

OIC POLAND FOUNDATION WORKPLAN : YEAR II (ACCEPTED)

Cooperative Agreement no. 181-0023-A-00-5218

STRATEGIC OBJECTIVE 1.3. PRIVATE SECTOR DEVELOPMENT STIMULATED AT THE FIRM LEVEL

Intermediate Result 2.1 : Indigenous organizations provide quality assistance to SME enterprises.

Target: 8 indigenous management training organizations are sustainable by 12/99.

Life of Activity Contribution to Target: Sustainability of one indigenous management training and business support organization achieved by 9/98.

Tasks					
Life of Activity Results and Indicator	ID	Description	Start	End	Output
<p>1. OICP has in place mechanisms for achieving financial and organizational sustainability as a management training and business support institution.</p> <p>Indicator: OICP has developed and implemented staff training plan, Strategy for Component 2 services for individual clients, and achieves income generation targets of 51 % of program cost in the 2nd year.</p>	1	Component 1: OICP ORGANIZATIONAL DEVELOPMENT			
	1.A	Sub-component A: OICP Staff Enhancement			
	1.A.1	Detailed OICP training plan implemented	10/96	9/97	(attached to Workplan)
	1.A.2	13-OICP staff trained according to the training plan: -SM assistance (credit line, business plan preparation, advisory services); -marketing, designing marketing strategies, -product development, -training for trainers -human resource management (HRM) -general overview of ISO 9000 systems -facilitation -communication	10/96	9/97	3 OICP staff have upgraded their skills and qualifications as trainers and are able to conduct trainings (SME, NGOs, HRD) and supervise external trainings organized by OICP; 3 OICP staff have upgraded their skills in management and planning and are able to supervise work in OICP; 2 OICP staff are able to manage HR and personnel in OICP office; 5 OICP staff are able to facilitate trainings conducted by hired trainers;
	1.A.3	- 12 OICP board members trained in fund raising and management to manage OICP more effectively.	10/96	9/97	Board members help promote OICP at at least one public event/occasion per month; They raise at least \$ 1 000 worth of cash funds for OICP
	1.B	Sub-component B: Strategy and Marketing.			
	1.B.1	2 strategic planning sessions made to set strategic goals for Year II and beginning of Year III and revise the adopted Strategy.	10/96	9/97	one semi annual strategic session made by 3/97; the other by 9/97 Revision concerns: staff development strategy, trainer hiring strategy, service quality assessment strategy, marketing strategy, client drawing strategy, all verified and revised.
	1.B.2	OICP marketing is updated and corrected regularly	10/96	9/97	4 quarterly meetings of OICP staff to analyze OICP marketing activities

1.B.3	OICP clients kept informed of OICP training offer; OICP develops the circle of its potential clients: (all Polish companies employing over 100 staff; all companies in the NIF program)	10/96	9/97	at least 10 000 companies receive OICP services offer and advertising leaflets every 6 months
1.B.4	OICP's PR and its potential strengthened in contacts with clients;	10/96	9/97	OICP publicity brochure published (designed to promote OICP as a modern training organization); one OICP general information folder published; advertising leaflets for each training.
1.B.5	OICP is more effective in mailing its offers to clients	10/96	9/97	Database of potential clients for OICP services updated and computerized; it has 6 000 records by 3/97
1.B.6	Service Quality Control Mechanism applied	10/96	9/97	semi-annually; OICP services are assessed and adapted to current market demand
1.B.7	OICP marketing activities strengthened;	10/96	9/97	contract for reductions on OICP advertisements ; OICP has smaller marketing costs by at least 5%
1.C Sub-component C: Financial sustainability				
1.C.1	- strategic plan for reaching financial sustainability prepared	10/96	3/97	It includes activities securing self-generated income, non-USAID sources, and the future organizational structure most suitable to maintain financial sustainability; accepted by OIC board by 6/97
1.C.2	- cost and income analysis methodology of Comp. 2 income generating activities performed by subcomponents.	10/96	3/97	methodology accepted by Director and Board and applied; selection of effective activities made
1.C.3	Resource Mobilization Plan in place; at least 1 application for grants in cash is submitted quarterly to potential sponsors. OICP program secures 2 non-USAID grants for its not-for-profit activities	10/96	9/97	OICP program is supported with non-USAID cash funds by at least 1% of OICP total revenues/costs.
1.C.4	OICP earns at least 8 % of OICP total revenues/costs in non-USAID in-kind donations.	10/96	9/97	OICP staff collect in-kind donations to support OICP program and report on that on the monthly basis
1.C.5	OICP earns at least 51% of its share costs on 28 core trainings in HRD and business, computer trainings, MDP)	10/96	9/97	OICP is able to cover at least 51% of its program costs.

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Life of Activity Results and Indicator	ID	Description	Start	End	Output
<p>OICP has developed capacity to offer management training including Management Development, Human Resource Development, Computer Center, Business Development Center projects to 1 100 managers and entrepreneurs in the 2 nd year. (+ 3 000 school leavers).</p> <p>OIC Poland has extended its services offer with new trainings and drawn new clients to its commercial trainings</p>	2.	<p>Component 2.: OICP MANAGEMENT TRAINING SERVICES PROGRAM This component is designed to provide for-profit training services and is the source of OICP's self-generated income. Also this component includes training services which are not-for-profit. OICP staff perform two functions: 1) they are trainers delivering training, preparing training materials; 2) they coordinate the organization of trainings with hired trainers (OICP staff hire external trainers, make bookings, advertise trainings, supervise the enrollement procedure, translate and copy materials, supervise the trainings on spot, make quality assessment of trainings))</p>			
	2A	<p>Sub-component A: Management Development Program (one-year-long postgraduate studies in marketing and human resource development) OICP coordinates the organization of the studies delivered by Lublin Technical Univ. and Illinois University (works out curricula, plans sessions, translate and copy materials, make necesdary bookings, secure proper organization of lecture sessions and classes).</p>			
	2A1	OICP develops its postgraduate studies and draws more clients. MD curriculum extended to include three more subjects. OICP secures training materials prepared for each new subject prepared by university professors.	10/96	9/97	OICP is able to offer 5 "transcripts" (subjects): two are continued: human resource management, marketing and planning; three are new: logistics, management information systems, total quality management. Curricula are worked out by university professors in cooperation with OICP.
	2A2	- MDP advertising conducted by OICP. OICP is perceived as a high level training organization.			Advertisements in public media, mailing; OICP is shown as the organizer of the studies; 75 students enroll.
	2A4	- OICP receives revenues from Lublin Technical University for organization of studies	10/96	9/97	75 fees paid; OICP secures revenues to cover its program costs; net revenues for OICP reach \$ 21 000

Indicator:

OICP has in place management training projects including MD, HRD, CC, BDC aimed at improving business skills of managers and entrepreneurs and trains 1 100 participants in the 2nd year. (+ 3 000) school leavers.

2B	Sub-Component B: Human Resource Development Project (short tailor-made trainings in HRD, Marketing, Controlling, ISO 9000 Quality Systems for firms and individuals, incl. NGO Sector ; delivered by hired trainers). OICP staff coordinate the organization of training services: contact clients, negotiate terms, hire trainers, make bookings, supervise enrollment, advertise trainings, translate and copy materials, supervise the delivery of the trainings on spot, make performance and quality assessments).			
2B1	HRD training offer prepared by 2 OICP staff; training and materials prepared by hired trainers and OICP staff. OICP staff manages the organization of the trainings; Materials are copied and translated by OICP staff. - 25 Short-term Core trainings in HRD, seminars, conferences for private, privatized, state owned companies, NGOs prepared and conducted by hired trainers and facilitated by OICP staff; - 480 people trained in short-term trainings - 8 new HRD training products developed i.e. 30% of OICP core HRD trainings - 1 management training organized overseas by OICP with hired trainers	10/96	12/96	HRD has training offers every quarter; OICP is able to offer its core trainings: in HRD, marketing, controlling, ISO 9000 systems; OICP has a system of hiring trainers to deliver trainings for 480 people. Core trainings allow OICP to earn income to cover its program costs; OICP is able to offer new training products (30% of its core trainings) and new training services HRD offer is broadened and diversified; OICP can draw new clients and monitor changes in the demand for new services;
2B2	OICP clients are kept informed of OICP current training offers (all Polish companies of over 100 employees in all segments of the market)	10/96	9/97	HRD offer mailed, advertised in the press at least quarterly

2C	<p>Sub-component C: Computer Center (trainings in basic and advanced computer skills; delivered by OICP and hired trainers at own premises) OICP staff coordinate the organization of training services: contact clients, negotiate terms, supervise enrollment, advertise trainings, conduct trainings and hire trainers, translate and copy materials, supervise the delivery of the trainings on spot, make quality assessments).</p>			
2C1	<p>- computer trainings curriculum developed by 2 OICP staff; training plan is ready for mailing; OICP develops a core group of trainers. 20 courses conducted by 1 OICP staff and 8 hired trainers at OICP facilities to improve computer skills of a target group of 240 participants: entrepreneurs and potential business people. Training materials prepared by OICP staff. Courses include: Computer ABC, Microsoft applications (Word, , Excel, Access data base, computer accounting based on Polish program "Ksiegi i magazyny"). OICP introduces new computer courses.</p>	10/96	12/96	<p>OICP is able to offer core and new computer courses delivered for 240 people by 1 OICP staff and 8 hired trainers at OICP facilities. Core courses include: computer ABC, DOS, Windows, Microsoft applications: Excel, Access; New courses include: Windows '95 + Applications: word processing, spread sheets, data bases. OICP earns income to cover its program costs.</p>
2C2	<p>- <i>Internet Access</i> project (OICP offers various Internet services to SME) - feasibility study for the project prepared. Licence for conducting services in Internet received from Ministry by 12/96</p>	10/96	3/97	<p>OICP's service offer is extended to include Internet computer services for business; OICP broadens its services offer to earn income.</p>

2D	Sub-component D: Business Development Center includes short-term trainings and business counselling sessions for start-ups and entrepreneurs. OICP staff coordinate the organization of training services: contact clients, negotiate terms, supervise enrollment, advertise trainings, conduct trainings and hire trainers, translate and copy materials, supervise the delivery of the trainings on spot, make performance and quality assessments).			
2D1	- BDC training offer prepared by 2 OICP staff - OICP develops a group of 4 hired trainers to conduct with 2 OICP trainers 15 core business training courses in business ABC, business planning, accounting, taxation, legal matters for 250 people and - 1 long-term (118 hrs) business training in computer accounting for SMEs developed by 2 OICP staff; - 4 new business training products developed i.e. 30% of core business trainings	10/96	12/96	OICP has 2 own trainers and 4 core hired trainers selected on the basis of their experience, length of cooperation with OICP and BDC director's assessment of their performance. OICP is able to offer core trainings in business ABC, business planning, accounting, taxation and legal matters for 250 business people and start-ups, and generate income to cover OICP's program costs OICP has new products; new areas of commercial activity are opened and tested as new income bringing areas. BDC's offer is extended and diversified to draw new clients.
2D2	5 not-for-profit business ABC trainings for 70 people delivered by OICP staff.	10/96	9/97	OICP carries not-for-profit activities for business;
2E	Sub-component E. Employment Preparation Services Training for Secondary Schools (64-hour-long course introducing school-leavers to business making, market, world of work) 1 OICP trains teacher trainers for the course; the courses run by teachers are financed from local funds). OICP prepared and sells course books for teachers and students and lobbies government and self-governments to finance the course at schools.			
2E1	- 600 people (educators, <i>kuratoria</i> officials, teachers) are acquainted with the course goals and lobbied to support it financially at "awareness seminars" conducted by 1 OICP staff.	10/96	9/97	OICP secures support of 600 educators who know the values of the course and may help secure funding it locally.
2E2	The training course is made known to local governments through USAID's Local Government Partnership Program;	3/97	9/97	OICP secures support for the training course among local self-governments which may fund it on a regular basis.
2E3	- 300 course teachers trained by 1 OICP staff and non-OICP trainers to conduct the course at schools	10/96	9/97	300 course teachers are ready to run the course at their schools and deliver the course for 3 000 secondary school students.
2E4	3 000 course SB and TB published and sold to students taking the course at schools	10/96 *	9/97	3 000 students complete course \$ 2 600 income on sale of books earned;

NB. Employment Preparation Services Training for Secondary Schools is an income generating program. Income is generated from the sale of course books for students and teachers . Only one member of OICP staff is engaged in the development of the program; the staff effort does not exceed 10% of entire OICP program staff effort.

The program's primary goal is to provide the Private Sector with potential entrepreneurs or employees in small firms and as such is included in Component 2 of OICP Program.

*Although September '96 does not belong to the period reported, it is included in the planned results in so far as it definitely pertains to that period.

DEFINITION OF ORGANIZATIONAL AND FINANCIAL SUSTAINABILITY

1. Ability to provide certificate and short courses to at least 1100 people incl. entrepreneurs and start-ups per year.
2. Ability to generate fees to cover at least 51% of operating expenses of OICP in Year II, at least 60 % in Year III and at least 90% in the following years;
3. Ability to secure funds from non-USAID sources to ensure assistance in the maintenance of staff level for continuation of OICP training and consulting activities beyond September 1998.
4. Ability to monitor and improve quality of training and its appropriateness for the market needs.
5. Strategic development plan in place, income generating targets (with 9% (incl. 1% in cash) of program cost covered by non-AID sources in Year II, 8% in Year III and 10% in the following years) and recommendations for refining OICP management structure.

The table below shows the costs share in the development of OIC Poland program in the years 1995 - 1999.

	Year I		Year II (planned)		Year III (planned)		Year IV(planned)	
	US \$	%	US \$	%	US \$	%	US \$	%
USAID	289 000	49.6	320 000	39.3	226 000	31.5	0	0
OICP	210 000	36.0	420 000	51.5	546 000	60.2	710 000	90
Other	84 000	14.4	75 000	9.2	75 000	8.3	75 000	10
Total	583 000	100%	815 000	100%	907 000	100%	* 785 000	100%

* The lower total costs of OIC Poland in the 4th year are due to cuts in the expenses which are investments during the period between Year I and Year III; the expenses are the following:

- Marketing development (incl. preparing clients database,)
- New products creation (incl. introduction of new products in the market)
- New products verification (incl. loss on new products)
- Staff development

In Year IV and the following years OICP is going to base its commercial activity on about 40 core trainings developed by the end of Year III. The non-commercial activity will be based mainly on trainings subsidized by grant-giving organizations.

PROBLEMS WHICH MAY HINDER OIC POLAND'S ACTIVITY

1. Polish legislative bodies are said to be working on new legislation to confine commercial activity of non-profit organizations. If introduced, OICP would have to undergo significant organizational changes in order to continue its activity and remain on the market.
2. There have already been attempts made by the Tax Office to levy 40% tax on resources granted or donated to non-profit NGOs. So far these attempts have been unsuccessful, but if the tax is legally imposed OICP's plan to perform non-profit activity based on grants may be impossible to realize.
3. According to Polish tax regulations only certain defined expenditures of NGOs are exempt from tax. The income expended on other costs incl. administration, travels, investments, staff development, etc. is liable to 40% taxation. The level of net income generated from extensive commercial activity of OICP may at some point be jeopardized by the imposition of taxes on it.
- 4 In 1997 expenditures on upgrading tax-payers' qualifications and skills are no longer tax deductible. This may result in a smaller number of individual clients and consequently, smaller income for OICP.
5. The extended commercial activity of OICP may put OICP in a difficult position as a grant seeking NGO. OICP may be perceived a commercial organization ineligible for grants or other financial support.
6. Locally, large subsidies from the British Know-How Fund allow some local NGOs sponsored by the Fund to subsidize their trainings and successfully compete with OICP in Lublin and the Lublin region. In order not to lose its position on the local market OICP may be forced to lower its profit margin on some trainings to the minimum.
7. Barriers in the development of technical infrastructure may delay or hamper the progress of Internet based services in OICP's offer.
8. Part of the equipment donated to OICP by the Ministry of Labor (TOR#10 project) including computers, printers, scanner, binders, office furniture etc. have been transferred to OICP's office with no formal documentation which would name OICP the legal owner of the equipment.