

CITIZENS DEMOCRACY CORPS
The Romania Program

Enterprise and Economic Development Program

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Quarterly and Annual Report
Fourth Quarter, Fiscal Year 1997
(July - Sept. 1997)

Prepared for USAID Romania Mission

Cooperative Agreement #EUR-0032-A-00-1080-00

Strategic Framework for CDC's Activities

SO 1.3-Development and growth of private enterprises
IR 4-Improved management practices adopted by enterprises
IR 4.1-Increased access to business services
IR 4.1.1-Strengthened business support organizations

(Note: The above Intermediate Results are being modified somewhat to better reflect assistance needs in Romania. These new IR's are indicated in Section 6: Plans for next quarter.)

CDC Quarterly and Annual Report

Table of Contents

1. Overview of FY 97 and Two Year Grant	Page 1
2. Major Development Activities	Page 1
3. Collaboration with other Organizations	Page 3
4. Impact of CDC Assistance	Page 4
5. Implementation Issues	Page 5
6. CDC Plans for Fiscal Year 1998	Page 5
7. Grant Expenses thru September 1997	Page 6
8. Final Numbers Report	Appendix A
9. Advisor Placement Schedule	Appendix B
10. Various Project Follow-up Reports	Attachments

1. Overview for FY 1997 and Two Year Grant

CDC's Enterprise and Economic Development Program completed 13 SME primary technical assistance projects during the fourth quarter, bringing the total number of completed primary projects for Fiscal Year 1997 to 65. This resulted in CDC completing 136 such projects during its two year grant (which ended September 30, 1997), greatly exceeding its contract deliverable of 120 primary projects.

During the year, CDC continued to demonstrate its commitment to impact assessment, collaboration with other assistance providers, innovation, and leveraging the resource of its in-country advisors, principally through secondary assistance projects. This performance is shown in various sections below, in the attached impact assessment reports, and in CDC's Numbers Report (see Appendix A).

The Enterprise and Economic Development Program continues to be a results-oriented program that leads to impact consistent with the target indicators of USAID's Strategic Objective 1.3 (Development and Growth of Private Enterprises). Specifically, CDC's impact assessment indicated that its clients in 1996 (1) experienced a dramatic 65 increase in sales, (2) created over 1,000 jobs for the Romanian economy, and (3) purchased over 1.3 million USD in products and services from the United States (see section 4 below: Impact of CDC Assistance). This impact is the direct result of the excellent assistance provided by CDC advisors to Romanian SMEs.

During the last quarter of the fiscal year, CDC received the commitment from USAID for a one year extension of the current cooperative agreement. Reflecting the changing priorities of USAID, the extended program contains several innovations, including: (1) increased leveraging of CDC advisors, (2) targeting of business support organizations (BSOs), (3) assisting selected CDC clients to obtain financing, and (4) devoting significant resources to three critical sectors: financial services, construction and building materials, and telecommunications and electronics (see section 6 below: CDC Plans for Fiscal Year 1998).

2. Major Development Activities

Volunteer Placement: The following are selected examples of the types of CDC primary projects completed during the fourth quarter (please refer to Appendix B for CDC's Advisor Placement Schedule for a complete list of completed and scheduled projects for the current two year grant, including the fourth quarter of FY 1997):

- an asset-liability management project with Banca Transilvania in Cluj
- a marketing project with Master, an instrumentation firm in Constanta

- a general management consulting project with a construction company in Targu-Mures
- a human resources project with Rentrop and Straton, a Bucharest publishing company
- a general management project with GeCad, a producer and distributor of software in Bucharest
- a general management project with Moldova, a hotel and tourism operation in Iasi
- a strategic planning project with Stockinvest, a stockbroker in Cluj

Leveraging Resources: Leveraging the presence of CDC's in-country advisors beyond their primary assistance projects continues to be a priority for CDC. Our primary vehicle for doing this is for each advisor to take on a *secondary project*, which allows CDC to provide assistance to companies which might not otherwise qualify for CDC assistance due to their size, ownership, location, etc. These secondary projects, of course, further the overall impact of CDC's in-country advisors and are also a fine source of future primary projects.

For FY 1997, CDC advisors performed 63 secondary projects in Romania, exceeding its internal goal of 60 secondary projects for the fiscal year.

Project Development: Citizens Democracy Corps continues to experience extraordinary demand for its consultancy assistance due to follow-up projects with existing clients and referrals from satisfied clients, other assistance providers and business support organizations. With the one year extension from USAID (see section 6: CDC Plans for Fiscal Year 1998), CDC has acted on this demand and has the following schedule and pipeline of projects for FY 1998:

Scheduled projects for FY 1998	22
Projects being scheduled for FY 1998	28
Projects under development for FY 1998	20
Total number of projects	70

Already having 22 projects scheduled for next year, with another 28 being scheduled, CDC is well on its way to meeting and exceeding its contractual deliverable of 63 primary assistance projects for FY 1998. In fact, CDC's pipeline of companies requesting assistance is so large that companies are now being wait-listed due to limited funds.

The following is a sample of the types of companies that will be assisted by CDC volunteer technical advisors in FY 1998 (see Appendix B: Advisor Placement Schedule for a complete listing) :

- The Timisoara Chamber of Commerce and Industry

- Elec c Grup, a construction company in Iasi
- Sementest, a bull semen production firm in Baia Mare
- BDM, a food distribution company in Baia Mare
- Romano-Electro, an electronic alarm manufacturer in Bucharest
- The Iasi Chamber of Commerce and Industry
- Design Construct, a construction company in Brasov
- DAX, a stockbroker in Cluj
- CODECS, a private business school in Bucharest
- DNT, a software producer and distributor in Cluj
- Aristocrat, an advertising company in Nasaud
- Sansa, a stockbroker in Timisoara

Many of the above reflect CDC's focusing a significant amount of its resources in financial services, construction and building materials, and telecommunications and electronics.

3. Collaboration with Other Organizations

Citizens Democracy Corps recognizes that collaboration with other organizations plays a critical role in increasing the long-term impact of its own assistance. To this end, CDC continues to notify other assistance organizations and BSOs of the arrival of its advisors through individual notices and its Advisors Placement Schedule (see Appendix B). This notification of the arrival and skills of in-coming advisors has resulted in CDC advisors being used by other organizations for seminars, short-term consultations, etc.

Also, CDC's commitment to collaboration has led to close working relationships with several organizations whose programs are particularly effective in leveraging CDC's assistance, and these are indicated below. It should be noted that several collaborative relationships have changed or been eliminated due to USAID's change in strategy, which resulted in changes in program funding.

Intrados: Recognizing the critical role that stock brokers and dealers play in bringing small and medium-sized enterprises to capital markets, as well as the huge investment that USAID has made in establishing the RASDAQ, CDC and Intrados have entered into a cooperation in which Intrados has identified appropriate brokers and dealers to apply for CDC assistance. This cooperation will result in better managed stock brokers, which will, in turn, help SMEs obtain the necessary funds to finance growth.

Over sixteen such brokers and dealers have already been identified and CDC is currently working to meet the needs of these firms. Two of these projects were completed in FY 1997, Trustinvest and Stockinvest, and the remainder will receive CDC assistance in FY 1998.

assistance to a milk processing company in Bistrita, SCIL, with CDC providing assistance with Total Quality Management and marketing and LOL providing more specialized assistance in the area of quality control.

Center for Business Excellence: Since USAID will cease funding this project after 1997, the collaboration between CDC and CBE will be somewhat reduced from the original six point plan of working together. The exact extent of collaboration is currently being determined as CBE is adjusting to the USAID decision.

Romanian-American Enterprise Fund: In FY 1997, CDC and RoAEF had a joint project in which CDC provided an advisor for cost accounting for five RoAEF investees over a five week period. This project was unique in that the investees covered the out-of-pocket costs of bringing the advisor to Romania.

In FY 1997, CDC and RoAEF will have a similar cost-recoupment project in the area of performance incentives. Three RoAEF investees will cover the hard costs of bringing a qualified CDC advisor to receive assistance in this area. This is another example of CDC's constant effort to decrease the overall cost of technical assistance to SMEs.

4. Impact of CDC Assistance

Citizens Democracy Corps is a results-oriented provider of voluntary technical assistance to SMEs and BSOs, and it measures the impact of its assistance according to the indicators established in relation to USAID's Strategic Objective 1.3 and its related intermediate results. While sales is the primary indicator for CDC to track, according to the current USAID strategic plan, CDC also tracks profitability, employment, and the purchases of U.S. products. CDC has two mechanisms to determine and document the impact of its assistance, (1) its Annual Indicator Tracker, and (2) its on-site follow-up visits with clients which occur six and twelve months after each project.

Annual Indicator Tracker: Every April, CDC tracks four indicators of project impact: sales, profitability, employment, and purchases of U.S. products. This year's Annual Indicator Tracker, which was included in last quarter's report, confirms that CDC assistance results in tangible and significant impact consistent with the development goals of USAID and CDC. The three most significant results from the survey were the following:

- *CDC clients experienced a 65 percent increase in sales in 1996*
- *Assistance from CDC resulted in 1,289 new jobs and 8,546 jobs retained*
- *CDC clients purchased on average over 18,000 USD in U.S. products and services in 1996, which was over 150 percent of the cost of each project*

and quantitatively, follow-up visits to client companies are conducted within the first six and twelve months after the completion of each advisor's project. Impact statements of both six and twelve months are attached to this quarterly report, with most of them demonstrating that CDC assistance continues to deliver impact which is often immediate and dramatic.

5. Implementation Issues

One program implementation issue for the quarter was the amount of time that USAID takes to process cooperative agreement extensions. While various parties at USAID, such as the mission in Bucharest and several USAID personnel in Washington, were very helpful in advising during the waiting period, the lack of an expeditious formal confirmation of an extension can make program planning difficult.

The second program implementation issue that CDC is now facing is that CDC has already programmed virtually all of its funds for FY 1998 (see section 2 above: Major Development Activities, Project Development). This, of course, is due to the huge demand from the SME sector for CDC assistance. Since nearly all of CDC's budget is already programmed for the next year, companies are already being wait-listed in the event that additional USAID funding becomes available.

6. CDC Plans for Fiscal Year 1998

Project Development and Placement in Fiscal Year 1998: Due to the fact that CDC has already programmed most of its budget for FY 1998, Citizens Democracy Corps will perform little project development during the immediate future. Any project development activity will be focused on the development of assistance projects in CDC's designated focus sectors (e.g. financial services, construction and building materials, and telecommunications and electronics) and in the area of cost-recoupment projects, where selected companies will reimburse CDC for the hard costs of the project.

Grant Renewal: Recognizing the continuing critical need of Romanian small and medium-sized enterprises to obtain modern management skills, as well as CDC's success in delivering the transfer of these skills to over 180 Romanian SMEs, CDC has proposed, and USAID has approved, a one year extension of its current Enterprise and Economic Development Program with the following features:

- *Sixty-three direct technical assistance projects for SMEs and BSOs*
- *Leveraging CDC advisors through secondary projects, mentoring, etc.*
- *Institutionalizing local capacity through BSO assistance, mentoring, etc.*
- *Linking CDC clients to financing sources*

- *Focusing resources*
- *Close collaboration with other NGOs*
- *Cost-effective operations through (1) volunteer in-kind contributions, (2) increased cost-sharing with recipient clients, (3) effective collaboration, and (4) effective program management*

All these elements will be contributing directly to the following USAID Strategic Objective and its Intermediate Results, and, of course, the related target indicators.

SO 1.3: *Development and growth of private enterprises*
 IR 3: *Improved ability of entrepreneurs to manage their businesses*
 IR 3.1: *Strengthened business support organizations*

7. Grant Expenses (thru Sept. 30, 1997)

The following is a summary of CDC's average burn rates and projected pipeline:

Average Burn Rate per Month	
Inception to Date	62,500
FY Year to Date	70,073
Two year Contract Amount	1,566,000
Original Amount Obligated	1,500,000
Total Funds Spent	1,500,000
Obligated Funds Remaining	0
End of Contract Balance	0

Appendix A

Final Numbers Report for 1996/97 Two Year Grant

I.	Number of projects commencing during the current two year grant:		
	A. Full-time, primary assistance SME projects	136	
	B. Volunteer advisors		102
II.	Number of collaborative activities:		
	A. CDC referrals to:		
	PIET	40	
	Centers for Business Excellence	27	
	Romanian-American Enterprise Fund		5
	VOCA	6	
	Land O'Lakes	2	
	B. CDC referrals from:		
	Centers for Business Excellence	46	
	U.S. Peace Corps	24	
	Intrados	16	
	Romanian-American Enterprise Fund		16
	Group for Business Engineering	6	
III.	Number of multiplier activities by CDC staff or advisors		
	A. Arranged by or participated in seminars	14	
	B. Provided companies with short-term assistance (or, secondary projects)	63	

Appendix B

Citizens Democracy Corps - Romania

as of 09/30/01

Advisor Placement Schedule

No	Advisor		Host Company			Arrival	Departure	Comments
	Name	Expertise	name	City	Description			
1	Weiss, Norman	Mgmt	Alex	Iasi	Construction	10-Oct-95	08-Nov-95	
2	Stone, Allan	Mgmt	SCIP	Sibiu	Cardboard Boxes	15-Oct-95	17-Nov-95	
3	Lavine, Ken	Mgmt	Top 9 Plus	Bucharest	Electronics	19-Oct-95	17-Nov-95	
4	Kravachek, Milo	Mgmt, Mktg	Alkas	Bucharest	Shoe Producer	20-Oct-95	22-Nov-95	
5	Shaver, K.	Advertising	Interpro	Bucharest	Advertising	25-Oct-95	20-Nov-95	
6	Chesner, Donald	Mgmt	Iasicon	Iasi	Construction	02-Nov-95	01-Dec-95	
7	Chesner, Elizabeth	Acctg	Iasicon	Iasi	Construction	02-Nov-95	01-Dec-95	
8	Hoch, Robert	Mgmt	Noblesse	Sibiu	Newspaper & Advertising	05-Nov-95	07-Dec-95	
9	Austin, Bill	Mgmt, Mktg	Arta Mobilei	Sibiu	Furniture Producer	17-Nov-95	15-Dec-95	
10	Perdue, Clinton	Construction	Protectim	Cluj	Commercial Roofing	15-Jan-96	05-Mar-96	
11	Kotaski, Joe	Operations	Elmi-Prodfarm	Bucharest	Cosmetics/Pharmaceuticals	29-Jan-96	01-Mar-96	
12	Musser, Laura	TV Programming	SICA	Alba-Iulia	Television Station	31-Jan-96	28-Feb-96	
13	Musser, Ed	Cable Television	SICA	Alba-Iulia	Television Station	31-Jan-96	28-Feb-96	
14	Gniewosz, Chris	Marketing	Icos	Sibiu	Cutlery Mfr.	26-Feb-96	30-Mar-96	
15	Musser, Ed	Cable Television	STORM	Cluj	Cable Television	29-Feb-96	01-Apr-96	
16	Lapp, Saul	Computer System	Banca Transilvania	Cluj	Bank	04-Mar-96	28-Mar-96	
17	Carlson, Ron	Management	Tanja	Sibiu	Telecommunications	04-Mar-96	05-Apr-96	
18	King, F. David	Marketing	Vital Med	Bucharest	Pharmaceutical Distributor	07-Mar-96	26-Mar-96	
19	Matson, Jim	Mgmt	Biotehnos	Bucharest	Cosmetics	11-Mar-96	30-Mar-96	
20	Orell, John	Marketing	Chimcolor	Bucharest	Paint Producer	11-Mar-96	05-Apr-96	
21	Stark, David	Finance	Delroti	Cluj	Promotional Materials	11-Mar-96	05-Apr-96	
22	Spencer, Melanie	Marketing/Banking	Banca Transilvania	Cluj	Bank	18-Mar-96	25-Apr-96	
23	Hepner, Abe	Mgmt/Marketing	Arcu	Iasi	Metal Fabrication	18-Mar-96	09-Apr-96	
24	Furlong, Charles	Quality/ISO 9000	Chamber of Comm	Timisoara	Chamber of Commerce	19-Mar-96	22-Apr-96	
25	Meyer, Ted	Marketing	Ardealul	Alba-Iulia	Soft Drink Bottling	25-Mar-96	03-May-96	
26	Tannehill, Richard	Management	Sieta	Cluj	Heating Systems Mfg.	25-Mar-96	26-Apr-96	
27	Decker, Lawrence	Hospital Admin.	Proiect, S.A.	Constanta	Designing Engineers	25-Mar-96	07-Apr-96	
28	Sicotte, Bob	Mgmt/Sales/Mktg	Mici Prestari	Cluj	Leather Goods Mfr.	01-Apr-96	30-Apr-96	

Citizens Democracy Corps - Romania

01/09/96/1977

Advisor Placement Schedule

29	Ellenberger, Bill	Technical	Tricorp	Targu Mures	Protective coatings	01-Apr-96	10-May-96
30	Shaeffer, Jim	Mgmt	Tricorp	Targu Mures	Protective coatings	01-Apr-96	10-May-96
31	Kellett, Gerald	Operations	ROCAST	Bucharest	Auto/Truck Parts	09-Apr-96	29-Apr-96
32	Jans, Don	Management	Amsa	Constanta	Electrical Contractor	18-Apr-96	31-May-96
33	Gelfond, Richard	Hospital Admin.	Clinica Paltinul	Sibiu	Outpatient Medical Clinic	22-Apr-96	24-May-96
34	Lane, Bryon	Management	Niciman	Iasi	Leisure Products	24-Apr-96	30-May-96
35	Stein, Pat	Mgmt/Sales/Mktg	Mariantex	Targu Mures	Aluminum Framing	29-Apr-96	21-Jun-96
36	Allen, Donald	Mgmt	Tractor Proiect	Brasov	Tractors Designing	30-Apr-96	14-Jun-96
37	Kellett, Gerald	Operations	Parcs	Iasi	Street Cleaner Mfr	30-Apr-96	14-May-96
38	Bryon, Dick	Sales/Marketing	altFEL DESIGN	Bucharest	Ready-Wear Mfr.	13-May-96	23-May-96
39	Madden, Hellen	Mgmt	Ros-Grafoprint	Timisoara	Printing	13-May-96	07-Jun-96
40	Luzar, Robert	Mgmt	Ros-Grafoprint/CCI	Timisoara	Printing / COC	13-May-96	06-Oct-96
41	Orell, Jack	Financial Mgmt	Cores	Timisoara	Electronics, allarms	14-May-96	06-Jun-96
42	Bryon, Dick	Sales/Marketing	Alai	Brasov	Ready-Wear Mfr.	24-May-96	21-Jun-96
43	Beasley, William	Mgmt, Mktg	Aesculap	Targu Mures	Pharmaceutical prod's	28-May-96	19-Jul-96
44	Marshall, Sharon	Pharmaceuticals	Aesculap	Targu Mures	Pharmaceutical prod's	28-May-96	19-Jul-96
45	Stone, Alan	Management	SCIP II	Sibiu	Cardboard Box Manufacturer	02-Jun-96	14-Jun-96
46	Musser, Ed	Mgmt / Mktg	Canal 7	Baia Mare	TV Station	03-Jun-96	12-Jul-96
47	Shaver, K.	Advertising	Interpro	Bucharest	Advertising	03-Jun-96	27-Jun-96
48	Jensen, Dell	Finance	Ardealul Transport	Cluj	Trucking co.	04-Jun-96	12-Jul-96
49	Simmons, Joe	Mgmt, Mktg	Vogue Art II	Cluj	Construction	10-Jun-96	08-Jul-96
50	Kruse, Keith	Mgmt / Mktg	Manrad	Baia Mare	Furniture mfr.	17-Jun-96	12-Jul-96
51	Barnes, James	Mgmt	Ambient Proiect	Cluj	Architectural Design	18-Jun-96	26-Jul-96
52	Irelan, John	COC Mgmt.	Cluj Chamber of Co.	Cluj	Chamber of Commerce	18-Jun-96	26-Jul-96
53	Reece, Jim	Mktg	IPEC	Alba Iulia	Chinaware mfr.	25-Jun-96	09-Aug-96
54	Mosley, R.D.	Trucking	Agrotransport	Dej	Trucking co.	28-Jun-96	02-Aug-96
55	Shaver, K.	Advertising	Delroti	Cluj	Printing	01-Jul-96	22-Jul-96
56	Banerjee, Gary	Mgmt	Treximco	Bucharest	Insignia manufacturer	08-Jul-96	31-Jul-96
57	Warnes, Joe	Mgmt	Conest	Iasi	Construction	29-Jul-96	23-Aug-96
58	Vick, Tom	Mgmt	Aeroport Cluj	Cluj	Airport	31-Jul-96	31-Aug-96
59	Banerjee, Gary	Mgmt	Ar-Tex	Timisoara	Upholstery mfr.	01-Aug-96	21-Aug-96
60	Luzar, Robert	Mgmt / Mktg	Spumotim	Timisoara	Polyurethanic Foam Prod's	12-Aug-96	18-Dec-96

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Citizens Democracy Corps - Romania

as of 09/30/1

Advisor Placement Schedule

51	Luzar, Robert	Mgmt/Mktg	Ros Grafoprint	Timisoara	Printing	12-Aug-96	18-Dec-96
52	Luzar, Robert	Mgmt / Mktg	Apsa	Baia Mare	Auto Parts mfr.	26-Aug-96	06-Oct-96
53	Koch, Peter	Mgmt / Mktg	Kasta	Bucharest	Pumps mfr.	27-Aug-96	02-Oct-96
54	Nevins, Ronald	Mgmt	Sziferon	Cluj	Furniture Hardware	03-Sep-96	25-Oct-96
55	Tower, G.E.	Mgmt / Mktg	Niraj Service	Targu Mures	Wood Processing	03-Sep-96	05-Oct-96
56	Schwartz, Art	Mgmt / Mktg	Hermes Contact	Baia Mare	Business Center	10-Sep-96	18-Oct-96
57	Goldaper, G.	Mgmt / Mktg	Catalina	Baia Mare	Clothing mfr.	10-Sep-96	18-Oct-96
58	Mellor, John	Mgmt	Romano Electro II	Bucharest	Electronics	10-Sep-96	09-Oct-96
59	Follet, Don	Mgmt	P & I	Bucharest	Service for Food Proc. Eqpt	24-Sep-96	25-Oct-96
60	von Stein, Edward	Mgmt / Mktg	Tehnomark	Cluj	Environmental Equipment	24-Sep-96	01-Nov-96
61	Modak, Ravi	Mgmt / Mktg	Natex II	Cluj	Flavors & Fragrances Mfr.	24-Sep-96	18-Oct-96
62	Lebrun, Sidney	Mgmt / Mktg	Habitas	Sibiu	Wood Products	25-Sep-96	24-Oct-96
63	Buckley, Norman	Mgmt	CIMP	Baia Mare	Heating & Water Systems	01-Oct-96	15-Nov-96
64	Buckley, Mildred	Finance	Romet	Baia Mare	Quarry	01-Oct-96	15-Nov-96
65	Kravachek, Milo	Mgmt, Mktg	Alkas II	Bucharest	Shoes Manufacturer	01-Oct-96	21-Oct-96
66	Tower, G.E.	Mgmt / Mktg	Eboh Com	Targu Mures	Wood Processing	05-Oct-96	25-Oct-96
67	McCord, Reed	Mgmt / Mktg	Rentrop & Straton	Bucharest	Business Magazine Editor	07-Oct-96	09-Nov-96
68	King, David	Mktg, Mgmt	M.W.M.	Baia Mare	Drugs Producer	15-Oct-96	22-Nov-96
69	Robins, Ray	Mgmt / Mktg	Climalux	Bucharest	HVAC	22-Oct-96	29-Nov-96
70	Weber, Howard	Mgmt / Mktg	Transcom	Cluj	Transportation services	22-Oct-96	06-Dec-96
71	Reese, James	Mktg / Mgmt	Andra & Cristina	Iasi	Apparel producer	22-Oct-96	22-Nov-96
72	Reese, Marilyn	Mktg / Mgmt	Mondo-Phoenix	Iasi	Travel Agency	22-Oct-96	22-Nov-96
73	Gelfond, Richard	Hospital Admin.	Clinica Paltinul II	Sibiu	Outpatient Medical Clinic	27-Oct-96	16-Nov-96
74	Whipple, Kenneth	Mgmt	Hipocrate 2000	Cluj	Medical Clinic	28-Oct-96	27-Nov-96
75	Cowles, Peter	Mgmt	Conis	Cluj	Wholesale / foods	26-Nov-96	10-Jan-97
76	Eliason, Peter	Mgmt / Mktg	Edipres Tipo	Cluj	Newspaper Publisher	14-Dec-96	24-Jan-97
77	Weber, Howard	Mgmt	Eden	Alba Iulia	Grocery Store & Restaurant	13-Jan-97	28-Feb-97
78	Weber, Howard	Mgmt	BEL AMI	Alba Iulia	Grocery Store Chain	13-Jan-97	28-Feb-97
79	Musser, Ed	Mgmt	CD Radio	Cluj	Radio Station	13-Jan-97	12-Feb-97

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Citizens Democracy Corps - Romania

1/16/97

Advisor Placement Schedule

0	Wilkinson, Robert	Mgmt	Mariantex II	Targu Mures	Aluminum Framing	13-Jan-97	21-Feb-97
1	Reiva, Daniel	Programming	Canal 7 II	Baia Mare	TV station	21-Jan-97	21-Feb-97
2	Seiden, Bernice	Mgmt	Asebuss	Bucharest	Business School	03-Feb-97	07-Mar-97
3	Dominus, Bart	Mgmt	Transdata	Ploiesti	Telecommunications	10-Feb-97	14-Mar-97
4	Brown, Rulon	Sales / Mktg	Semtest	Baia Mare	Bull Farm	24-Feb-97	28-Mar-97
5	Okereh, Chris	Human Resources	Rentrop & Straton II	Bucharest	Publisher	24-Feb-97	28-Mar-97
96	Allen, Donald	Fin. Mgmt	Titan Mar	Bucharest	Stone processing	24-Feb-97	28-Feb-97
97	Schoenfeld, Jon	Mgmt / Mktg	Tess-Conex	Iasi	Paint Producer	24-Feb-97	28-Mar-97
98	Allen, Donald	Fin. Mgmt	Tex-Miaco	Bucharest	Animal Feed	03-Mar-97	07-Mar-97
99	Gillie, Joseph	Mgmt, Distribution	ENMEC	Satu Mare	Public Utility	03-Mar-97	04-Apr-97
100	Allen, Donald	Fin. Mgmt	Doriela	Bucharest	Agricultural services	10-Mar-97	16-Mar-97
101	Allen, Donald	Fin. Mgmt	Multiprint	Iasi	Printing	15-Mar-97	23-Mar-97
102	Cooper, Arthur	Marketing/Sales	Gerocossen II	Bucharest	Cosmetics	17-Mar-97	18-Apr-97
103	Wood, Austin	Mgmt	Intersoc III	Iasi	Shoes Producer	17-Mar-97	27-Mar-97
104	Allen, Donald	Fin. Mgmt	Transdata II	Ploiesti	Telecommunications	24-Mar-97	28-Mar-97
105	Wood, Austin	Mgmt	Banatim	Timisoara	Shoes Producer	28-Mar-97	11-Apr-97
106	Durret, John	Mgmt	Utiltrans	Constanta	Construction	14-Apr-97	16-May-97
107	Ruiz, Charles	Mgmt	Unirea	Iasi	Vegetable oil producer	14-Apr-97	16-May-97
108	Padgett, Winston	Mgmt	Metamar	Baia Mare	Foundry	04-May-97	06-Jun-97
109	Musser, Ed	Mgmt / Mktg	AGi Serve	Bistrita	Press Group	05-May-97	17-May-97
110	Bryon, Dick	Sales/Marketing	Alai II	Brasov	Ready-Wear Mfr.	05-May-97	03-Jul-97
111	Robins, Ray	Mgmt / Mktg	Climlux II	Bucharest	HVAC	08-May-97	06-Jun-97
112	Puetzer, John	Mktg	Commercial Press	Constanta	Television	12-May-97	13-Jun-97
113	Weiss, Norman	Mgmt	De Vealle	Bucharest	Construction	19-May-97	18-Jun-97
114	Kornblath, Leo	Architecture	De Vealle	Bucharest	Construction	19-May-97	18-Jun-97
115	Bryon, Dick	Sales/Marketing	Tanja II	Sibiu	Telecommunications	21-May-97	10-Jun-97
116	Kaplan, Albert	Mgmt, Mktg	Trustinvest	Timisoara	Stock Broker / Dealer	26-May-97	27-Jun-97
117	Pickler, Eugene	Mgmt	Avistar	Baia Mare	Poultry	02-Jun-97	03-Jul-97

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Citizens Democracy Corps - Romania

Advisor Placement Schedule

118	Madden, Hellen	Mgmt / HR	Multiprint II	Iasi	Printing	02-Jun-97	03-Jul-97
119	McConville, Ellen	Mgmt / Mktg	Radio Vest	Timisoara	Radio Station	02-Jun-97	02-Jul-97
120	Tassios, Ari	TQM	SCIL	Bisrita	Milk Processing	16-Jun-97	11-Jul-97
121	Lebrun, Sidney	Mgmt / Mktg	Habitas II	Sibiu	Wood Products	16-Jun-97	01-Jul-97
122	Seiden, Bernice	Mgmt	Asebuss II	Bucharest	Business School	23-Jun-97	21-Jul-97
123	Butteris, Richard	Mgmt	Master	Constanta	Control quipment Mfr.	23-Jun-97	18-Jul-97
124	Nordgren, Lee	Mgmt	Meda	Oradea	Distribution	25-Jun-97	29-Aug-97
125	Madden, Hellen	Mgmt	Ros-Grafoprint	Timisoara	Printing	04-Jul-97	11-Jul-97
126	Spalding, Michael	Sales & Distrib.	GeCAD	Bucharest	Software Developer	22-Jul-97	27-Aug-97
127	Young, Daniel	Mgmt	Coroana	Bisrita	Travel Agency	18-Aug-97	22-Sep-97
128	Whipple, Kenneth	Mgmt	Hipocrate 2000 II	Cluj	Medical Clinic	18-Aug-97	07-Sep-97
129	Barendrecht, Arie	Mgmt	Moldova	Iasi	Tourism	18-Aug-97	19-Sep-97
130	Rice, James	Int'l Mktg	Stock Invest	Cluj	Brokerage Firm	19-Aug-97	18-Sep-97
131	Baer, Stan	Fin. Mgmt	Albadaria	Alba Iulia	Meat Processing	25-Aug-97	01-Oct-97
132	Hart, George	Mgmt	AMBM	Bucharest	Construction	25-Aug-97	03-Oct-97
133	Boney, Wes	Mgmt	Banca Transilvania	Cluj	Bank	29-Aug-97	21-Sep-97
134	Mungiu, Raymond	Mgmt	Asicom	Targu Mures	Construction	01-Sep-97	03-Oct-97
135	Sheehan, Harold	Fin. Mgmt	Europrint	Cluj	Printing	08-Sep-97	10-Oct-97
136	Cotrell, Norman	Mktg	ITC	Cluj	Computers	22-Sep-97	03-Oct-97
137	Gelfond, Richard	Hospital Admin.	Arsmedia	Eaia Mare	Clinic	01-Oct-97	01-Nov-97
138	Brown, Rulon	Mgmt / Tech.	CCI / BM	Baia Mare	COC	01-Oct-97	21-Nov-97
139	Barnes, James	Mgmt / Tech.	Design Construct	Brasov	Construction Design	06-Oct-97	07-Nov-97
140	Matson, Jim	Mgmt / Mktg	Meridian	Brasov	Distribution	06-Oct-97	31-Oct-97
141	Dominus, Bart	Mktg	DNT	Cluj	Software	07-Oct-97	01-Nov-97
142	Furlong, Charles	TQM	CCIA / TM	Timisoara	Chamber of Commerce	12-Oct-97	25-Oct-97
143	Shepard, Marvin	Mktg	Textila Nasaud	Bisrita	Textiles	13-Oct-97	08-Nov-97
144	Collatos, Theodore	Int'l Mktg	DAX	Cluj	Brokerage Firm	13-Oct-97	13-Nov-97
145	Sicotte, Robert	Mgmt/Mktg	Business Center	Bisrita	BSO	14-Oct-97	31-Mar-98
146	Sicotte, Robert	Mgmt/Mktg	WBA	Bucharest	BSO	14-Oct-97	31-Mar-98
147	Sicotte, Robert	Mgmt/Mktg	CCI/IS	Iasi	BSO	14-Oct-97	31-Mar-98
148	Buckley, Norman	Mgmt	CIMP II	Baia Mare	Heating & Water Systems	20-Oct-97	04-Dec-97
149	Carey, Michael	Mgmt	Baia Mare Airport	Baia Mare	Airport	21-Oct-97	21-Nov-97
150	Bailey, Lon	Mgmt	CODECS	Bucharest	Business School	21-Oct-97	21-Nov-97
151	Huhn, Edward	Mktg / Mgmt	Balanpak	Cluj	Paper Packaging	21-Oct-97	20-Nov-97
152	Henderson, Bill	HR	Transdata	Ploiesti	Computers	16-Nov-97	23-Nov-97
153	Henderson, Bill	HP	Policolor	Bucharest	Paint Producer	24-Nov-97	06-Dec-97
154	Brown, Rulon	Mgmt / Tech.	Semtest II	Baia Mare	Farm	TBD	TBD

Citizens Democracy Corps - Romania

Advisor Placement Schedule

55	Kruse, Keith	Mgmt	Manrad II	Baia Mare	Furniture Mfr.	TBD	TBD
56	McCord, Reed	Mgmt / Mktg	Aristocrat	Bistrita	Advertising Agency	TBD	TBD
57	Yaun, Smith	Mgmt	VRG	Bistrita	Fiberglass Manufacturer	TBD	TBD
58	Carpenter, Terry	Mgmt	Eurosavam	Bucharest	Brokerage Firm	TBD	TBD
59	Barnes, James	Mgmt	Ambient Proiect II	Cluj	Architectural Design	TBD	TBD
60	Berquist, Ronald	Mgmt / Mktg	Amadentii	Constanta	Dental Clinic	TBD	TBD
61	Carpenter, Terry	Mgmt	Oltenia Grup	Craiova	Brokerage Firm	TBD	TBD
62	Drese, James	Mgmt / Mktg	Intermeva	Iasi	Brokerage Firm	TBD	TBD
63	Stern, David	Mgmt	Open System	Iasi	Computer Software	TBD	TBD
64	Striker, Allan	Mktg	Niciman II	Iasi	Outdoor Items Producer	TBD	TBD
165	Ruffalo, James	Mgmt	Transcom	Iasi	Transportation Services	TBD	TBD

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Assignment Follow-up

Client Company: Aesculap manufactures and distributes pharmaceuticals to the greater Mures region in Transylvania. The company's employees own 30 percent of the firm, with management's primary goal being to become completely private as soon as possible.

Request for Assistance: Aesculap requested assistance from CDC in the areas of strategic planning, marketing, and privatization. In May and June of 1996, CDC sponsored Sharon Marshall and William Beasley, who each have over 20 years of relevant experience in the pharmaceutical industry.

Results of the Project: CDC paid a one year follow-up visit to Aesculap in August of this year to assess the impact of Marshall's and Beasley's assistance and to explore the need for future assistance for the firm.

With respect to future privatization, both CDC advisors recommended various changes in manufacturing, distribution, sales, and marketing in order to better position the company for ultimate privatization. More specifically, they advised that Aesculap should assess market opportunities, identify major competitors, recognize and expand upon its own competitive advantages, and track and control sales, expenses, cash flow, and debt.

Marshall emphasized the necessity and benefits of financial planning, assisting management in establishing cash flow projections and regular financial reporting. Not only will this help the company to generally understand its short and long-term financial needs, but it will also help it evaluate its ability to finance full privatization of the company by the employees.

Beasley made a series of recommendations to increase revenues, including expanding Aesculap's product line, becoming a distributor for certain foreign companies, producing for other pharmaceutical companies, and hiring and training more sales people. He also introduced the concept of doing a cost-benefit analysis before making a major capital investment.

As a result of this assistance, the company is also poised to finalize its new production facility in accordance with GMP (Good Manufacturing Practices) standards.

Aesculap has already benefit tremendously since receiving assistance from these two CDC advisors. Specifically, company revenues increased 24 percent from 1995 and 1996 (746,289 USD to 924,924 USD) and net profits for the first six months exceeded profits for all of last year (200,000 USD in 1996 compared to 220,000 USD for the first six months of 1997).

Conclusion: CDC advisors Sharon Marshall and William Beasley used their extensive industry experience to provide hands-on recommendations to Aesculap. This assistance has already resulted in impact that is consistent with the development goals of USAID and CDC.

Assignment Follow-up

Client Company: Aeroportul Cluj is a regional airport servicing one of Romania's largest cities and the surrounding region of four counties. It receives national subsidies and obtains authorizations for changes in operations through the Ministry of Transportation. Its present capacity is the equivalent of a small scale airport in the United States. It has 75 employees.

Request for Assistance: The airport's general director, David Ciceo, requested assistance from CDC in increasing revenues, cutting costs, and evaluating the possibility of handling international traffic. Reducing the airport's dependence on its subsidies from the national government was a significant part of the request. In response, CDC sponsored Tom Vick, an international aviation law attorney and experienced airport operations manager. The airport hosted Vick in August of 1996.

Results of the Project: CDC paid a one year follow-up visit to Aeroportul Cluj in August of this year to assess the impact of Vick's assistance and to explore the need for future assistance for the airport.

Vick and Ciceo worked very closely together to (1) develop the foundation of a Master Plan, (2) improve the airport's physical facilities, (3) improve its customer services, (3) improve financial controls and planning, and (4) establish a marketing plan. Vick was also able to provide insight into U.S. and international aviation regulations and information concerning professional airport associations and affiliations.

With respect to the Master Plan, Vick established and explained guidelines to be followed by the airport in conjunction with the Ministry of Transportation's overall Airports System Plan. More specifically, Vick explained how the Plan must address aeronautical needs for lighting, air traffic control, navigational aids, runways, use of adjacent land, graphic displays of construction options, and a complete cost-benefit analysis. All of this will lead to a better designed airport, which should have increased efficiency (reducing costs) and better servicing capability (increasing revenues).

Vick's work with the Master Plan was only the beginning of the project, with more follow-up work needed to be done to actually complete the finished, professional Master Plan. As such, a follow-up project is being pursued for a second CDC advisor to assist the airport sometime this fiscal year.

Conclusion: CDC advisor Tom Vick provided practical assistance to Aeroportul Cluj that is expected in the long-term to increase revenues and decrease costs, all leading to more financial and operational independence for the airport. These objectives are consistent with the development goals of USAID and CDC.

Assignment Follow-up

Client Company: Conis operates three retail grocery outlets, a small wholesale foods distribution program, and a dry foods packaging operation.

Request for Assistance: This company requested CDC assistance in the areas of general management and expansion of its packaging operation to include peanuts and snack mixes. In November and December of 1996, CDC sponsored Peter Cowles, a commercial foods industry executive.

Results of the Project: CDC conducted a one year follow-up visit to Conis in August of this year to assess the impact of Cowles assistance and to explore the need for future assistance.

CDC advisor Peter Cowles conducted a comprehensive study of Conis' operation and recommended improvements in the areas of marketing, processing, retail expansion, and employee training and development. He also helped Conis review its current bank financing and develop a strategy to address this burden.

Specifically, Cowles suggested that Conis revise its package labeling, use slogans and in-store signage for sales and advertising, and train employees to provide superior customer service. To further increase sales, he introduced the concept of in-store specials, newspaper advertising, as well as the concepts of demographic market research. With respect to the start-up of the snack foods packaging business, Cowles helped Conis management survey multiple peanut suppliers and negotiate purchase prices for their products.

Cowles' recommendations have already resulted in significant impact on the company, with sales reaching the 715,000 USD level for the first six months of 1997. This compares very favorably to the 1.34 million USD in revenues for 1996, given that the peak revenue period for Conis is the second six months of the year. The company expects sales to increase overall by seven percent when compared to last year.

Also, to meet the increasing demand, Conis hired an additional ten people, increasing its staff to 72 employees.

This significant sales growth has generated a much healthier cash flow, allowing the company to pay off virtually all its commercial loan. This means that Conis will not have to restructure the financing, which can be very expensive.

Conclusion: CDC advisor Peter Cowles did an excellent job of identifying the critical issues at Conis and giving practical recommendations that increased the financial performance of the company. Thus, Conis experienced a significant increase in sales and employment, both of which are consistent with development goals of USAID and CDC.

Citizens Democracy Corps - Romania
Assignment Follow-up

Client Organization: Cores is a medium-sized, private Romanian company in Timisoara dealing in computers, copiers, alarms, and electronic billboards. It began in 1990 as a very small company and is now servicing the entire country.

Request for Assistance: Cores requested assistance from CDC in the areas of general management, financial management, and basic marketing. In May and June of 1996, CDC sponsored Jack Orrell, a business consultant with over 20 years of experience in Asia, Europe and Latin America.

Results of the Project: CDC paid a one year follow-up visit to the company in July of 1997 to assess the impact of Orrell's assistance and to discuss Cores' need for future assistance.

CDC advisor Jack Orrell worked with the management of Cores to first develop a mission statement for the company so that each department of the company (of which there are five) is working productively and cooperatively towards the same goals and purpose. A key part of this very important management tool for Cores is the new commitment to quality.

With respect to marketing and sales, Orrell made numerous recommendations that have already resulted in an increase in revenues. Specifically, Cores now has a systematic approach to attracting clients, from gathering market information to client solicitation. This has resulted in two large contracts being obtained recently, including RENEL (the national electricity company) and COMTIM (a very large producer of food and consumer products in Timisoara). The electronic billboards division is now a nation-wide operation, with large clients such as banks and airports in the major cities throughout Romania. Cores feels that it is well on its way to reaching its goal of 50 percent of the market by the end of the year.

Orrell also helped management develop a company-wide system for the management and collection of financial information. Included in this activity was the installation and implementation of financial management software that Orrell brought and donated to the company. The new system is now in place and management estimates that it has led to a sixteen percent reduction in the operating costs of the company.

Cores has experienced significant financial improvement since Orrell's project, including an increase in revenues from 973,860 USD in 1995 to 1.12 million USD in 1996. Furthermore, revenues had already reached about 900,000 in the first six months alone in 1997. Profitability similarly improved, from 64,119 USD in 1995 to 87,426 USD in 1996. Employment remained steady at 75 workers.

broad-based talents to provide assistance that led to a significant increase in revenues and profitability. This is consistent with the development goals of CDC and USAID.

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Assignment Follow-up

Client Company: Hippocrate 2000 is a private health-care clinic in Targu-Mures that began in 1992 under the direction of Dr. Mircea Chiorean. The clinic strives to provide high quality medical care at competitive prices, which is difficult for a private clinic in this under-developed country in which the state dominates the health care industry.

Request for Assistance: Hippocrate requested assistance from CDC in general management, health care delivery and financial controls. In October and November of 1996 CDC sponsored Ken Whipple, a 20 year health care executive with group practices and major health care providers.

Results of the Project: CDC paid a one year follow-up visit to Hippocrate in August of this year to assess the impact of Whipple's assistance and to explore the need for future assistance for the firm.

With respect to financial controls, Whipple made a series of recommendations to improve their financial tracking of revenues, expenses and other data. As part of this improvement, he worked with Hippocrate management to install a new computer system to handle the new tracking system.

In the area of general management, Whipple assisted Hippocrate in better developing its organizational structure, including writing job descriptions and providing employee training. He also reviewed the company's marketing, especially the advertising area, and helped management put together a strategic plan. All of this should result in increases in revenues and decreases in costs, improving the profitability of the firm.

Hippocrate has already seen significant improvement in these financial indicators. Sales went from 70,628 USD in 1996 to 39,283 USD for the first six months of 1997 – an annualized increase of eleven percent. Profitability rose similarly, from 13,444 USD in 1996 to 8,158 for the first six months of 1997 – an annualized increase of 21 percent. Also, the clinic increased its staff by 5 employees.

As is often the case with CDC advisors, Whipple continued his assistance to Hippocrate after he returned to the U.S. This work was principally in the area of finding high quality used equipment for the clinic, such ultrasound and EEG machines. This will be extremely helpful in making the clinic a modern and responsive facility.

Conclusion: CDC advisor Ken Whipple made practical recommendations to Hippocrate that have led to an increase in sales, profitability and employment, impact that is consistent with the development goals of USAID and CDC.

Assignment Follow-up

Client Company: Natex is a private company in Cluj which manufactures fragrances and flavorings for a variety of customers throughout Eastern and Central Europe. The company has an unmatched reputation in Romania for its excellent quality products at competitive prices.

Request for Assistance: Having received tremendous success from the assistance of a previous CDC advisor in 1994, Natex requested a follow-up project for the development and production of new fragrances and flavorings. In response, CDC sponsored Ravi Modak, who has over 20 years of experience in the industry and owns his own consulting firm in this area. Modak assisted Natex in September and October of 1996. CDC advisor Bob Wiesner provided assistance to Natex in strategic planning and marketing in 1994.

Results of the Project: CDC paid a one year follow-up visit to Natex in August of this year to assess the impact of Modak's assistance.

After observing the company's operations and clarifying with management exactly what were the needs of the firm, Modak made various recommendations regarding each aspect of the firm's new product line. While his focus was on the composition and manufacture of the products, he also provided useful information concerning suppliers, U.S. food industry regulations, quality control standards, and how to track market trends to determine demand.

Working with Natex staff, Modak developed flavor profiles and trained them on how to produce the products. This included adapting his recommended flavors to the unique demands of the Romanian market. Modak also provided very helpful recommendations on production layout for the production of seasonings, which was especially useful given that Natex had just moved into a brand new manufacturing facility.

Natex has experienced significant impact since receiving CDC assistance, including a thirteen percent increase in revenues, from 1.8 million USD in 1996 to annualized sales for 1997 of 2.1 million USD. The firm also increased its staff by adding five employees to the payroll.

Natex is an excellent example of a Romanian SME benefiting from a menu of USAID-sponsored assistance, having had two CDC advisors, one of which the senior managers met during a PIET-sponsored training trip to the United States in 1995.

Conclusion: CDC advisor Ravi Modak provided practical assistance to Natex that led to impact which is consistent with the development goals of USAID and CDC, namely increases in sales and employment.

Assignment Follow-up

Client Company: Niraj Service began in 1991 as an automobile service and replacement parts company. In 1993 the company obtained a license to enter the timber industry, and shortly thereafter the general director, Paul Magyari, decided to focus entirely on that industry. Niraj has since developed into a timber cutting and wood processing and wood product company.

Request for Assistance: Niraj requested assistance from CDC with expanding its product line, modernizing its equipment, improving plant efficiency, and increasing market share. In response, CDC sponsored Gene Tower, a wood processing and products consultant. Niraj hosted Tower in September and October of 1996.

Results of the Project: CDC paid a one year follow-up visit to Niraj in August of this year to assess the impact of Tower's assistance.

In summary, CDC advisor Gene Tower conducted a thorough analysis of both the physical plant and current business practices at Niraj. He responded to the client's request for production assistance by providing detailed written technical guidelines and information.

First and foremost, Tower reviewed the expansion plans of the company and agreed that the potential return on investment merited updating and enlarging plant capacity. He then outlined specific recommendations, such as purchasing a forklift, log loader, boiler, dryer, repairing factory roads, and pouring concrete floors for handling material. He also provided examples of efficient workflow processes, stressed the importance of employee training, and urged the company to institute a cost control system to ensure appropriate pricing.

Prior to Tower's project, Niraj was unsure of how to proceed with expansion. Following his assignment, however, the company was able to use his recommendations to determine proper site development, equipment purchases, and production flow. *To meet expected significant increases in revenues from its expanded production capacity, Niraj has already hired an additional 39 workers. Furthermore, Niraj anticipates that revenues will increase by 50 to 75 percent and profitability will grow by 25 to 50 percent.*

Conclusion: CDC advisor Gene Tower provided practical assistance to Niraj that led to increases in employment and is expected to lead to increases in revenues and profitability. This impact is consistent with the development goals of USAID and CDC.

Assignment Follow-up

Client Company: Ros-Grafoprint is a medium-sized private printing company in the western part of Romania. The firm was established in 1990 and is owned by three Romanians.

Request for Assistance: This company requested organizational and sales and marketing assistance from CDC. In May and June of 1996 CDC sponsored Helen Madden, who is a successful business consultant and a former executive in the printing industry.

Results of the Project: CDC (Clement Dan) paid a one year follow-up visit to Ros-Grafoprint in July of this year to assess the impact of Madden's assistance and to explore the need for future assistance for the firm.

Madden spend a considerable amount of time stressing the need for better controls, both with the finances and with job order tracking. With respect to the former, the company now has regular financial reporting and cash flow projections, which should help the firm better understand its short and long-term financial requirements, which in turn should reduce its dependence on external financing. It should also make its operations more efficient, further reducing operating costs.

With respect to organizational development, Madden introduced the concept of participatory management and conducted numerous training sessions in this area. This, in conjunction with the Business and Development Plan that Madden developed with management, will lead to a much more flexible and market-responsive company, improving revenues and profits.

Madden also reviewed the relationship of Ros-Grafoprint with its supplier and distributors, making several recommendations which should cut costs and increase revenues.

Ros-Grafoprint has experienced immediate financial success since Madden's CDC assignment, with revenues increasing from 635,000 USD in 1995 to 1.2 million USD in 1996. Based on results through the first six months of 1997, the firm is expected to maintain this level of sales in 1997. Net profits rose from about 195,000 in 1995 to 241,000 in 1996. This success also resulted in Ros-Grafoprint hiring another 10 people, raising its employment to 37.

Conclusion: CDC advisor Helen Madden used her experience in the printing industry and with organizational development to provide practical recommendations. This led to dramatic and immediate impact for this company, impact that is consistent with the objectives of both USAID and CDC.

Citizens Democracy Corps - Romania
Assignment Follow-up

Client Organization: Spumotim is a medium-sized company in Timisoara that manufactures hard and soft polyurethanic foam products produced for automobiles, furniture, camping equipment and shoes. Formerly a state-owned company, Spumotim began privatization in 1993. The company is now 100 percent private with the employees owning 60 percent of the company

Request for Assistance: Spumotim requested assistance from CDC in the areas of general management and marketing. In response, CDC sponsored Robert Luzar, a business consultant and former executive in the automotive industry. Spumotim hosted Luzar in August and September of 1996.

Results of the Project: CDC paid a one year follow-up visit to the company in July of 1997 to assess the impact of Luzar's assistance and to discuss Spumotim's need for future assistance.

Most of Luzar's work centered around organizational development and marketing and sales. With respect to the former, he introduced the concept of collaborative management in order to fully utilize expertise within the company, as well as better motivate employee performance. This involved the formation of working teams to more fully involve all employees in decision-making, as well as an employee suggestion program for the same effect. Most of this effort is to make the company more efficient, resulting in reduced costs and improved profitability.

In regard to marketing, Luzar reviewed Spumotim's pricing strategies and made various recommendations on improving its pricing structure to be both more competitive and profitable. Also, Luzar was instrumental in Spumotim more effectively servicing its existing client base, as the company had allowed its attention to drift to attracting new customers at the expense of servicing existing ones. He also made recommendations in the areas of public relations and presentation materials.

Spumotim has experienced significant financial success since Luzar's assistance project, including an increase in revenue from 6.4 million USD in 1995 to 8.9 million USD in 1996. While profitability from 1995 to 1996 remained essentially flat, management indicates that through the first six months of 1997 profitability is up about 37 percent compared to the same period in 1996. For same period, Spumotim was able to maintain its sales level. This performance has allowed Spumotim to profitably maintain its level of 600 employees, which is unusual for a former state company newly faced with competing in a free-market economy.

Conclusion: CDC advisor Robert Luzar used his extensive experience in the automotive industry to provide assistance to Spumotim that led to significant increases in sales and profitability for the company. This impact is consistent with the development goals of USAID and CDC.

Citizens Democracy Corps - Romania
Assignment Follow-up

Client Organization:

Request for Assistance: Transcom requested assistance from CDC to help them improve their bakery operation. More specifically, they wanted to improve its general management, equipment layout, production, marketing, strategic planning and organizational development. In November and December of 1996, CDC sponsored Howard Weber, a professional baker and bakery owner, as well as a veteran VOCA advisor.

Results of the Project: CDC paid a six month follow-up visit to the company in August of 1997 to assess the impact of Weber's assistance and to discuss Trancom's need for future assistance.

After observing the bakery operation, researching the market, and meeting with employees, Weber developed a comprehensive strategic plan addressing the areas of quality control, marketing, financial planning, and human resources.

With respect to quality control, Weber tested the existing bread recipes and modified them at low cost, using well-documented, scientific analysis of the products and their ingredients. This improved the flavor, color and texture of the products, variables that directly impact sales. He also trained the bakers in the proper preparation of the bread and provided detailed, written instructions as to the proper handling of the ingredients. General Director Augustin Ranta indicated that this was the single most important aspect of Weber's project.

In the areas of marketing, financial planning and human resources, Weber designed a logo that bakes into the bread and will be used on the plastic bags in the bakery. He developed a three year, staged financial plan aimed at increasing sales and profits with little additional investment. Weber identified key human resource needs and established job descriptions, motivation and goal guidelines, and discipline/termination guidelines.

Weber's work has resulted in the desired impact, which is an increase in the revenues of Trancom's bakery operations. Specifically, the bakery's revenues for the first six months of 1997 were 100,000 USD, which, when compared with 1996 on annualized basis, represents a 33 percent increase.

Conclusion: CDC advisor Howard Weber, an experienced baker and bakery owner, provided practical recommendations in marketing, quality control and planning which led directly to a very significant increase in Trancom's revenues. This impact is consistent with the development goals of USAID and CDC.