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INSTITUT PPM EVALUATION REPORT

for

USAID Grant No. 84-1, Project No. 497-0345

(Private Sector Management Development Project)

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EXECUTIVE SUMMARY

On June 7, 1985 USAID approved the Private Sector Management Development Project as a grant to the Yayasan for Management Education and Development, the parent foundation for the Institut PPM, of $4,000,000, over a period of six years. As its contribution to the project Institut PPM was to provide $2,400,000.

The goal of the project was to expand the capacity of Indonesia to produce private sector business managers. It was to achieve the goal of supporting the development and expansion of Institut PPM itself, and also support Institut PPM's efforts to create and foster the growth of other management institutes.

The specific strategies to achieve the goal of the project were to strengthen Institut PPM in the following ways: (1) improve its strategic planning capability; (2) develop a computerized management information system; (3) develop a revised M.B.A. program; (4) staff development through overseas degree studies and short-term training; (5) strengthen its consulting services; (6) strengthen its research program; and (7) development of its capacity to create and assist other management institutes.

The project achieved its basic goal. Institut PPM is now a far stronger institution than it was in 1984 and is educating far more managers. The number of fresh graduate M.B.A. students grew from 56 in 1985 to 261 in 1990, while the number of executive M.B.A.'s grew from 19 in 1985 to 101 in 1991. The enrollment in evening public short courses grew from 2948 in 1985 to 4536 in 1991.

At the start of the project the professional staff of Institut PPM had no Ph.D.'s and only 7 foreign M.B.A.'s. This project will have provided 10 Ph.D.'s and 38 foreign M.B.A.'s.

Institut PPM helped to create two new management institutes at the beginning of the project and is now in the process of helping to develop three more. It also trained 187 staff members in 9 PVO's in 8 cities outside Jakarta to do management consulting with small businesses.

There is now a very good strategic planning process, which has produced two 5-year plans: 1987-1992 and 1990-1995, and there is an effective management information system. However, not all information for the planning process and the MIS is yet computerized. This is one significant area where the project did not achieve a strategic goal.

The research program has been greatly strengthened, though not in the way that the project envisioned.

The consulting services of the Institute have been restructured and given a revised goal and strategy.

In summary, the basic goal of the project was achieved and all of the strategic goals were exceeded except for the computerization of the planning process and the MIS, which was partially achieved. All of the $4 million of the USAID contribution will have been expended by the completion date of the project (June 30, 1992) and Institut PPM's contribution has now reached about $2.7 million (compared to the budgeted $2,407,000).

TABLE OF CONTENTS

	Page No.
Executive Summary	i
I. Evaluation Plan	1
II. Evaluation of Component Parts of the Project	
A. MIS (AED) (incl. computer procurement)	4
B. Consulting (ADL)	10
C. Research (incl. library acquisitions and case writing)	15
D. Strategic Planning, MBA Programs, Research (MUCIA)	20
E. Training	25
F. Outreach I	30
G. Outreach II and III	36
H. Scholarship Loan Fund (Outreach IV)	38
I. Outreach V	40
III. Summary Evaluation	42
IV. Suggestions for Follow-Up	47
Appendices	
I. Computer Purchases, USAID Funded	48
II. Type and Location of Computers, USAID Funded	49
III. Type and Location of Computers, IPPM Funded	50
IV. Matrix Organization of IPPM	51
V. Library Acquisitions	52
VI. USAID Financed Degree Scholarships	53
VII. USAID Financed Short-Term Training	54
VIII. IPPM Financed Degree Scholarships	56
IX. Project Budget and Expenditures (USAID)	57
X. IPPM Contributions to the Project	58

PART I

EVALUATION PLAN

The terms of reference for this evaluation mission indicated that it should cover the following:

1. a. To evaluation the major elements of the project, i.e.:

   - Strategic Planning Assistance
   - Training
   - Research Assistance
   - Outreach Assistance
   - Consulting Services Assistance

   b. To determine whether the following objectives, which are stipulated as follows in the PSMD Project Paper, have been met:

   - improvement of strategic planning and development of a supporting computerized management information system,
   - market positioning and high quality performance of the MBA program,
   - improvement of faculty competence,
   - the creation of a revitalized and redirected research department,
   - the refocusing of the consulting activities.

   c. To refer to Annex 4 of the PSMD Project Paper and the Amended Project Logical Framework to determine whether the Institut PPM project purpose has been achieved, as indicated in the End of Project Status (EOPS) (Part II, C-4).

2. To identify deviations from the original project design if any, and the reasons.

3. To identify areas for improvement in Institut PPM's programs, with recommendations for future actions to be taken and/or assistance to be provided.

A review of the End of Project status and Project Outputs noted in the Evaluation Plan and in the Project Logical Framework may be combined and restated as follows:

1. A management information system should be in place and used for strategic planning and available to furnish information for this evaluation.

2. There should be a revised institutional plan (1990 - 1995) and a strengthened strategic planning process.

3. There should be a revised MBA program.

4. The project shall have provided training to Institut PPM staff as follows:

   a. 10 Ph.D.'s; of which 6 funded by USAID and 4 by Institut PPM.

   b. 36 Masters; of which 22 funded by USAID and 14 by Institut PPM.

   c. 45 person-months of short-term training.

   d. An average of 30 Institut PPM staff to participate twice yearly for 5 years, in in-house management seminars.

5. The Consulting Unit should have a trained staff of 25 professionals and shall have increased output of 300% over 1983.

6. A restructured Research Department with at least five staff members and an increase in research output of at least 200% over that produced in 1983.

7. An Outreach (I) program to assist up to 3 management training institutions outside of Jakarta to the effect that they organize one new short-course per year. To achieve this Institut PPM will provide:

   a. 8 person-months of technical assistance

   b. 45 person-months of training at Institut PPM for staff members of the institutions being assisted.

8. An Outreach (II) program to assist 2 to 6 institutions (usually PVO's) which in turn assist small business development, by providing training programs for their staff. Institut PPM would provide up to 13 person-months of

assistance in organizing 3-month training courses for 50 trainers. Each of the assisted institutions would offer at least one course per year for local small-business managers.

9. An Outreach (III) program to assist PVO's who do consulting for small business enterprise by providing a 3-month Small Business Consultant Development Course, each year, for a total of up to 70 PVO staff members.

10. Not included in the amended project document, but added to the project in 1987 by shifting funds from other parts of the project, $367,000 were allocated to Institut PPM's Revolving Scholarship Loan Fund which had been established in April 1986.

The following Section of this evaluation will review the performance of the various contractors used by Institut PPM and also review the extent to which Institut PPM achieved the Project Goals (Outputs) enumerated above. It will also discuss deviations from the original project design and the reasons therefor. Finally, it will identify short-comings in Institut PPM's performance and discuss reasons for them.

PART II

EVALUATION OF COMPONENT PARTS OF THE PROJECT

A. MIS & STRATEGIC PLANNING

1. <u>Contract with Academy for Educational Development (AED)</u>

The contract with AED, dated 11 March 1986, as revised in January 1989, stated the objective as being to "develop an integrated MIS for Institut PPM." The tasks to accomplish this were:

a. Familiarization

1. Analyze organizational environment and its influence on the ability of the organization to accomplish its objectives.

2. Conduct a survey of leadership and staff views of MIS/DSS issues through interviews and study of background material.

b. Summary of Decision Steps and MIS Requirements

1. Identify Institut PPM's goals, objectives, and timetable for implementation.

2. Identify executive perspective on the following:

- missions, goals, objectives, and implementation strategies;
- relative priorities and values;
- information requirements to support the above.

3. Outline decision requirements and tasks necessary to achieve organizational goals, objectives, and budgets.

4. Review current allocation of responsibilities with respect to organizational objectives, e.g., functions of each unit, persons responsible for major decisions, and data responsibilities for each unit.

5. Evaluate adequacy of existing MIS/DSS.

c. Develop an Improved, Integrated MIS/DSS

1. Define MIS/DSS architecture including:

- future information system;
- required data;
- organizational requirements.

2. Define organizational changes necessary to use an integrated and improved MIS/DSS.

3. Indicate priorities for implementation and resource consequences.

4. Indicate computer software necessary to support MIS/DSS. Provide software integration as necessary between compatible software packages.

5. Specify computer hardware network to support the MIS/DSS.

d. Begin Implementation of the Revised MIS/DSS.

1. Identify MIS/DSS constraints and suggest approaches.

2. Develop an operational guide for MIS/DSS users.

3. Identify corrective or adaptive actions for implementation.

These tasks were to be completed during three on-site visits. The key person to be provided by AED was Kurt D. Moses. The level of effort was 4 person-months. The tasks were to be completed within 24 months of the data of contract and the total cost was not to exceed $71,797. In November 1988 the contract was extended to March 31, 1990.

2. AED's Performance

Initially, Institut PPM did not request a visit by Kurt Moses according to the schedule in the origianl contract. When Institut PPM did request his visit, he was committed to other projects. The original 2-year contract expired without any visit from an AED consultant.

The first consultant from AED, Terry Monk, arrived in October 1988. He found the Institut PPM had an IBM System 34 loaned by IBM in 1982. It did payroll and time sheet processing

and accounts receivable. It had a statistics package and could handle business games. But, it was slow.

In early 1986 Institut PPM, with USAID financing, had purchased a Wang VS with 4 terminals and 2 printers. All of the above IBM activities were in the process of being moved to the Wang. The Wang was already being used for: (1) Administration of the English Language Program; (2) Candidate selection for the WM program; (3) Administration of the correspondence courses; (4) Accounting for general administration of the Institut. There was a plan to add 10 terminals.

The consultant suggested that rather than adding terminals to the Wang, individual PC's should be used by each division of Institut PPM. He also clarified the high cost of obtaining software packages for the Wang and the cost of maintaining it.

Terry Monk's report described in detail things which should be done by Institut PPM's Computer Center staff prior to the visit of Kurt Moses.

When Kurt Moses arrived in January 1989, he found that the actions which the Computer Center Head had agreed to do had not been done. Upon his departure, he left an agreed upon list of activities to be carried out before his next visit, in March 1989. At the end of this visit there was again a list of activities to be accomplished by Institut PPM's Computer Center staff. Also, Institut PPM management had to make a decision on choosing a contractor to work with the Computer Center to adapt a software program, for the Wang, to meet Institut PPM's specific needs. The Institut PPM President visited the contractor selected by AED, in Wallingford, CT, but found that the cost was too high and follow-up capability uncertain.

A decision was then made by Institut PPM management to phase out use of the Wang except that it may be used in the library for book circulation and as the data base of the collection. For Institut PPM in general it was decided to shift all functions over to PC's and to use Institut PPM Computer Center staff to gradually carry out the recommendations of the AED consultants.

No additional AED consultants were requested and about $10,000 of the budget remained unspent.

3. Evaluation of AED's Performance

AED was deleterious in its performance in that 2 1/2 years passed after signing the original contract before the first consultant arrived. Also, they were to provide 4 person-months of consultancy in 3 visits. Thus, average stays of 5 to 6 weeks each would have permitted more implementation assistance.

Instead the 3 visits were of 16 days each, resulting in reports, but not assisting in implementation.

On the other hand AED was frustrated by the inaction of the Institut PPM Computer Center staff between the visits of AED's consultants and finally by Institut PPM's decision not to utilize an additional consultant to adapt software for the Wang to Institut PPM's specific needs, and make it operational.

4. Institut PPM's Contract with USAID

Institut PPM was to have a strengthened institutional strategic plan, a strengthened planning process and a management information system. The MIS was also to be designed to produce base line data and periodic indications of advancement in the five areas of this project: strategic planning; consulting; research; outreach and training. Quarterly reports in the project to USAID were to be based on data provided by the MIS and used in project monitoring. The MIS was to be in place by the end of project month nine.

5. Evaluation of Institut PPM's Performance

Institut PPM did not have an MIS in place by the end of project month nine. It does not, to date, have a computerized MIS in place. Institut PPM did not benefit greatly from the assistance and advise of AED consultants for three reasons: (1) Insufficient assistance from AED in implementing any of their recommendations; (2) the failure of the Computer Center staff to carry out its responsibilities between the visits of the consultants; (3) the decision by Institut PPM management to rely on Institut PPM staff to develop software needed and to collect and manipulate the data needed, using IBM compatible PC's.

By March 1989 Institut PPM had arrived at the following position:

- The Computer Lab had 31 PC's with 6 printers.
- The Computer Center staff had several PC's.
- The library had a PC with a color monitor.
- Each Division had a PC for word processing and Lotus 1-2-3 spreadsheet.
- The Finance Division had several PC's, but, using the Basic program, they were very slow, taking 5 hours to generate a trial balance.

Students and staff could borrow software from the library, including WordStar, dBase III, Lotus 1-2-3-, Microstat, the PFS family, the Harvard Total Project Manager, and some business games. Also, the Computer Center had the SPSS package, and the library used Imagic (the data base manager for text search and retrieval) and dBase III for book ordering.

The Computer Center had a Head, an MIS specialist, 2 systems analysts and 3 programmers. Within Institut PPM there were many staff members who used many processing and spreadsheet software.

However, during the later half of 1989 the Head of the Computer Center and several of his staff resigned from Institut PPM. Replacements were difficult to find or train. By December 1991 there is a new Computer Center Head, with 3 programmers. The Institut plans to add 2 more programmers by early 1992.

As noted before, Institut PPM does not yet have an MIS which is capable of providing all of the data needed for management decision making or for strategic planning. Some data bases which are needed have not yet been gathered; other data bases are not yet on computer; some which are on computer are not formatted or networked as would be needed for decision making and planning purposes. However, a significant amount of data (particularly financial data) are accessible and can be manipulated by computer. Top management now receives computer printouts, each Monday, providing financial data on the previous week's operations, and on the 5th of each month for the previous month's operations, for purposes of management decision making. The planning process still depends partly on the computer and partly on the hard copy filing system and hand work. It is effective but not very efficient.

6. Computers

The financial plan in the Project Paper contained only $40,000 for the purchase of (micro) computers. In 1989 this was increased to $220,000 and in March 1991 it was increased again to $320,000.

To June 30, 1991 the purchase of computers funded by the project is shown in Appendix I, totalling $248,461. This expenditure had increased to $251,561 on September 10, 1991, leaving a balance of $68,438.

The types of computers and peripherals purchased with these funds as well as their locations in Institut PPM, are in Appendix II.

Finally, the types of computers and peripherals purchased with Institut PPM funds, and their locations, are seen in Appendix III. The total cost on these items (Institut PPM contribution) was $74,470.

7. The Future

The Computer Center staff should review the three reports from the three visits by the AED consultants and develop their own strategic plan for achieving the goals of the project. Some of what needs to be done must be by staff from other Departments and so a top management staff meeting is needed to review and approve and then assist in carrying out the Computer Center's strategic plan. This plan should have as its goals to provide the data needed by the Directors, the Department Heads and the Section Heads for management decisions and for strategic planning.

PART II

B. CONSULTING

1. Contract with Arthur D. Little (ADL)

In November 1986 Institut PPM signed its contract with ADL to provide technical assistance to help improve the management consultancy activities of Institut PPM. According to the terms of that contract, ADL was to provide about 11.6 man-months of technical assistance over a 3-year period.

ADL was also to make recommendations to Institut PPM regarding strategy and planning within Institut PPM itself, both at the Division level as well as the institutional level.

In year one, the following issues were to be addressed:

- Alternative courses of institutional and professional approaches to consulting practices based on the skills inventory of the staff and needs of the marketplace.
- Implementation of action plans based upon the recommendations concerning market opportunities.
- Motivational tools and incentive schemes necessary to attract and retain qualified staff.
- Professional management training necessary to implement the action plans for the current year, and a carefully designed plan for future training for the staff.

In years two and three, it would continue to assist the consulting services unit within the man months available, to develop and implement pro-active marketing strategies designed to help them plan for, and meet, realistic growth targets. Again, it would assist in implementing these strategies.

The primary consultants were to be Arthur Turner and Owen Murray. Turner was to spend about 6 weeks and Murray about 2 weeks at Institut PPM each year for a total of 162 days. The total contract amount was budgeted at $181,708.

In July 1989 ADL informed Institut PPM that of the original budget, $53,000 remained unspent. ADL suggested that the project time be extended to permit ADL to provide additional technical assistance. In August 1989 Institut PPM approved a no-cost time extension to expire 30 June 1990.

By 3rd June 1990, funds still remained in the contract and another amendment was signed extending the end date to March 31, 1991.

The visits of the ADL advisors were as follows:

Field Work	Date	Arthur D. Little Staff
1st Assignment	Apr. 25 - Jun. 3, 1986	Dr. Arthur Turner (entire period) Owen Murray (one week, to establish work plan)
2nd Assignment	Jan. 8 - Mar. 12, 1987	Dr. Arthur Turner (entire period) Owen Murray, January 26 - February 4
3rd Assignment	Jan. 11 - Mar. 11, 1988	Dr. Arthur Turner (entire period) Owen Murray, 5 days
4th Assignment	Nov. 2 - Dec. 2, 1988	Dr. Arthur Turner (entire period) Owen Murray, 3 days
5th Assignment	Jul. 28 - Aug. 21, 1989	Owen Murray (entire period) Dr. Arthur Turner, Jul. 28 - Aug. 10
Meeting	Nov. 9, 1989	Owen Murray
6th Assignment	Jan. 27 - Feb. 3, 1991	Owen Murray

Thus it is seen that ADL's consultants spent a total of 236 days at Institut PPM, greatly exceeding the contracted 162 days.

The work of the ADL consultants was consistent with the terms of their contract. It was a combination of:

a. Advising the Director and staff of the consulting unit through discussions and the preparation of preliminary documentation;

b. Field work with the consulting unit's staff in visiting clients, potential clients and competitors, for the purpose of gathering market data;

c. Field work with the consulting unit's staff by accompanying consulting teams during actual work for clients; and

d. Conducting seminars and workshops for consulting unit staff, and for Institut PPM professionals in general, on a variety of topics.

2. General Assessment of the Performance of the Contractor

In the opinion of this consultant, ADL provided (and even exceeded) the terms of the contract with Institut PPM and responded to the special requests of the Director of the consulting unit. The Director of the consulting unit and Institut PPM's President indicate that they are fully satisfied wit the work of ALD's consultants. The funds allocated to the contract with ADL were essentially fully expended ($2010 remaining).

3. Institut PPM's Contract with USAID

The consulting unit in Institut PPM was created in 1975. At the time the contract was signed with USAID the consulting unit was generating about 10% of Institut PPM's total income and had a staff of 15 professionals.

According to the contract, the project was to permit sending Institut personnel on tour to the US and other countries to visit consulting firms and observe the various strategies and approaches to consulting, after which an appropriate contractor would be selected to assist Institut PPM. However, funds were not provided to permit such a tour of foreign consulting firms.

The project was to have the following results for Institut PPM in the area of consulting:

a. A revised strategy for marketing consulting services;

b. Training of consulting professionals;

c. An increase in the number of consulting professionals from 15 to 25 persons.;

d. An increase of 300% in incom from consultancy services;

e. A better integration of the work of the consultancy unit with the various Divisions of Institut PPM.

4. Institut PPM Performance in Consultancy, 1984-1991

At the time that the Institut PPM/USAID Project Paper was signed, the consultancy unit was an integral division of Institut PPM. However, soon thereafter (during 1985) the Consultancy Division was spun off as a separate legal entity, becoming PT Binaman Utama (PT BU). This did not, administratively, affect

its interactions with the other operating Divisions of Institut PPM.

By 1990 the consultancy unit (PT BU) had achieved the following;

a. Developed a brochure and was actively marketing its services;

b. Significantly increased its knowledge of its competitive position and of its potential clients.;

c. Developed a marketing strategy;

d. Increased its income by 240% as compared to 1983;

e. Increased the number of professionals from to 15 to 19 and;

f. Significantly improved its working relationship with the other Divisions of Institut PPM, although some structural impediments still remained.

While consultancy income increased by 240% between 1983 and 1990, Institut PPM income from all other sources increased at approximately the same rate, resulting in consultancy income remaining at about 10% of total income.

5. <u>Evaluation of Institut PPM Performance</u>

By 1990, the consultancy unit had achieved most of the goals of the project. The major shortfalls were the increase of the number of professionals from 15 to 19 rather than to 25, and an increase in income of 240% rather than 300%.

The shortfall of professionals was caused by a personnel strategy decision by Institut PPM that staff returning from the US with a doctorate should join the Education Division to teach graduate level courses and do research in their academic fields, resulting in the loss of four (4) professionals. Also, one of the consulting staff returning with an MBA was transferred to the Training Division after his return. In addition, two of the consulting professionals resigned from Institut PPM to work in private business. Finally, Institut PPM did not succeed in recruiting sufficient additional qualified new professionals.

However, in January 1991 the Institut PPM was restructured to a matrix organization, the result being that the 19 professionals who constituted the consultancy unit (PT BU) were assigned to their respective disciplinary Departments. Under such a matrix organization the consultancy unit has direct access to and can draw on any of the 75 professionals in the

disciplinary Departments, subject to their availability as negotiated with the Department Heads. The matrix organization is shown in Appendix IV.

The movement to a Matrix structure has also resulted in a revised structure and strategy for the consultancy function within Institut PPM. The Director of Consultancy also serves as Vice President of Institut PPM but has only 3 full-time consultancy professionals. One of these concentrates on marketing the consulting services; the other two manage the consulting services.

Meanwhile, the strategic role of consultancy within Institut PPM has changed, so that it no longer is attempting to maximize revenue and profits. Rather, the consultancy function serves to provide a training ground for teachers, giving all of them access, periodically, to the actualities of Indonesian management and the Indonesian business environment. At the same time it serves to attract managers from the client companies to attend the Institut PPM short courses.

It is apparent, from the new strategy, that many of the 75 professionals on whom the Consultancy unit can draw have had no previous experience in consulting and have not benefitted from the workshops, seminars and discussions provided by ADL under this project.

There is therefore a clear need to bring in a consultancy professional (Arthur Turner) to provide such training for Institut PPM professionals in general.

PART II

C. RESEARCH

1. Contract with Ronald P. Black

In April 1986 Institut PPM signed a contract with Ronald P. Black. According to the statement of work, the consultant was to provide 11 months of consulting services to assist Institut PPM in preparing various plans and proposals and in conducting research and activities envisioned in these plans and proposals.

The contractor was to assist the Institut PPM Research Department in carrying out the following activities:

- Prepare a long-range research plan which is integrated with the objectives of Institut PPM.

- Design and prepare proposals to assist in the realization of the long-range plan.

- Implement the research projects resulting from the aforementioned proposals. Particular attention was to be placed on methodology. Implementation was to proceed through stages of interpretation and report writing. The research to be covered included:

  -- basic research to discover modern management practices appropriate to the Indonesian culture, which support community development, and which are scientifically based;

  -- applied research to support the attainment of the Institut PPM Research Department objectives.

- Prepare and periodically adjust a staff development plan, including sources of training for selected staff. The staff development plan was to be aimed at attaining the objectives of the Institut PPM Research Department as well as strengthening the staff's personal development.

- Prepare a plan for the Institut PPM Research Department's interaction with the leading world centers for management research.

The contractor was to provide the following levels of support over the four-year contract period:

4.0 months consulting service--Year 1

4.0 months consulting service--Year 2

2.0 months consulting service--Year 3

1.0 months consulting service--Year 4

The budget for this contract was $145,929

The primary consultant was to be Mr. Ronald P. Black.

The consultant's initial visit to the Institut PPM was 17 August - 19 October 1986. During this visit, in coordination with Institut PPM's Director of Research, he completed the drafting of a Five-Year PPM Research Plan. He returned in January 1987 but on 19 March 1987 the contract was terminated.

2. General Assessment of the Performance of the Contractor

It appears to this consultant that the Five-Year PPM Research Plan prepared by the contractor was a useful and professional piece of work. It appears, however, that there may have been personality differences between the Contractor and the Institut PPM's Director of Research. In any case the contract was terminated before any progress could be made in carrying out the work prepared in the Research Plan, and there was no follow-up by the Director of Research.

3. Institut PPM's Contract with USAID

Institut PPM's Research Department had started in 1978 with two staff members and remained at that level in 1984. It tended to respond to client requests, primarily for surveys. It did not have a research strategy.

The Project Paper indicated that the project funds should permit the development of a research plan, an increase of personnel to 5 staff members and an increase of 200% in output over 1983. To help support such research, Institut PPM's library should increase its holdings and its equipment, for which $130,000 was initially budgeted. It was expected that this would fund the purchase of 4000 books, 50 subscriptions to foreign journals, 100 subscriptions to Indonesian journals plus $15,000 worth of library equipment. The budget was increased to $170,000 to permit the acquisition of additional equipment.

4. Institut PPM Performance in Research

For various reasons, the Research Department was dissolved in January 1989. The decision was made that the Institut's research strategy should be that, instead of doing research for outside clients, research should be directed towards:

a) the advancement of knowledge in the various aspects of management

b) The study of Indonesian styles of management

c) the development of teaching materials.

It was consequently felt that it was preferable that research be carried out within the various academic departments, by people who would publish in professional journals or use the research results in their teaching, rather than in a separate research department. The Director of Graduate Studies was consequently asked to assume the responsibility for coordinating research.

As a result of the above decision, the goal of increasing the staff of the Research Department was no longer relevant and it is difficult to compare 1991's research output with that of 1983; they are of different kinds.

There were 2 research projects completed in 1991. The Foundation for Asian Management Development funded a project on "The Development of Small Businesses in Linkage Systems," while CIDA funded a joint AIM - Institut PPM project on "Women Managers in Government and Private Non-Profit Organizations."

Most of Institut PPM's research activity is now being directed at undertaking joint research projects with foreign organizations. Some examples are:

(a) In July 1991 Institut PPM signed an agreement with the Social Science Research Center, of University Erlangen Nuernburg, Germany: to carry out a joint-effort research project on "The Indonesian Way of Management." The project was funded for $375,000 for the first 2 years by the Volkswagen Foundation, with the possibility of a third year. Three German researchers will remain at Institut PPM working with 2 or 3 Institut PPM staff members.

(b) Prof. Galbraith, University of Southern California, has a $100,000 grant for a comparative study of management in Indonesian firms, in US joint ventures in Indonesia, and in the US parent of those joint ventures. Prof. Galbraith will spend time at Institut PPM and two

Institut PPM staff will spend time in the US carrying out this research.

(c) An Australian University has asked to work with Institut PPM staff to carry out a study of Jakarta's capital markets.

(d) An international group of professors is carrying out a 5-country study on the internationalization process of firms. They have asked for Institut PPM staff to work with them, carrying out case studies on 5 or 6 Indonesian firms.

(e) A project is underway with researchers at Columbia University (USA) to carry out a joint research study comparing the personnel policies of US subsidiaries in Indonesia with such policies in Indonesian firms.

(f) A project is underway with a professor at the University of Pittsburgh (USA) to carry out a joint research project on transportation modeling for the fertilizer industry in Indonesia.

There are also several research projects where Institut PPM has obtained funding to carry out the research by various members:

(a) A Rp. 70 million contract from an Indonesian Inter-University Center (IUC) on the process of sub-contracting by large Indonesian firms.

(b) A Rp. 44 million contract from an IUC to study Indonesian productivity as it affects exporting.

(c) A contract from the Ministry of Trade to study franchising in Indonesia: current situation and potential.

A research project now under negotiation will be with the Konard Adenauer Foundation which has asked Institut PPM to undertake a 3-year study on sub-contracting, extending the IUC study, but from the point of view of sub-contractors.

Meanwhile, although Institut PPM had established a small "Case Writing Unit" in 1986, it was disbanded after several years so that faculty members in general would undertake case writing, rather than leave it to the several people in that unit.

During the past 5 years, 40 different faculty members have written a total of 532 cases.

Most, but not all, writing of articles for journals will be

done by Ph.D.'s. Since the start of this project, most of these have returned to Institut PPM only recently. Over the past 3 years a total of 40 articles have been published, involving 8 faculty members.

5. Library Acquisitions

To date, $166,756 out of the budgeted $170,000 has been dispersed. This has permitted the acquisition of 3400 foreign books, 1708 Indonesian books and periodicals subscriptions, and an average of 33 foreign journals (over the 7 years from 1985 - 1991), plus the anticipated equipment.

6. Evaluation of Institut PPM Performance in Research and Library Acquisition

The reorientation and restructuring of Institut PPM's research is a positive outcome, although not in conformance with the Project Paper. Most business schools do not have separate research departments. A few have a "Bureau of Economic Research" which gathers and publishes economic data for that state or region for use by the local business community. Such is not the role of Institut PPM.

Institut PPM research should have the goals as stated in section (4) above and it should be carried out by faculty members who are teaching, rather than by "professional" researchers. As seen in section (4) this approached has been very successful.

As to library acquisitions and library equipment, as seen in Appendix V the funds were expended as expected. The only anomaly was that the purchase of foreign journals did not follow a consistent pattern.

PART II

D. MBA, STRATEGIC PLANNING AND RESEARCH

1. Contract with MUCIA

The contract with MUCIA, signed in March 1986, was to focus on the following activities:

a. develop a long-range strategic academic plan for the MBA program

b. assist in identifying and developing teaching methods and related materials and equipment needs and information on course syllabi and library resources

c. assist in identifying faculty development needs.

This was to take place over a 3-year period, with 3 visits, a total of 138 person-days, at a total cost of $173,459. The contract expiration date was March 6, 1989.

The contract was amended in July 1988 to extend its period to March, 1990, to increase the person-days from 138 to 335, and to increase the budget to $267,700.

The contract was further amended in June 1990 to extend the expiration date to June 6, 1992, with no change in the budget.

The additional time and funds were to permit Institut PPM to obtain the services of additional consultants in various functional fields of work with the Institut's academic departments to determine research needs, help design research projects, improve syllabi, pedagogy, teaching materials and library holdings.

2. General Assessment of MUCIA's Performance

a) Revised MBA Program and Strategic Planning

The MUCIA Senior Consultant (Prof. Lee Nehrt, Ohio State University) spent 60 days at Institut PPM in 1986 and 67 days in 1987.

During the first visit, working closely with the Director for Graduate Studies, several Assistant Directors and many faculty members, he assisted in a revision of the full-time MBA program and of the Executive MBA program. The redesign was completed, presented to the Institut PPM Academic Board of Advisors and approved by them prior to the departure of the consultant. He also assisted faculty members in the development of syllabi for new courses which

were not in the old MBA program and assisted in the development of a new approach to course scheduling and daily teaching schedules. Outside of the terms of reference of the consultancy, he spent one week assisting the Open University in developing an undergraduate curriculum in Business Administration and assisted the Training Division in the development of a set of diploma programs

The redesign of the MBA program was based on a SWOT analysis which identified 3 areas of need in the Indonesian economy, not filled by any other MBA programs. This provided for adding major fields of study or required courses in (1) International Business, (2) Entrepreneurship and (3) Strategic Management.

During his second visit this consultant assisted in the following areas:

- Worked with faculty members in developing new syllabi for 26 courses;
- Prepared and provided pedagogical material on the use and design of objective tests and organized four workshops, on objective testing, for Institut PPM teachers;
- Offered a half-day seminar on "International Licensing and Joint Ventures" for 40 Indonesian business executives;
- Prepared a format on how Institut PPM might best organize its institutional strategic planning process.

b. MBA Accreditation

The consultant, Dr. Lawrence McKibben, University of Oklahoma, had been the Dean of that Business School for 12 years, during which time he was Director of Accreditation for the American Association of Collegiate Schools of Business (AACSB) and later served as President of the AACSB. He spent 1 week at Institut PPM to discuss problems with accreditation in general and in Indonesia in particular. He then attended the meeting of the Association of Deans of Southeast Asian Graduate Schools of Management which took place in Manila, January 11-13, 1988, to advise them on criteria and procedures for regional accreditation of MBA programs in Southeast Asia.

c. Assistance to Regional Management Training Institutions

The consultant, Prof. Sean Tate, School for International Training, visited Institut PPM, Medan, and Surabaya for 22 days in August 1989. He studied the current relationships between Institut PPM and the two regional institutes. He then studied the strengths and weaknesses and the market potential of each of the regional institutes and offered recommendations on curriculum, marketing and structure. Finally, he advised on seven different options for Institut PPM as to future terms of linkages with these institutes.

d. Small Business Enterprise Development Department

The consultant, Prof. Malcolm Harper, Cranfield School of Management, visited Institut PPM for 10 days in June 1989. He carried out a SWOT analysis and made recommendations regarding various strategies the Department might follow for its own future development and various strategies that Institut PPM might follow vis a vis the Department.

e. Decision Science; Analytical Hierarchy Process (AHP)

The consultant, Prof. T.L. Saaty, University of Pittsburgh, visited Institut PPM for 16 days in August-September, 1991. During this period he accomplished the following tasks:

1. Gave a 4-hour lecture to an MBA class on use of AHP.

2. Gave a 3-hour lecture to Institut PPM staff on how to use the AHP in decision making within the Institut PPM.

3. Gave a 2-hour lecture to 40 faculty members of the University of Indonesia on the use of AHP.

4. Gave a 4-hour lecture to 47 Institut PPM alumni on use of the AHP.

5. Gave a 2-hour lecture on creativity to Institut PPM faculty.

6. Met with the members of the Institut PPM Decision Science Department to discuss their concerns in general and to discuss use of Creative Problem Solving and of the AHP.

7. Met with the President Director of PUSRI and with Institut PPM staff to discuss a possible joint Institut PPM/University of Pittsburgh research project to assist PUSRI to develop a model and the necessary software program for the most efficient transport system for fertilizers. Discussions via fax regarding this project continued and have resulted in agreement.

f. It appears to this consultant the MUCIA fully responded to its contractual obligations and is continuing to furnish Institut PPM with consultants to support its continuing needs.

3. **Institut PPM's Contract with USAID**

The Project Paper is not very specific except to note that one of the project outputs is to be a strengthened institutional planning process, of which one part would be an academic plan, and an improved MBA program.

4. **Institut PPM's Performance in Strategic Planning and in Improving its MBA Programs and Other Academic Offerings**

a. The strategic planning process recommended by the MUCIA consultant served as a format for Institut PPM's preparation of its 1987-1992 (third) Five-Year Plan. This is not a "static" five-year plan. Subsequently, Institut PPM prepared a plan for the period 1990 - 1995. Thus, a planning process is in place, with periodic revisions as changes in the environment or changes in Institut PPM's resources result in the need to change the goals and/or the strategies to meet the goals. The financial information system is computerized to provide historical financial data and projections for the planning process. Institut PPM is still in the process of computerizing marketing information, resource allocation and various Institut PPM activities for use in the planning process.

b. The previous Wijawiyata Manajemen (WM), 10-month, non-degree program was revised to become a full-fledged MBA program for fresh college graduates. It consists of 40 weeks of classwork, 8 weeks of internship, 2 years of work experience, a thesis and a final written exam. Nearly 4000 applications are received annually and only about 3% to 4% are accepted.

c. The Executive MBA was previously 18 months in length and classes met 5 days per week. It was redesigned to accept more experienced managers, reduced to 14 months, with classes meeting 3 evenings a week. Enrollment of

highly qualified students has nearly tripled since the new curriculum and schedule was initiated.

d. Enrollment in the evening public courses increased significantly, partly as a result of the introduction of the Diploma Program, going from 2436 participants in 1986 to 4536 in 1991.

5. Evaluation of Institut PPM's Performance

As noted in another section of this report, the management information system is not yet fully computerized, but part of it is and efforts are underway, using Institut PPM staff, to put more and more of the necessary data into computers. This has not prevented Institut PPM from developing a strategic planning process which is better than most business schools in the USA. The computerization of the MIS is not necessary to the planning function; it might make the process more efficient.

The process of revising the MBA curriculum, both for fresh college graduates and experienced managers, was not a theoretical exercise. It was the result of serious consultations with Institut PPM staff, current students and alumni, taking into account the competition, opportunities (niches) in the market place, and the needs of management in Indonesia, given its size, resources and stage of development. Thus, it differs significantly from US and European MBA programs, but it is proving to be fully accepted and successful.

An example of it acceptance is that, in 1991, about 20 businessmen applied to be admitted even though they did not have a sarjana degree and knew that they would not be given an MBA. Of those, 6 were admitted as "Special Students."

About $127,000 remain in the MUCIA contract budget. This will permit Institut PPM to bring in several more consultants to work with the various academic departments to improve their teaching resources and syllabi and to help identify areas of appropriate research.

PART IV

E. TRAINING

1. Contract with the Institute of International Education (IIE)

The original contract with IIE, signed in May 1985, was for IIE to place and monitor four 15-month Masters degree programs and one 15-month Ph.D. program with a total budget of $186,831.

This was revised with Amendment #1 in October 1986 to convert the original contract into an open-ended type, to permit Institut PPM to add new students when and as needed, with expenditures to be completed by June 30, 1990. This included 36-month Ph.D. programs, 15-month Masters programs and 3-month short-term programs.

Amendment #2, dated June 1991, extended the original contract until June 30, 1992.

Appendix VI shows the names of each individual, the university attended, major field of study, dates of study, tuition cost and total cost (including travel, insurance, allowances and IIE administrative costs, etc.). It also shows the TOEFL and GMAT scores where available.

Institut PPM requested placement for 28 persons. IIE was unable to place 3 of these because of low TOEFL and GMAT scores. Of the 25 who were placed, 16 have returned with a Masters degree and 4 with a Ph.D. There are 2 still studying in a Ph.D. program and 1 is to begin a Masters program in January 1992. Only 1 person failed to obtain a degree, although he did complete the required 12 months of study.

Meanwhile, it was decided that the short-term training funds in the budget of the contract with IIE would not be utilized for 3-month training programs in the US. Rather, they would be used to send a much larger number of Institut PPM staff to shorter training courses, seminars and conferences. It was also decided that IIE's services would not be required to place or support these persons. Appendix VII shows the details of the 33 short-term training programs attended by Institut PPM staff.

2. General Assessment of the Performance of IIE

The 25 Institut PPM staff were placed in 14 different schools. Some of the schools were among the best in the US; others are in the 2nd tier of schools; whereas several, such as the USDA Graduate School and the US International University are of quite low quality. However, given that some of the TOEFL and GMAT scores were quite low, it appears that IIE did a creditable job in placement.

With regard to IIE support of Institut PPM staff during their studies, interviews with a number of staff revealed that monthly allowance checks arrived in a timely manner and that the persons were generally satisfied with IIE's support services. For IIE to continue to administer the study programs of Institut PPM staff now in training or beginning in January 1992, up to June 30, 1992, the latest estimate is $1,203,690 for training costs and $211,607 for IIE administrative costs.

3. Institut PPM's Contract with USAID

The Project Paper noted that Institut PPM had the following professional staff in 1984:

• Indonesian MA's	25
• Indonesian Engineering Degree	28
• Indonesian Law Degree	2
• Overseas Masters Degree	7
Total	62

It is also noted that during the following 6 years (through 1990) Institut PPM planned to add 40 additional professional staff. Projecting a yearly staff attrition of 2, Institut PPM was expected to have 88 professional staff by the end of 1990.

The project was to provide 32 Masters degrees and 10 Ph.D.'s. Of these, USAID funds were to provide 18 of the Masters and 6 of the Ph.D.'s the remaining to be financed by Institut PPM.

In addition 45 staff members were to be sent to the US for 4-week seminars in such areas as research methodology, marketing of consulting services, curriculum design and executive development.

Finally an average of 30 staff members should participate, twice per year for 5 years, in in-house seminars on a variety of topics.

The cost of degree training to be financed by USAID was initially $1,566,297. This was decreased in 1990, by a reallocation of funds, to $1,505,297 and later decreased to $1,495,297. Meanwhile, the short-term training component financed by USAID was decreased from the original $317,500 to $85,000. Of this, $68,353 has been expended to date.

The Project Paper also indicated that the degree training was to be in certain areas. The following table shows the anticipated and the actual areas of study:

Ph.D.'s	Planned	Actual
Organizational Behavior (Cultural Aspects)	1	
Cooperatives Management	1	1
Marketing (Franchising of Small Business)	1	1
Entrepreneurial Development	1	2
Business Management Education	1	1
Business Strategy/Corporate Planning	1	4
Environmental Analysis	1	
Finance	1	
Industrial Marketing	1	
Computer Services	1	
Social Systems		1
Total	10	10

Masters	Planned	Actual
General Management	6	13
Operations Management	3	4
Marketing	4	3
Finance	4	5
Personnel	4	2
Cooperatives Management	1	
Quantitative Analysis	2	
International Business Management	1	8
Small Business Development	2	1
Operations Research	2	1
Computer Science/MIS	1	1
Real Estate & Construction Management	1	
Business Law	1	
Education Technology		1
Industrial Engineering		1
Total	32	40

4. Institut PPM Performance

In the area of degree training, as seen in Appendix VI, USAID funds were expended more efficiently than expected, producing 25 Masters (22 completed, 3 underway) and 6 Ph.D.'s (against the plan of 18 Masters and 6 Ph.D.'s). Institut PPM was to fund the training of 14 Masters and 4 Ph.D.'s. However, as

seen in Appendix VIII, the Institut is actually funding 15 Masters (11 completed, 4 underway) and 4 Ph.D.'s.

After the short-term training program had been revised, both as to approach and budget, we see in Appendix VII that 49 staff members attended 33 different training courses, seminars and conferences, responding to Institut PPM's felt needs.

While the project proposed that an average of 30 staff members were to participate, twice per year for 5 years, in in-house seminars, the following table shows the number of in-house seminars each year for Institut PPM professional staff:

1983 - 4	1987 - 5
1984 - 2	1988 - 1
1985 - 1	1989 - 5
1986 - 6	1990 - 4
	1991 - 7
Total	35

The above 35 seminars and workshops averaged 14 hours in length. The exact number of staff who attended each is not recorded, but it is estimated to have averaged 20 persons. Thus, it far exceeded the amount of staff development anticipated by the Project Paper.

5. **Evaluation**

Ten Ph.D.'s were trained as planned, and there were eight more MBA's than planned. Short-term training and in-house staff development also exceeded planning.

It had been anticipated that Institut PPM's professional staff would have increased to 88 by the end of 1990. Instead, it is only 75. This is due to the unanticipated departure during 1989 of 14 of the professional staff. Meanwhile, this results in a lot of pressure on the existing staff while efforts are being made to recruit additional staff.

It should be noted that, from 1984 to 1990, with the knowledge of the USAID Directors (Mr. Fuller and Mr. Merrill), Institut PPM staff who received USAID scholarships were not asked to sign 5-year service commitments, in accordance with Institut

PPM policy. Nine of those scholars (1 Ph.D. + 8 MBA's) have resigned from Institut PPM. Of these, 1 Ph.D. and 4 MBA's went to create IMMI. The other 4 MBA's joined private business. Institut PPM policy was changed in January 1991 and all now sign commitments.

PART II

F. OUTREACH I

1. Project Paper

Institut PPM was to select one to three institutions outside of Jakarta and assist them in offering management development seminars and courses, aimed primarily at small and medium scale business. The assistance was to be of three types:

a) provide each institution with one person-week per year of technical assistance in order to conduct a needs assessment (market analysis)

b) design one course per year and train up to 5 trainers from each institution to be able to offer that course at their institution. This would entail organizing a 6-week training course each year at Institut PPM and one person-week per year of Institut PPM technical assistance at each institution

c) provide two person-weeks per year (one at the beginning and one at the end of the course when it is offered at the assisted institutions) to provide evaluation and feedback to the trainers.

These activities would involve approximately 8 person months of technical assistance in installing the courses in the selected institutions and 45 person-months of training at Institut PPM. At the end of the project each assisted institution was to have the ability to organize and teach 5 different courses for the local market needs.

2. Institut PPM Performance

a. Surabaya Institute of Management (LMS)

The LMS was founded in March 1985 with the encouragement of the Institut PPM and under the auspices of the Surabaya Management Foundation (YMS).

From its beginning in 1985, the staff of LMS were brought to Institut PPM for training courses and, initially Institut PPM staff did some of the teaching in Surabaya. During 1985, 1986 & 1987, LMS staff spent 30 person-months in training at Institut PPM. At the same time, Institut PPM spent 157 person-days at LMS assisting in its launching, teaching perhaps 90%of the courses in 1985, 50% in 1986 and 30% in 1987. Of the 157 days, 56 were technical assistance. By 1988 the LMS staff were able to teach all of the courses

themselves. The number of public courses offered went from 3 in 1985, up to 19 in 1989. LMS began providing in-house training courses for companies in 1988. The following table shows the number of courses and participants in 1990 and 1991.

	In-House Courses	In-House Participants	Public Courses	Public Participants
1990	12	372	12	158
1991	13	309	25	303

Meanwhile, in 1989, LMS was asked by its Foundation to become self-supporting. Consequently, the teaching staff was gradually reduced from 9 to 2 persons (including the Director) while the support staff was reduced from 11 to 5. The Director and other teacher are both ex-Institut PPM staff members who had taught and done consulting at Institut PPM. They now plan to hire another professional to continue their growth. They also have plans, beginning in 1992, to open an office in Balikpapan, hire a person to do the marketing and organizing of public courses there, and then send teaching staff from Surabaya to Balikpapan to teach the courses.

b. Surabaya Institut for Management Education and Development (IPPMS)

Because of the inactivity of the Surabaya Management Foundation (YMS), Institut PPM decided to seek another partner foundation which would be more active and would have a broader view of management education in Surabaya and in East Java in general. Consequently, Institut PPM was involved in urging the creation of the new Surabaya Foundation of Management Education and Development (YPPMS). It was created under the initiative of the Rector of Wijaya Kusuma University, who was the former Vice-Governor of East Java. The University itself is under another Yayasan. The Rector is Chairman of both Yayasans. The Institut (IPPMS) was created by and is under the aegis of both Yayasans. It thus has use of university facilities and easy access to the staff of the Department of Economics of the university.

In July 1991, YPPM signed an agreement with YPPMS to assist it in launching the new Institute (IPPMS). The prior cooperative arrangement with LMS was thereby

ended. On October 1, 1991, Institut PPM presented a workshop (training for trainers) in Surabaya for 24 of the Department of Economics faculty members.

The IPPMS has 3 or 4 full-time support staff. But, the Director and teaching staff are part of the university faculty who, when asked to teach a course for IPPMS, are paid separately, by IPPMS, for this work.

IPPMS has, during late 1991, offered several in-house courses and several public courses. They also plan to launch a 10-month WM Program beginning in mid-1992, modelled after the same program at Institut PPM. However, they do not have the faculty to teach many of the courses and plan to ask Institut PPM to provide much of the teaching. Institut PPM may not have sufficient staff to send to Surabaya for that purpose.

c. Medan: The Sumatera Institute for Management Education (IPMS)

The IPMS was founded in October 1985 by a yayasan, with the urging and assistance of Institut PPM. It began to offer management training courses in 1987 (5 courses). The number of courses offered has increased to 9 in 1988, 11 in 1989, and 13 each in 1990 and 1991. The total number of participants in these courses has varied at around 200 per year.

The professional staff of IPMS consisted of 3 persons. The Acting Director was a former employee of Institut PPM; another was a graduate of Institut PPM's WM course; the third was recruited in Medan and brought to Institut PPM 3 times for training, for a total of 10 man-months. This last person recently resigned from IPMS leaving only 2 persons on the professional staff.

The current Acting Chairman of the foundation which created IPMS is Dr. Winoto, a former Institut PPM employee who resigned from Institut PPM in 1988.

The professional staff of IPMS are primarily occupied with marketing and organizing courses. They are capable of teaching only a few of the courses offered. Hence, Institut PPM has had to supply instructors for most of the courses. Since 1984 Institut PPM has contributed 28 person days for such teaching. In addition, Institut PPM furnished 52 days of technical assistance.

d. Ujung Pandang, Makassar Institute of Management (IMM)

In February 1990 a group of individuals, connected with the Regional Government, the business community and the University of Ujung Pandang, created a foundation which in turn created the IMM. In December 1990 a management training needs survey was carried out jointly by Institut PPM and the IMM in the region of Ujung Pandang. Finally, in July 1991 YPPM and the foundation which founded the IMM signed a cooperation agreement.

The IMM began operation in July 1991. They have a part-time professional staff of 5 persons who are also members of the Faculty of Economics of the university. Of those, 3 of them spent 6 months studying at the Institut PPM in the late 1970's. Since 1991, Institut PPM has run 2 courses of training for trainers, in "Financial Management" and "Personnel Management," attended by 30 members of the university's Economic Faculty. Both of these courses were offered as public courses in the latter half of 1991 and had a total of 118 participants. Institut PPM helped by providing the instructor to teach one of these courses (4 person-days).

e. Semarang Institute for Management Education and Development

The Institut PPM also assists this institute in Semarang. However, such assistance is being funded by Institut PPM, not utilizing USAID funds from this project. This institute is 10 years old. It was established by a consulting firm to help its clients but has had difficulty expanding beyond those clients. Meanwhile, the Chamber of Commerce of Semarang has begun to organize 1 and 2-day management seminars. Institut PPM is attempting to get the Institute and the Chamber to work together. Institut PPM will assist in the presentation of 8 new courses which are shorter and less costly than their usual courses, and which will thus better fit the financial means of the companies in that region.

f. Expenditures for Outreach I

As of November 1991 total USAID funds expended for Outreach I was $172,298 out of the allocation of $219,200. Thus about $46,952 remains to assist the IPPMS, IPMS and IMM until June 30, 1992.

3. **Evaluation of Institut PPM Performance**

a. With regard to the LMS in Surabaya, Institut PPM provided the training and technical assistance as needed and as foreseen in the Project Paper. The LMS has been able to operate independently since 1988. It has reduced its professional and support staff and is now self supporting. It is expanding its operations and has plans for continued expansion. Thus Institut PPM, through this project, has successfully launched a new management training institution in Surabaya which, as noted earlier, was able to conduct 13 in-house courses and 25 public courses with a total of 612 participants in 1991.

b. The new cooperative agreement with IPPMS in Surabaya is beginning in a positive way. They already have the capability to organize several public courses. They will need more technical assistance from Institut PPM to expand their offering of public and in-house short courses. They have plans to begin a 10-month WM Program, but they only have the capability of teaching several of those courses and it is questionable whether Institut PPM can spare the staff to teach all of the other courses. Thus, IPPMS staff (members of the Faculty of Economics of the Wijaya Kusuma University) will need fellowships for training, some at Institut PPM and some in the US, to successfully launch their own WM Program.

c. The IPMS in Medan is a problem case. Its foundation has never appointed a Director for the Institute and is not now likely to do so. Its staff of 2 persons is not capable of offering more than several courses without Institut PPM's help. At the end of this project the IPMS would probably disappear, except, as will be seen in Outreach V, it will be taken over by another organization.

d. The IMM in Ujung Pandang has a strong foundation behind it and the resources to make it successful. It needs considerable assistance from Institut PPM, with training for its staff (Economics Faculty from the University) at Institut PPM and in the US. It may, with proper staff training, be able to offer the 10-month WM program in Ujung Pandang.

e. The inputs by Institut PPM, as projected by the Project Paper and as delivered by Institut PPM were as follows:

	PP	Actual
Person-months of technical assistance to new institutes	8	22
Person-months of training for their staff, at Institut PPM	45	40

It is seen that Institut PPM greatly exceeded the amount of technical assistance anticipated. It fell somewhat short in providing training for the staff of the institutes, primarily because IPMS (Medan) failed to expand its staff.

f. Continued assistance to Institut PPM from USAID should have an Outreach I component so that Institut PPM can continue to assist IPPMS in Surabaya and IMM in Ujung Pandang. This should include funds to send 6 to 10 staff members from each institution to the US for short-term (3-month or 4-month) training, to teach in the WM Program and another 6 to 10 to Institut PPM for training to teach public courses as well as in the WM Program.

PART II

G. OUTREACH II & III

1. Project Paper

In the Project Paper it was planned that Outreach II would select 2 institutions, outside of Jakarta, which could assist small businesses in their regions. Institut PPM would design a training course to train up to 5 persons per year from each of the 2 institutions, at Institut PPM, and also provide 1 person-week per year of technical assistance to each institution, which would then be able to organize small business management courses in their regions.

Although Institut PPM had conducted a pre-project survey and thought that they had identified the 2 institutions with whom they could work, it turned out that neither could spare sufficient personnel to participate in the program.

It was, consequently, with the agreement of USAID, decided to merge Outreach II with Outreach III.

Outreach III was designed to fund a training program which Institut PPM had developed to train personnel from PVO's to do consulting for small businesses. It would fund ten scholarships per year (70 total over the life of the project) for this 3-month course.

2. Institut PPM Performance

A total of 9 of the 3-month training courses were conducted in 8 cities. In each city a local PVO acted as the organizing committee. In several cities, in addition to the 3-month course for PVO staff, Institut PPM conducted a short management course directly for small entrepreneurs. The total number of participants trained in the 3-month course were 187. Of these, 131 were PVO staff, 34 were staff from government organizations who were working with small business and 22 were university faculty. There were 14 small business entrepreneurs trained in the short courses.

Outreach II was to train 50 persons while Outreach III was to train 70 persons, a total of 120. The end result was that 187 staff of PVO's and other organizations involved in assisting small businesses took the 3-month training course.

Part of each course program was the conducting of surveys and audits of small businesses and providing some of them with some consulting service. In the 9 courses, a total of 1527 small businesses were surveyed, 181 were audited and 172 provided with technical assistance.

The training project was completed in 1987.

After completion of training the Institut PPM Research Department conducted a survey of the alumni and their organizations. The results showed a very positive reaction to the training programs.

Subsequently, at the initiative of the alumni themselves, 6 alumni associations were formed (in Surabaya, Yogyakarta, Solo, Malang, Manado, and Padang). They are providing a forum for mutual support. The budget for the combined Outreach II and III was $546,800. The amount spent was $546,790.71.

3. **Evaluation**

After Institut PPM and USAID had agreed that it was preferable to merge Outreach II and Outreach III, Institut PPM fully implemented, and significantly exceeded, the combined goals.

4. **The Future**

a. Institut PPM could continue to organize the 3-month training course, but less frequently and at locations not yet touched.

b. The Small Business Unit has begun a once-per week TV program on the management of small enterprise. So far, 224 cassettes have been prepared. This should be continued.

c. A short course in "Entrepreneurship: How to Start a New Business" should be organized and offered at Institut PPM and at Outreach I, II, and III partners. It might also be developed into a TV cassette and a correspondence course. The output of such a course should be that each participant will have prepared a business plan, for a new venture, which is good enough to take to a bank to request a loan.

d. The current research projects on linkages between larger firms and sub-contractors should result in the development of a course for small business on how to approach a larger firm to become its sub-contractor.

PART II

H. REVOLVING LOAN SCHOLARSHIP FUND

1. Fund Origin and Inputs

This fund was created in April 1986 when a Dutch development agency agreed to contribute US $100,000 to the fund, and the LPPM donated an initial US $100,000.

In 1986, USAID agreed that $367,000 could be shifted from other parts of the project and serve as a contribution to the Fund. In January 1991 it was agreed that another $80,000 could be shifted to the Fund, bringing the total to $447,000. In December 1991, USAID approved that a further $105,000 be shifted to the Fund, which brings the total to $552,00. Meanwhile, LPPM has increased its contribution to approximately $1 million.

2. Fund Performance

Up to 1986 the Institut PPM had provided full scholarships (tuition, room, and board) for all participants in the 10-month WM Program. When graduates were employed the employer paid Institut PPM for the cost of the scholarship. Thus, there was an informal revolving loan fund, funded out of Institut PPM's cash flow. But this made expansion of the program difficult, depending upon slowly increasing cash flow.

Since the inception of the new Revolving Fund, 459 WM students (73% of the total students enrolled) have received scholarships from this fund. Of the 459 receiving scholarships, 206 were funded out of the USAID contribution.

The Fund has permitted a significant growth in the WM Program. The number of students starting the program each year is shown in the following table:

Year	Students
1985	47
1986	55
1987	104
1988	97
1989	138
1990	180
1991	124

Of the total 459 persons who have received scholarships, 165 have fully paid back their loans. Essentially all of the others are in the process of repaying their loans. None are considered to be in default although 31 are in arrears in their payments.

As of November 1, 1991, a total of RP. 2.77 billion had been disbursed and repayment had reached RP. 1.21 billion. Thus most of the current new scholarships are funded out of loan repayments. The fund is revolving.

3. Evaluation of the Fund Performance

It is seen that the creation of the Fund coincided with a more than doubling of the number of students. Much of this increase was possible because of the increased number of scholarships available.

It was hoped, when the fund was created, that it would permit the admission of more students from outside Java. It has been found, however, that for applicants from outside Java, inadequate academic preparation is the deterrent. However, the scholarship fund has permitted the admission of students whose families are in the lower economic classes. In recent years over 40% of the students have come from families whose monthly income is less than Rp. 500.000 while another 28% come from families with incomes in the range of Rp. 500.000 to Rp. 1 million.

Lastly, it is seen that the loan repayment record is remarkable.

PART II

I. OUTREACH V: IMMI

A. CREATION OF INSTITUT MANAJEMEN MITRA INDONESIA (IMMI)

During 1989, 14 members of the professional staff plus some support staff resigned from Institut PPM and created the IMMI. The purpose of the IMMI is similar to that of Institut PPM, except that they do not plan to organize an MBA program in Jakarta.

B. PRESENT STATUS AND ACTIVITIES

IMMI now has a professional staff of 26, including one Ph.D. (the Director) 7 with MBA's from the US and 2 with MBA's from Institut PPM. This makes them one of the stronger private management institutes in Indonesia. They have an office and classroom space in Tamara Center, on Jl. Jend. Sudirman.

In Jakarta, during 1991 they organized 23 public courses (13 types) with 351 participants, and organized 46 in-company courses (in 31 companies). Also during 1991 they have started an MBA program in Medan, where they had 56 applicants from whom they accepted 24. Also during 1991 they started an MBA program in Palembang, where they had 65 applicants and accepted 34.

In Medan they are in the process of taking over the IPMS which was created by Institut PPM as part of Outreach I. They plan to add 2 persons to the staff of IPMS, which is serving as the administrative offices for their MBA program. The co-opting of IPMS by IMMI will assure the continuity of IPMS after June 30, 1992.

C. EFFECT OF IMMI ON INSTITUT PPM AND ON THE USAID PROJECT

On one hand, the loss of 14 professional staff (16%) from Institut PPM places a significant burden on those remaining. It has also resulted in a reduction in the in-company courses offered.

On the other hand, it was the departure of a group of persons who otherwise would have been a dissident group, injurious to the harmony of the working atmosphere of Institut PPM.

IMMI is a net addition to the management education resources of Indonesia. Consequently, to the extent that USAID inputs to

Institut PPM were lost by Institut PPM, they were not lost to Indonesia.

IMMI can thus be looked upon as an unintended extension of Outreach I.

PART III

SUMMARY EVALUATION

A. An MIS is in place and in use for strategic planning and management decision making, but only about half of it is in on computer. The strategic planning process is now working. It produced the 1987-1992 plan and then the 1990-1995 plan.

B. The USAID funds permitted the purchase of the Wang VS computer, 49 PC's and various peripherals, while Institut PPM funds were used to purchase 84 PC's and various peripherals. Thus, not only is the computer lab for students well equipped, but also the computer center, the various administrative divisions and all academic departments have computers at their disposal.

C. The MBA program for fresh university graduates and the Executive MBA Program were revised and put into operation in 1987. The growth of these programs is seen in the following table:

Year	No. of Fresh MBA	No. of Exec. MBA
1985	56	19
1986	44	14
1987	82	12
1988	109	30
1989	97	41
1990	261	100
1991	124	101
Total	773	317

D. A Diploma Program in Management was designed in 1986 as part of the offering of public courses. The growth of enrollment in the public courses, is seen in the following table:

Year	Public Courses No. of Participants	In-Company Courses No. of Participants	Total No. of Participants
1985	2948	4435	7383
1986	2436	4208	6644
1987	2734	5808	8542
1988	3415	5017	8432
1989	3848	7156	11,004
1990	4252	5341	9593
1991	4536	3952	8488
Totals:	23,989	36,097	60,086

E. Degree training for Institut PPM will, by the end of the project, have exceeded the goals set, as seen in the following table:

	USAID Financed Inst. PPM Financed				Total	
	Goal	Actual	Goal	Actual	Goal	Actual
Ph.D.	6	6	4	4	10	10
Masters	18	25	14	15	32	40

F. For short-term training, the goal of sending 15 staff members to the US for 4-week training courses was changed, with the agreement of USAID, when the budget for this activity was reduced from $317,500 to $85,000. The revised program permitted 49 Institut PPM staff to attend 33 different shorter training courses, seminars and conferences.

G. The goal of 10 in-house seminars with an average of 30 Institut PPM staff per seminar was largely exceeded. Consultants from MUCIA provided 6 in-house seminars; consultants from ADL provided 11 seminars and an ADB consultant provided several seminars on case writing. In addition, each Ramadan a series of seminars are provided, in-house, for staff development. Altogether there were 34

such seminars with an average of 20 staff attending each. This far exceeded the amount of staff development anticipated in the Project Paper.

H. The Consulting Unit was to have its staff increased from 15 to 25 and its output increased by 300% (over 1983). The Consulting Unit had hired 9 additional staff. However, because of a restructuring of Institut PPM into a matrix organization, the consulting staff were distributed among the academic departments, leaving only a Director and 3 managers, but with the ability to draw on all 75 professionals in the academic departments. Also Institut PPM strategy for the role of the consulting function changed so that, instead of being a profit center, its purpose is now to provide experience for the staff, to the benefit of their teaching and research. Meanwhile, the income from consultancy had by 1990, reached 240% over 1983, somewhat short of the goal of 300%. The project assistance in consultancy has been of great assistance to Institut PPM, even though the ground rules were changed due to the change to a matrix organization.

I. The project was to have lead to an increase in the staff of the Research Department from 3 to 5, and resulted in an increase in research output of 200% over 1983. However, due to the new matrix organization, the Research Department was dissolved and the Director of Graduate Studies given responsibility for guiding the academic departments to develop their own research goals. A new research strategy has resulted in a different kind of research, not comparable to what was being done in 1983. There is a greatly increased amount of research involving many faculty members and a number of foreign research partners. It is a very positive outcome. Meanwhile, the library was able to acquire the books, journals and equipment, as anticipated, and has spent all but $3000 of that budget line.

J. Through Outreach I, Institut PPM was to select up to 3 management training institutions and help them to develop by providing 8 person-months of technical assistance and 45 person-months of training at Institut PPM. Institut PPM helped to create one new institute in Medan (IPMS), but it has not achieved the ability to function without assistance from Institut PPM. An institute in Surabaya (LMS) is now capable of offering 25 public courses in 13 in-company course (1991) without assistance from Institut PPM. In July 1991 Institut PPM signed a cooperative agreement with a new institute in Surabaya (IPPMS) and a new institute in Ujung Pandang (IMM), both of which have significant potential for growth. It appears that Institut PPM has achieved or exceeded the goals of Outreach I.

K. Outreach II and Outreach III were combined, with the agreement of USAID with the goal of training 120 persons, primarily from PVO's, in the Institut PPM's 3-month Small Business Consultant Development Course. Institut PPM ran the course nine time in 8 different cities and trained a total of 187 persons. The budget was fully expended. This was a very successful outcome.

L. Outreach IV, the Revolving Scholarship Loan Fund, was created after the project had started. In 1986 the Dutch government and Institut PPM each contributed $100,000 to the Fund. In 1987 USAID authorized the shifting of $367,000 to the Fund, from other budget lines where it was not needed. Several additional shifts of funds has raised USAID's contribution to $552,000 and meanwhile Institut PPM has increased its contribution to about $1 million. This has permitted a 250% increase in the intake of students into the fresh graduate MBA program. It is noteworthy that, because of this Fund, 40% of the students are from families with a monthly income of less than Rp. 500.000 and another 28% are from families with a monthly income between Rp. 500.000 and Rp. 1 million. It is also noteworthy that of the 459 students to receive these scholarship loans, 165 have fully paid back their loans and only 31 are in arrears, with none defaulted. It is a very successful outcome.

M. Outreach V (IMMI) is a new management institute created by 14 professionals plus some support staff who resigned from Institut PPM. In Jakarta they organize public courses, in-company courses and do consulting. They do consulting in Medan and have started MBA programs in Medan and Palembang. The loss of this many staff had some negative effect on Institut PPM, but this was offset by the departure of a dissident group. Meanwhile, IMMI is a positive net addition to the management education resources of Indonesia.

N. The Project Paper indicates that the MIS developed as a result of this project should make possible, at the end of the project, an analysis of the return on investment in human capital.

As noted earlier in this evaluation report, the MIS is the one project activity which has not yet achieved acceptable results. Consequently much of the data necessary to attempt the analyses requested are not available. In addition, no defensible methodology has as yet been developed to do an ROI analysis on the cost of a graduate degree for a teacher, or the cost of a consultant, or the cost of library acquisitions.

Consequently, this report will not include an ROI analysis.

O. The recruitment of women has been a strong commitment of Institut PPM. The following figures indicate the results of that commitment:

	% who are women
Of total professional staff	41%
Of persons sent for degree training	38%
Of persons sent for short-term training	41%
Of students admitted to Executive MBA*	13%
Of students admitted to Fresh-Graduate MBA*	31%
Of students in Public Courses*	21%

*Average over past 4 years

P. Appendix IX shows the itemized project budget and the amount spent as of September 30, 1991. It is seen that, of the $4,000,000 budgeted, $3,410,420.94 had been expended, and, thus $589,579.06 remains. Most of this will be spent prir to June 30, 1992. It has been agreed, between USAID and Institut PPM, that the portion not spent from all other budget lines may be transferred to Outreach IV and put into Revolving Schola0ship Loan Fund. Consequently, at the end of the project, the total $4 million will have been expended.

Q. The Project Paper indicates that Institut PPM is to contribute $2,407,000 as its share of the total $6,407,000 project funding. Appendix X shows Institut PPM expenditures of $1,718,170.36 as of October 30, 1991, but does not include the approximately $1 million which Institut PPM has contributed to the Scholarship Loan Fund. Thus, Institut PPM's contribution now totals about $2.7 million, well above its commitment.

IV. SUGGESTIONS FOR FOLLOW-UP

A. Institut PPM management should consider using local consultants to speed up the process of getting data on computer and completing the programming of all data for use in strategic planning, based on the AED reports.

B. The ordering of library subscriptions to periodicals has been haphazard. There is a need to agree on which are really needed and then also attempt to obtain 5 to 10 years of back copies of those of particular interest for research.

C. As the consulting unit can now draw on the resources of all 75 professional staff members, those who did not previously receive training in consulting should now be given such training as in-house staff development seminars and workshops. Funds in the MUCIA contract can be used to bring in a consultant from ADL.

D. Funds in the MUCIA contract should also be used to bring in consultants in the areas of Franchising, "Action Research," Family Business and the development of teaching materials and/or research projects in various academic departments.

E. There is a critical need for an Institutional staff development plan, so that persons sent overseas for degree programs in the follow-up project "Training for Private Sector Development" fill in gaps in the academic specialization of the current staff.

F. A public course in Entrepreneurship should be developed and offered not only at Institut PPM but also at the Outreach I institutions.

G. The follow-up project "Training for Private Sector Development," should find a way to fund sending faculty members from IPPMS (Surabaya) and IMM (Ujung Pandang) to the US for one semester of training at a business school so that they can achieve the ability to offer the 10-month WM Program without Institut PPM staff assistance.

APPENDIX I
COMPUTER PURCHASES: USAID FUNDED

DATE	HARDWARE/SOFTWARE	PRICE (RP)	PRICE (US$)
Nov-85	FIRST PAYMENT + SECOND PAYMENT FOR COMPUTER WANG VS-65		62,667.00
Nov-85	300 WORKSTASTION CABLE BNC-TNC FIXED CONNECTOR		237.00
Nov-85	FIRST PAYMENT FOR 1 UNIT UPS 60-10000	12,750,000.00	11,353.51
Dec-85	THIRD PAYMENT FOR COMPUTER WANG VS-65		50,760.00
Jan-86	SECOND PAYMENT FOR 1 UNIT UPS 60-1000		15,138.02
Jun-86	THIRD PAYMENT FOR 1 UNIT UPS 60-10000	10,625,000.00	9,461.26
Jul-86	LAST PAYMENT COMPUTER WANG VS-65, CONTRACT NO. P-510		6,266.00
Aug-86	FOURTH PAYMENT OF UPS 60-10000	2,125,000.00	1,253.36
Jan-87	PURCHAISNG OF MCS PC. AND PRINTER EPSON, INVOCE NO. 11122, 11187, 11188	39,805,000.00	24,420.25
Sep-87	IKC : 2 UNIT PC. MULTI I/O	2,500,000.00	1,552.98
Sep-87	MULTICOM : 2 UNIT MCS PERSONAL COMPUTER	2,180,000.00	1,327.65
Dec-87	ISTIDATA : 4 UNIT IBM PERSONAL COMPUTER	6,880,000.00	
Dec-87	ISTIDATA : 2 UNIT IBM PERSONAL COMPUTER	3,440,000.00	
Dec-87	MULTICOM : 4 UNIT HARD DISK SEAGATE 20MB, 4 UNIT PROC. 286 CARD	4,100,000.00	
Dec-87	CAKRA : 1 UNIT BARCOVISION 400	11,062,500.00	
Dec-87	MULTIDATA LESTARI : 1 UNIT BONWELL 85, PRINTER BONDWELL, RS-232 CABLE	6,235,000.00	
Dec-87	WAHANA D. : 1 UNIT MCS PC (PARJIYO)	1,875,000.00	
	SUB TOTAL :	33,592,500.00	20,420.97
Mar-89	USATAMA SEJATI CORP. : 3 UNIT PRINTER KXP-1082, 1 UNIT LASER PRINTER KXP-4450	5,735,000.00	
Mar-89	MULTICOM : 1 UNIT HP SCANJET	1,250,000.00	
	SUB TOTAL :	6,985,000.00	4,014.37
May-90	7 UNIT MCS PC MUGEN	16,539,000.00	
May-90	2 UNIT IBM PC GOLDLINE	3,250,000.00	
	SUB TOTAL :	19,789,000.00	10,843.29
Dec-90	1 UNIT WYSE COMP. 3225, WYSE 995 INTELL, MULTI USER, SCO UNIX V/386 SUN TIME, TAPE BACK UP 60 MB, ARCHIVE CARD.	12,650,000.00	6,726.72
Feb-91	1 UNIT IBM PC FLEXCACHE, 3 UNIT INFORMIX		8,670.17
Jul-91	2 UNIT LASERJET III PRINTER, 8 UNIT IBM PC, 2 UNIT EPSON LX-850 PRINTER, 1 UNIT EPSON LQ-1050 PRINTER, KEYBOARD 101 KEY, DISK DRIVE 360 KB	25,960,000.00	13,347.04
	T O T A L :		248,461.59

APPENDIX II
TYPE AND LOCATION OF COMPUTERS
(USAID FUNDED)

HARDWARE PURCHASE -USAID FUND
OCTOBER 31, 1991

A. PC, PRINTER & COMPUTER PROJECTORS

NO	DEPT	COMPUTER DESKTOP	COMPUTER PORTABLE	COMPUTER LAPTOP	HARD DISK	PRINTER	COMPUTER PROJECTOR	SCANNER	SECOND DRIVE
1	PURCHASING					1			
2	DIRECTORS	2			1	1			
3	BUS.COMM	1				2			
4	LATMAN		6	1	2	3	2	1	
5	NIRLABA	1			1				
6	PPPK			1		1			1
7	PERSONALIA					1			
8	BUS.DEVELOPMENT	1				1			
9	COMPUTER CENTER	32				9			
10	FINANCE	1			1	1			
11	SECRETARIAT					1			
12	WM_MBA	1				1			
13	CONSULTANCY	2			2	1			
14	LIBRARY					1			
	Total	41	6	2	7	24	2	1	1

B. WANG & UPS

1. PT METRO DATA
(WANG VS-65)

	Total
-CPU	1
-Storage	1
-EPI-505	2
-Workstation	4
-UPS	1

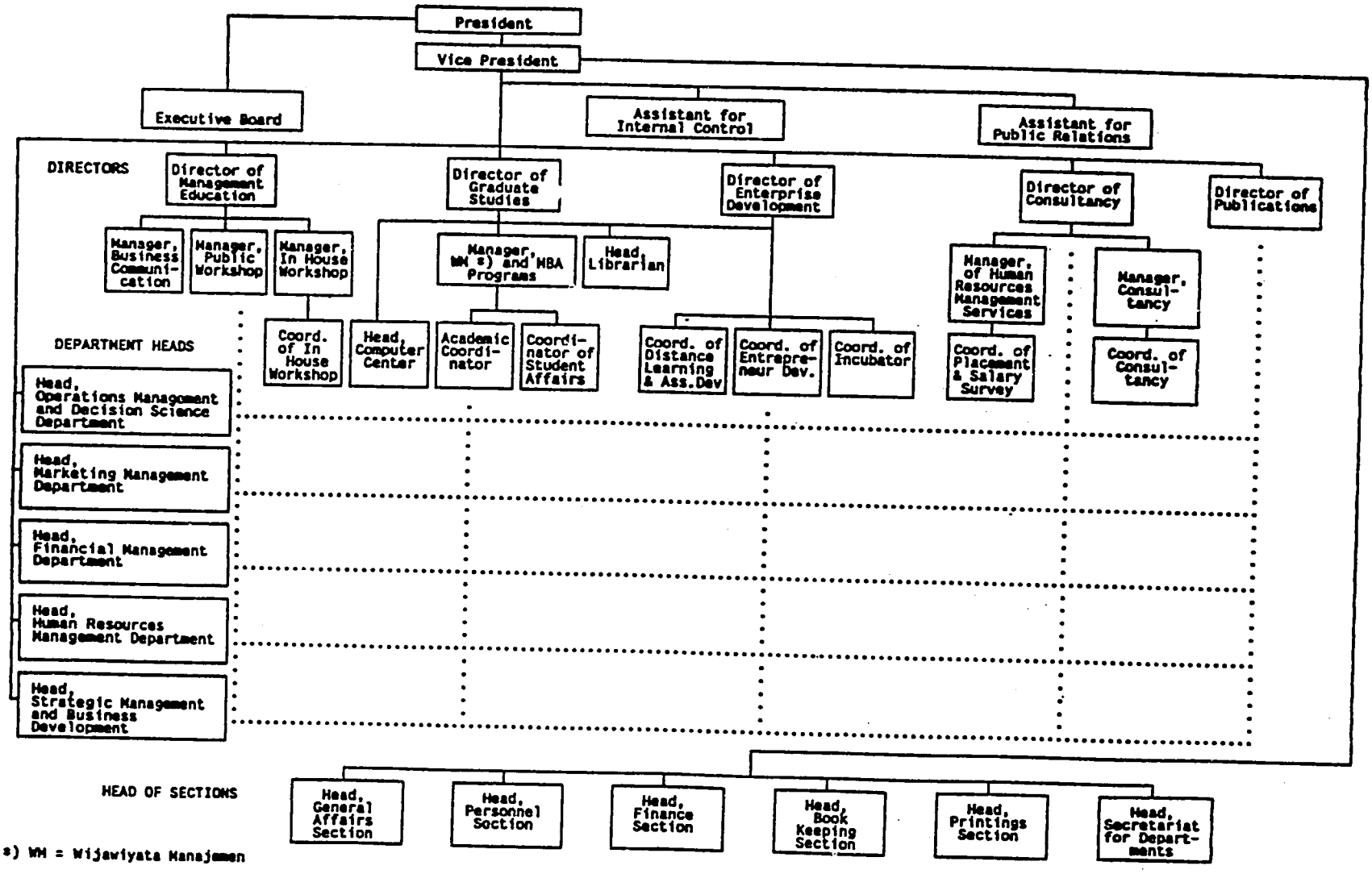
APPENDIX III
TYPE AND LOCATION OF COMPUTERS
(IPPM FUNDED)

HARDWARE PURCHASE - IPPM
OCTOBER 31, 1991

A. PC, PRINTER & COMPUTER PROJECTORS

NO	DEPT	COMPUTER DESKTOP	COMPUTER PORTABLE	COMPUTER LAPTOP	HARD DISK	PRINTER	COMPUTER PROJECTOR	SCANNER	SECOND DRIVE
1	PURCHASING	1							
2	DIRECTORS								
3	BUS.COMM	2							
4	LATMAN	23	1	22		4	2	1	
5	NIRLABA	1				2			
6	PPPK	1				1			
7	PERSONALIA	1							
8	BUS.DEVELOPMENT	1				1			
9	COMPUTER CENTER	4				1		1	
10	FINANCE	3				1			
11	SECRETARIAT	1							
12	WM_MBA	4				3			
13	CONSULTANCY	6		1		3			
14	LIBRARY	1							
15	PUBLIC RELATION	1				1			
16	PUBLISHER	7				4			
17	FOUNDATION	2				2			
18	PRINTING	1							
	Total	60	1	23	0	23	2	2	0

ORGANIZATIONAL CHART
PPM INSTITUTE



s) MM = Wijawiyata Manajemen

APPENDIX V

THE LIBRARY ACQUISITIONS: 1985 - AUGUST 1991

Year	US/International Book		Indonesian Books & Periodicals		Periodical subscriptions (US/International)		Library Equipment *)		Total
	Vols	$	Vols	$	Vols	$	Items	$	$
1985	378	9,774.19	36	461.59	17	1,276.18	9	1,875.44	13,387.40
1986	502	14,155.52	342	2,455.60	55	2,792.79	1	4,247.10	23,651.01
1987	502	14,041.25	345	3,549.64	43	3,598.53	3	4,739.44	25,928.86
1988	569	15,315.95	374	3,435.11	40	3,556.00	-	-	22,307.06
1989	295	15,467.58	201	2,672.51	28	3,336.73	11	1,884.71	23,361.53
1990	860	14,464.87	184	2,341.99	30	2,462.75	-	-	19,269.61
1991 August	293	13,107.75	226	3,675.76	17	2,046.81	3	20,020.98	38,732.10
	-	119.20	-	-	-	-	-	-	119.20 **
Total	3399	96,327.11	1708	18,592.20	230	19,069.79	27	32,767.67	166,756.77

*) 1985 : Course Materials (Business Games)
1986 : Canon Micro Reader-Printer PCP 70
1987 : - Transfer of clippings into microfiche (760 fiches)
- Slide Projector/Ring Master
- Sony VCR + TV Monitor
1989 : - 4 Reading tables + 1 Book Trolly
- 1 Cataloque Cabinet + 1 Filing Cabinet
- 1 Projector cabinet + 1 Cabinet TV + 1 unit furniture
- 1 Audio Visual
1991 : - 1 Unit Minolta Reader Printer (to replace Canon Micro Reader-Printer PCP 70 which was out of order)
- 1 Camera & Processor DCI 6100
- 1 Audio Visual

**) Handling and storages charged for books by PT Pesaka Veem Indonesia for 1986 acquisition directly paid by USAID

USAID-FINANCED DEGREE SCHOLARS

Name	University	Major	Dates	Mo	Deg	Tuition	Total Cost	TOEFL	GMAT GRE
Chandra	Denver	Mktg	06/84 - 06/86	24	MBA		36,365	577	470
Koespriani	Denver	Finance	06/84 - 06/86	24	MBA		36,186	560	
Permas	Denver	Mktg	06/84 - 06/86	24	MBA		36,007	553	450
Hutoyo	Denver	Gen'l. Mgmt.	06/84 - 06/86	24	MBA		36,153		
Dirdjosuparto	Wharton/Penn	Social Syst.	06/85 - 06/91	60	PhD	40,411	122,974	523	
Peniwati	Pittsburgh	Oper. Res.	06/85 - 08/86	14	MBA	12,426	26,465	583	490
Santosa	Pittsburgh	Oper. Mgmt.	07/85 - 08/86	13	MBA	12,420	26,392	587	580
Sumartoyo	ADL	Gen'l. Mgmt.	06/85 - 08/86	14	MSM	14,000	31,969	557	430
Soebekti	USC	Int'l. Mgmt.	07/85 - 08/86	13	MBA	15,998	24,892	593	530
Bintoro	USC	Int'l. Mgmt.	07/86 - 07/87	12	MBA	17,584	31,419	553	460
Pratiknjo	Ohio State	Small Business	01/87 - 12/88	24	MA	16,235	38,998	503	
Djohar	USIU	Strategy	01/87 - 05/91	52	DBA	17,850	81,266	540	410
Pratiwi	USDA	Personnel	08/86 - 08/87	12	MA	11,500	25,303	410	
Poedjowibowo	USDA	Personnel	08/86 - 08/87	12	MA	11,500	24,457	417	
Manan	Pittsburgh	Strategy	08/87 - 06/92	58	PhD	38,580	125,000 *)	647	560
Hendrarko	Rutgers	Finance	07/87 - 05/89	22	MBA	15,361	37,945	507	307
Gunawan	Pittsburgh	MIS	08/87 - 08/88	12	MBA	13,880	25,933	657	570
Djajaprawira	AGSIM	Int'l. Mgmt.	07/87 - 12/88	17	MIM	15,958	35,243	543	440
Doeriat	Harvard	Mgmt. Educ.	09/87 - 08/90	35	PhD	6,018	39,176	620	1230
Harianto	Wharton/Penn	Strategy	09/87 - 03/89	18	PhD	3,100	18,228	597	
Suseno	USC	Int'l. Mgmt.	07/87 - 07/88	12	MBA	19,132	32,997	553	460
Rusli	Oklahoma	Oper. Mgmt.	05/88 - 12/89	19	MBA	7,403	28,401	583	510
Purwono	USC	Int'l. Mgmt.	05/88 - 08/89	15	MBA	22,298	40,849	520	380
Manurung	Cal/Irvine	Finance	09/89 - 06/91	21	MBA	8,577	32,500 *)	567	550
Setyorini	Indiana/SB	Oper. Mgmt.	12/89 - 08/91	20	MBA	8,207	32,000 *)	537	440
Suhappy	AGSIM	Int'l. Mgmt.	01/90 - 01/91	12	MIM	12,625	26,903	567	430
Soebekti	Memphis	Strategy	01/91 - 06/92	18	PhD	2,790	40,900 *)	593	
Agung	USC	Int'l. Mgmt.	08/90 - 07/91	12	MBA	22,118	38,500 *)	590	460
Hasibuan	AGSIM	Int'l. Mgmt.	01/92 - 06/92	6	MIM		21,850 *)	620	510
Munir		General Mgmt.	01/92 - 06/92	6			21,850 *)	587	440
Said		Oper. Mgmt.	01/92 - 06/92	6			21,850 *)	510	490

*) Estimated (in the October 1992 budget revision)

APPENDIX VII

USAID GRANT NO.: 84-1 JUNE 7, 1984 PROJECT NO.: 349-0345
SUBSIDIZED TRAINING PROGRAM EXPENSES (IN US$)
PERIOD : MARCH 1988 - SEPTEMBER 1991

NO.	PROGRAM	DATE	CITY	VOUCHER NO.	NAME OF PARTICIPANT	EXPENSES IN US$	TOTAL EXPENSES
01	EXPORT MARKETING STRATEGY	MARCH 27-APRIL 12,1988	KUALA LUMPUR		11. Chrysanti Basibuan S.	1,923.77	1,923.77
					12. Hari Prasetyo		
02	BASIC EXPORT MARKETING	AUG.15-27, '88	MANILA		11. Sumartoyo	2,815.37	4,739.14
					12. Dwi Anggorowati		
03	MARKETING RESEARCH & TRADE INFORMATION	OCT.17-28, '88	BANGKOK		11. V. Winarto	3,608.72	8,347.86
					12. Bambang P.K.Rintoro		
04	EXPORT PRICING, COSTING & BUDGETING	APR.1-9, '89	DACCA		11. Bambang P.K.Rintoro	3,246.00	11,593.86
					12. Suprijono		
05	INTERNATIONAL BUSINESS WORKSHOP	JUNE 14-27, '89	SINGAPORE	54	11. Jakawasana	1,600.00	13,193.86
06	WORKSHOP ON ENTREPRENEURSHIP	AUG.7-17, '89	KUALA LUMPUR	54	11. Sumartoyo	1,375.50	14,569.36
07	VALIDATION WORKSHOP ON WORK MANAGEMENT ORGANIZATION	AUG.28-SEPT.3, 1989	MANILA	55	11. Dwi Idawati	1,155.78	15,725.14
08	WORKSHOP ON PRODUCT ADAPTATION FOR EXPORT	SEPT.25-29, '89	NEW DELHI	56	11. Andi Ilhan Said	2,568.76	18,293.90
					12. Simubo Sinukarto		
09	INTERNATIONAL EXPOSITION OF U.C.C.	NOV.28-DEC.2, 1989	SINGAPORE	59	11. Mini Bareto	1,761.00	20,054.90
					12. Endah Nuraini		
					13. Nunuk Ardiani		
10	INTERNATIONAL CONFERENCE II ON MANAGING THE HITECH FIRMS	DEC.29, '89 - JAN. 2, '90	COLORADO, USA	61	11. Farid Marianto	1,475.13	21,530.03
11	AMERICAN SOCIETY FOR U.C. WORKSHOP	MAY 14-16, '90	SAN FRANCISCO	65	11. Dandan Riskomar	3,159.43	24,689.46
12	CREATION OF ENTERPRISE, FORMATION OF ENTREPRENEURSHIP (CEFE), INTERNATIONAL TRAINING FOR TRAINERS (TOT)	JUN.11-JUL.6, 1990	BANGKOK	65	11. Santoso	3,685.15	28,374.61
13	- EFFECTIVE NEGOTIATION SKILLS FOR PURCHASING & SUPPLY WORKSHOP	JULY 7-11, '90	SINGAPORE	65	11. Sulistio Musli	3,555.12	31,909.73
					12. Meni Kartika		
	- PURCHASING&SUPPLY COST SAVING WORKSHOP	JULY 12-13, '90	SINGAPORE				
14	DECISION SUPPORT SYSTEM AND OPERATION RESEARCH, BY PROF. NITIN PATEL	AUG. 22-24, '90	IPPM/JAKARTA	67	IPPM Staff members	3,288.10	35,257.83
15	ACADEMY FOR INTERNATIONAL BUSINESS SOUTH EAST ASIA CONFERENCE	NOV. 5-9, '90	SINGAPORE	69	11., Farid Marianto	841.40	36,099.23
16	INTERNATIONAL CONFERENCE ON OPERATION RESEARCH AND MANAGEMENT SCIENCE	DEC.11-14, '90	MANILA	70	11. Andi Ilhan Said	1,416.00	37,515.23
17	THE SEVENTH WORLD PRODUCTION CONGRESS	NOV.17-24, '90	KUALA LUMPUR	70	11. Makhfudin	3,490.94	41,006.17
					12. Cahyadi Mendrarko		
18	MARK MARKETING PROGRAM	NOV. 11-30, '90	JAKARTA	71	11. Indra Pudjiastuti	1,500.00	42,506.17
19	THE ASIAN COUNTRIES AND THE WORLD ECONOMY: CHALENGE OF CHANGE CONFERENCE	MARCH 3-5, '91	BALI	74	11. Fahmi Mu'thi	2,520.83	45,027.00
					12. Djarot Suseno		
20	M.I.S AND THE APPLICATION IN HOTEL AND RESTAURANT INDUSTRIES SEMINAR	MAY 20-21, '91	IPPM/JAKARTA		IPPM Faculties	2,194.68	47,221.68
21	INTERAD THUNDERBIRD SEMINAR	MAY 29-30, '91	JAKARTA	79	11. Menni Lestari	203.61	47,425.29
22	TOTAL CUSTOMER SATISFACTION SEMINAR	MAY 30-31, '91	JAKARTA	79	11. Hari Prasetyo	800.00	48,225.29
					12. Iri Wiswasari		

APPENDIX VII
(cont'd)

23	- POLICY MANAGEMENT & QUALITY FUNCTION DE-PLOYMENT SEMINAR	JUNE 19, '91	JAKARTA	79	11. Kirti Penivati	650.00	48,675.29
	- TECHNIQUE FOR CONTINUOUS IMPROVEMENT SEMINAR	JUNE 20-21, '91	JAKARTA	79	11. Endah Nuraini		
24	HUMAN RESOURCES DEVELOPMENT STRATEGIC	JULY 9-10, '91	JAKARTA	79	11. Ismail Suhadi 12. Nina Insania 13. Retno Hardiningsih 14. Rini Baroto	512.81	49,388.10
25	DEBT AND CAPITAL MARKET SEMINAR	JULY 16, '91	JAKARTA	79	11. Lukito P. 12. Kristina Ph.	153.85	49,541.95
26	MARKETING STRATEGIC SEMINAR	AUG. 1-2, '91	JAKARTA	79	11. Chrysanti Hasibuan S.	350.00	49,891.95
27	CREATION & OPERATION OF FUND MANAGEMENT COMPANIES SEMINAR	AUGUST 6, '91	JAKARTA	79	11. Ronald Hanurung	63.94	49,955.
28	STRATEGIC MARKETING WORKSHOP FOR PRIVATE ORGANIZATIONS SEMINAR	AUGUST 13, '91	JAKARTA	79	11. Tuella Gunavan 12. Lily S.	127.88	50,083.77
29	THE NEW TECHNIQUE IN QUALITY CONTROL SEMINAR	AUG. 13-15, '91	JAKARTA	79	11. Endah Nuraini	179.03	50,262.80
30	CORPORATE CULTURE SEMINAR	AUGUST 14, '91	JAKARTA	79	11. Lucia Sri Lestari 12. Roosdiana	204.60	50,467.40
31	- BASIC PROJECT MANAGEMENT SEMINAR - SENIOR PROJECT MANAGEMENT	AUG. 28-30, '91 SEPT. 2-4, '91	JAKARTA	79	11. Bambang Subagio 12. Nova Darmanto	1,800.00	52,267.40
32	BANKING ROLE IN LONG RANGE DEVELOPMENT SEMINAR	SEPT. 13-14, '91	JAKARTA	79	11. Ilham Assuni 12. Toto Prihadi	857.14	53,124.54
33	THE PLANNING FORUM 1991 INTERNATIONAL CONFERENCE	APR. 28-MAY 3, 1991	TORONTO, CANADA	79	11. Wibowo Santoso 12. Linda Chandra	8,576.39	61,700.93
	TOTAL :						61,700.93

INSTITUT PPM - FINANCED DEGREE SCHOLARS

NAME	UNIV.	MAJOR	DATES	MONTHS	DEGREE	TOTAL COST
A. Pekerti	USC	Entrepr.	Jun 84 - Feb 86	21	Ph.D.	46,983.85
V. Winarto	Cranfield, UK	Mktg.	Jun 84 - Jul 86	26	Ph.D.	77,764.96
Subroto	IPB	Coop.Mgmt.	Jun 84 - Dec 90	67	Ph.D.	124,920.46
V.Tanumihardja	UNPAD	Women Entrep.	May 85 - Jun 92	86	Ph.D.	81,784.66 **)
R. Sutrisno	IKIP	Educ. Tech.	Jul 85 - Nov 90	65	M.Ed.	106,279.70
Yani Sugito	ITB	Ind. Eng.	Sep 87 - Dec 90	40	M.S.I.E.	46,171.00
Dwi Anggarawati	ADL	Gen'l. Mgmt.	Jun 84 - Jun 85	12	M.B.A.	37,560.04
Abdul Hakim	USC	Int'l. Mgmt.	Jun 84 - Sep 85	16	M.B.A.	38,647.77
K. Tambunan	Birmingham, UK	Finance	Jan 89 - Jan 91	24	M.B.A.	18,616.65
E. Kamulyan	Inst. PPM	General	Jan 87 - Jul 87	6 *)	M.B.A.	8,023.26
R.Mardiningsih	Inst. PPM	General	Jan 87 - Jul 87	6 *)	M.B.A.	7,553.35
Inge Kosasih	Inst. PPM	General	Jan 90 - Jul 90	6 *)	M.B.A.	7,201.83
Dwi Idawati	Inst. PPM	General	Jan 89 - Jul 89	6 *)	M.B.A.	3,658.24
Endah Nuraini	Inst. PPM	General	Jan 91 - Jul 91	6 *)	M.B.A.	17,229.51
B.Suwartoyo	Inst. PPM	General	Jun 88 - Dec 88	6 *)	M.B.A.	10,085.26
Mulyono	Inst. PPM	General	May 91 - Jun 92	14	M.B.A.	18,802.77 **)
Harri Prasetyo	Inst. PPM	General	Jan 92 - Jun 92	6 *)	M.B.A.	11,896.88 **)
Indra P.	Strathclyde,UK	Marketing	Aug 91 - Jun 92	11	M.B.A.	10,227.80 **)
Bramantyo D.	Birmingham,UK	Finance	Aug 91 - Jun 92	11	M.B.A.	10,220.66 **)

Note :

*) These are PTM and/or WM graduates who need to follow only the courses they did not have before in the PTM and/or WM program.

**) estimated up up to June 1992

APPENDIX IX
PROJECT BUDGET AND EXPENDITURES (USAID)

The following is summary expenditures report no. 71 for the period of September 1991, related to the reference Project/Grant/Fellow Contract.

Budget			Expenditures					
Line item		Amount		This period		Total to date		Budget Balance
I. TECHNICAL ASSISTANCE								
1. BIS (A.E.D.)	US$	71,797.00	US$	-	US$	61,553.20	US$	10,243.80
2. CONSULTING (A.D.L.)	US$	181,708.00	US$	-	US$	179,697.06	US$	2,010.94
3. RESEARCH (M.P.BLACK)	US$	51,673.00	US$	-	US$	51,658.27	US$	14.73
4. OUTREACH (A.J.YOUNG)	US$	50,105.00	US$	-	US$	50,104.81	US$	0.19
5. CASE WRITING	US$	14,600.00	US$	-	US$	14,600.00	US$	0.00
6. U.S. RECRUITING	US$	4,519.00	US$	-	US$	4,518.22	US$	0.78
7. RMA & RESEARCH/RUCIA	US$	267,706.00	US$	-	US$	124,724.07	US$	142,981.93
8. MR.A.WINOTO D. RESEARCH	US$	5,703.00	US$	-	US$	5,680.59	US$	22.41
9. BIS EXTENSION	US$	0.00	US$	-	US$	0.00	US$	0.00
10. OUTREACH II EXTENSION (Dorodjatun K.)	US$	10,000.00	US$	-	US$	0.00	US$	10,000.00
II. COMMODITIES								
1. COMPUTER PROCUREMENT	US$	320,000.00	US$	3,099.49	US$	251,561.08	US$	68,438.92
2. LIBRARY ACQUISITION	US$	170,000.00	US$	677.83	US$	167,434.60	US$	2,565.40
III. TRAINING								
1. LONGTERM OVERSEAS	US$	1,290,000.00	US$	3,510.00	US$	1,027,689.61 *	US$	262,310.39
2. SHORTTERM OVERSEAS	US$	85,000.00	US$	14,479.25	US$	61,700.93	US$	23,299.07
3. PLACEMENT/MACKSTUMPING (IIE)	US$	205,297.00	US$	521.00	US$	200,690.95	**US$	4,606.05
IV. OUTREACH								
1. INSTITUTIONAL OUTREACH I	US$	219,200.00	US$	2,403.88	US$	172,248.31	US$	46,951.69
2. PVO OUTREACH II	US$	440,000.00	US$	-	US$	446,969.93	US$	(6,969.93) ***
3. 3 MONTH SCHOLARSHIP - III	US$	106,800.00	US$	-	US$	99,820.78	US$	6,979.22 ***
4. SCHOLARSHIP LOAN FUND - IV	US$	447,000.00	US$	15,000.00	US$	444,881.58	US$	2,118.42
V. EVALUATION	US$	35,000.00	US$	-	US$	2,750.77	US$	32,249.23
VI. AUDIT RESERVE	US$	10,000.00	US$	-	US$	0.00	US$	10,000.00
VII. CONTINGENCY	US$	13,892.00	US$	-	US$	4,056.21	US$	9,835.79
Total:	US$	4,000,000.00	US$	39,691.45	US$	3,372,340.97	US$	627,659.03

The undersigned hereby certifies that payment of the sum claimed under the Agreement is proper and due under the terms of the Agreement and or Amendments; that appropriate refund to USAID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of the Agreement and or Amendments; that information on the fiscal report is correct and supported by accounting records, invoices and receipts; and that such additional supporting information as the USAID may reasonably require will be furnished by the Grantee/Contractor upon request.

* IIE's financial report in July '91 minus IPPK contributions & Administration fee

** Consist of Administration fees as IIE's financial report through July '91, Bank charges/Commission & placement

*** Combined

By : H u l y o n o
Title : Head of Finance Department
Date : October 21, 1991

APPENDIX X
IPPM CONTRIUTIONS TO THE PROJECT

PERIOD : JUNE 1984 - OCTOBER 1991

I.	TRAINING PROGRAM :					
A.	SALARIES					
	1. JUNE '84 - JUNE '91	US$	1,093,380.57			
	2. JULY - OCTOBER 1991	US$	62,069.77	+		
			----------		US$	1,155,450.34
B.	OTHER EXPENSES *)					
	1. JUNE '84 - JUNE '91	US$	405,847.54			
	2. JULY - OCTOBER 1991	US$	2,132.32	+		
			----------		US$	407,979.86
C.	DIFFERENT RATES FOR STIPEND					
	1. JUNE '84 - JUNE '91	US$	64,600.00			
	2. JULY - OCTOBER '91	US$	1,265.00	+		
	(IIE report June-Aug.'91)		----------		US$	65,865.00
D.	INSURANCE OVERCHARGES					
	1. JUNE '89 - JUNE '91	US$	13,113.79			
	2. JULY - OCTOBER '91	US$	1,290.80	+		
	(IIE report Apr.-June '91)		----------		US$	14,404.59
II.	COMMODITIES					
	COMPUTER PROCUREMENT					
	1. JUNE '84 - JUNE '91	US$	74,470.57			
	2. JULY - OCTOBER '91	US$	0.00	+		
			----------		US$	74,470.57
			TOTAL :		US$	1,718,170.36

The undersigned hereby certifies that the information on this report is correct and detailed supporting documentation is on file and available for review upon AID request.

Jakarta, December 4, 1991

Mulyono
Head of finance Department

*) Tuition fee for participant non USAID sponsored, living allowances, clothing allowances, medical & fiscal expenses, etc.