	Pearl River NY
	Schreiber , William	Greendale WI
**	Schwab , Edward	Davenport Fl
	Schwab , Nelly	Davenport Fl
	Sears , Woodrow	Torrance CA
	Seclow , Richard	Westport CT
	Seclow , Rita	Westport CT
	Seery , Michael	Zionsville IN
	Shea , Phillip	Marblehead MA
	Sherrill , Parks	Valdese NC
	Siepmann , Horst	Arlington Heights IL
* **	Šimkus , Isolda	Michiana IN
* **	Šimkus , Vytas	Michiana IN
	Smith , Richard	Jacksonville FL
	Snyder , John	Rd. Orange VA
	Sorace , Kenneth	Chagrin Falls OH
*	Staniulis , Rūta	Woodridge IL
	Stock , Elias	New York NY
	Stout , John	Flushing MI
	Szczesiul , Walter J.	Fraser MI
	Tight , C. Dexter	Woodside CA
	Trausch , George	Sarasota Fl
	Treiber , William	Winchester Centre CT
	Tschetter , Dolores	Arden Hills MN
	Tschetter , Thomas	Arden Hills MN
* **	Ugianskis , Cesare	Sherman Oaks CA
	Wadsworth , Harrison	Atlanta GA
	Wegienek , Donald	Loudon TN
	Wist , Paul	Towson MD
* **	Žibas , Horace	Cincinnati OH

Total IESC Lithuania Volunteer Executives 157

Note: * - Lithuanian Americans - total 16

** - Volunteers who completed more than two projects


IBSC LITHUANIA COUNTRY DIRECTORS

Anthony Grina*	- 1992
Arvydas Sekmokas	- 1993 - 1994
Cesare Ugianskis *	- September 1995 - January 1996
William Kulik	- January 1996 - April 1996
George Gray** and Mai Gray, ** Assistant to the Country Director	- May 1996 - 1998 - May 1996 - 1998
Arūnas Kazakevičius	- May 1998 - Sept. 1998

* Lithuanian-American

** American - Lithuanian

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SPECIAL THANKS

Our special thanks go to **IESC Lithuanian clients, IESC Lithuania Volunteer Executives, IESC Lithuania Country Directors**, and the following individuals:

IESC Lithuania Staff:

Arūnas Kazakevičius, Country Director
Valentas Daniūnas, Assistant Country Director
Vygintas Gontis, Assistant Country Director
Šarūnas Barštys, Assistant Country Director
Valerija Gollerytė, Office Manager

IESC Headquarters Staff in Stamford, Connecticut, USA:

Hobart C. Gardiner, President and CEO
Thomas S. Carroll, President Emeritus
Fred S. Hudson, Vice President, Europe and NIS
Robert Neu, Vice President, Central and Eastern Europe
Donald Marquardt, Vice President, Central and Eastern Europe
Richard Shriver, Vice President, Baltic States and NIS
Doris Mariani, Director, Europe
Maureen Cunningham, Project Officer, Lithuania
IESC Volunteer Recruiters
All IESC Stamford Staff

USAID Lithuania:

Ronald J. Greenberg, USAID Mission Director for the Baltic Republics
John Cloutier, USAID Representative
Aldas Kriauciūnas, Project Manager
Rasa Cicėnienė, Project Manager
David Burgess, Editor/Writer
USAID Staff

US Embassy in Lithuania:

US Ambassador **Keith C. Smith**
US Ambassador **James W. Swithart**
US Ambassador **Darryl N. Johnson**
US Embassy Staff

IESC Lithuania Final Report 1998 was written and prepared by
IESC Volunteer Executive Isolda Šimkus,
IESC Project No. 31598, with the assistance of IESC and USAID Lithuania staffs.

FINANCIAL CONSULTING

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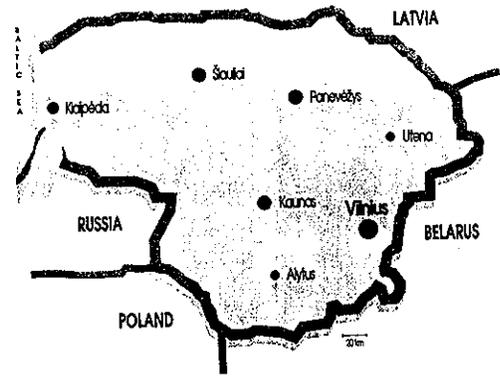
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Lithuanian Bank	Vilnius
Lithuanian President's office	Vilnius
Litimpeks Bank	Vilnius
Ministry of European Affairs	Vilnius
Narbutas & Co.	Vilnius
Pačiolis	Vilnius
Panevėžys Glass Works	Panevėžys
Šiauliai Airport	Šiauliai
Sigmanta	Vilnius
Snaigė	Alytus
Utenos Gėrimai	Utena
Venta	Vilnius
Vilfima	Vilnius
Vilnius Thermal Power Station and others	Vilnius

YOU WILL FIND US AT:



International Business Network

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VILNIUS 2001, LITHUANIA
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Web: www.ibn.lt

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International Business Network

International Business Network is a privately owned Lithuania-based consulting company. Our team of experts are able to solve a wide range of business problems in areas such as marketing, general management, production, quality assurance, and finance.

How do we differ from other consulting companies? The answer is simple:

- **Seven years of experience** working closely with the Lithuanian market - as the only Lithuanian representative of an American organization, the **International Executive Service Corps (IESC)**. From 1992 to 1998, under the auspices of IESC, we provided technical and managerial assistance to more than 130 Lithuanian companies, both large and small.

- **Access to more than 13,000 US business and industry experts** who are ready to provide knowledgeable answers and solutions to our clients.

- **A network of Regional Representatives** in the major industrial areas of the United States who are ready to assist in promoting business relationships between Lithuania and the US.

Our unique experience gives us a competitive advantage that is unmatched in Lithuania. Our clients rely on the fact that we will present them with a timely, accurate and complete analysis of their business problems and ways to solve them.

We, at **International Business Network**, will tailor our services to suit your business needs:

BUSINESS CONSULTING and **BUSINESS SERVICE CENTER**

BUSINESS CONSULTING

MANAGEMENT AND MARKETING CONSULTING

Are you starting a new business? Would you like to restructure your company? Do you want to improve competitiveness of your company or introduce new business making practices?

The following example shows how our team of experts helped solve several management and marketing problems for one of our clients:

One of the major computer companies in Lithuania realized that they were losing sales, and needed help in restructuring their management and marketing practices. Our expert from the US immersed himself in the company for several weeks, identified problem areas and recommended measures to improve the company's operations. One year later, the company's turnover was up by 25%, expenses were down by 7%, and operating profit has gone from negative to positive.

At IBN, we can offer your company assistance in the following areas of management and marketing:

- **Strategic Business Planning**
- **Analysis/Organization of Management Systems**
- **Market Research**
- **Public Relations, Advertising and Web Site Consulting**
- **and more**

International B

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BUSINESS SERVICE CENTER

Our **Business Service Center** is fully equipped in a range of business development services:

- **Locating business partners**
- **Providing Lithuanian representation for foreign and multinational companies**
- **Export - import promotion**
- **Providing up-to-date information on the Lithuanian economy, tax regulations, legal issues and commercial practices**
- **Linking companies with Government and corporate contacts**
- **Conference or seminar facilities and arrangements for such activities**
- **Fully computerized and modern office facilities**
- **Secretarial and translation services**
- **Arranging accommodations and transportation**
- **Trade show arrangement and set-up**
- **Software and computer technology training**

...and much more!

BUSINESS SERVICE CENTER



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A major US publishing corporation contacted our office for assistance in finding a licensee for their magazine PC World. IESC identified potential candidates, arranged business meetings and provided all other necessary services. The vice president of the US corporation had these comments:

With IESC help, we visited potential partners in Vilnius almost two years ago and found the market not yet large enough to get anything started. Rather than give up or forget the idea, IESC stayed in touch and kept us informed of developments there. The market grew, and we reached an agreement with the Lithuanian company to become our PC World licensee in Lithuania.

We are confident this partnership will help not only Lithuanian and our companies but will also play a leading role in the development of information technology in Lithuania. Without IESC's valuable help, this deal would not have happened.

We, at **International Business Network**, stand behind our goal to provide

THE BEST SERVICE, AT THE BEST PRICE, AT THE RIGHT TIME

BUSINESS SERVICE CENTER

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International Business Network

TRAKIJ 9/1-206,

VILNIUS 2001, LITHUANIA

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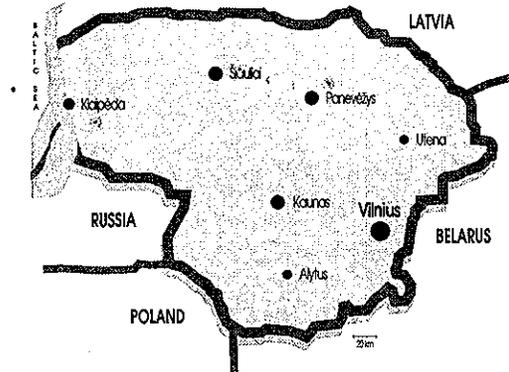
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Baltic Amadeus	Vilnius
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Ekranas	Panevėžys
Katra	Kaunas
Lithuanian Development Agency	Vilnius
Lithuanian Bank	Vilnius
Lithuanian President's office	Vilnius
Litimpeks Bank	Vilnius
Ministry of European Affairs	Vilnius
Narbutas & Co.	Vilnius
Pačiolis	Vilnius
Panevėžys Glass Works	Panevėžys
Šiauliai Airport	Šiauliai
Sigmanta	Vilnius
Snaigė	Alytus
Utenos Gėrimai	Utena
Venta	Vilnius
Vilfima	Vilnius
Vilnius Thermal Power Station and others	Vilnius

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...and much more!

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International Business Network

A major US publishing corporation contacted our office for assistance in finding a licensee for their magazine PC World. IESC identified potential candidates, arranged business meetings and provided all other necessary services. The vice president of the US corporation had these comments:

With IESC help, we visited potential partners in Vilnius almost two years ago and found the market not yet large enough to get anything started. Rather than give up or forget the idea, IESC stayed in touch and kept us informed of developments there. The market grew, and we reached an agreement with the Lithuanian company to become our PC World licensee in Lithuania.

We are confident this partnership will help not only Lithuanian and our companies but will also play a leading role in the development of information technology in Lithuania. Without IESC's valuable help, this deal would not have happened.

We, at **International Business Network**, stand behind our goal to provide

THE BEST SERVICE, AT THE BEST PRICE, AT THE RIGHT TIME

BUSINESS SERVICE CENTER

YOU WILL FIND US AT:



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