

# Fit for Partnership with Germany Journal

ISSUE 13  
ENGLISH

MANAGER TRAINING PROGRAMME OF THE GERMAN FEDERAL MINISTRY FOR ECONOMIC AFFAIRS AND ENERGY

## In Focus: 20 Years MP



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For two decades, the Manager Training Programme has been helping managers from all over the world to become fit for business with German enterprises. When it started with Russia in 1998, it was hard to imagine that the Programme would one day grow to 19 partner countries. But the MP is more than just an economic exchange. It connects cultures and shapes personal paths in life. In the “In Focus” section of this issue, alumni, entrepreneurs, partners and those responsible for the Programme take stock, describe milestones and targets and look back on the beginnings of the MP. A knowledge map (p. 40) provides an interesting perspective of the 20 years of the Programme and is intended to give you something to discover, recognise and smile about.

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The future course for the MP has been set. We want to integrate the topics of new technologies, digitalisation and e-mobility more strongly into the Programme. In doing so, an even stronger emphasis will be placed on the enterprises' and programme participants' interests.



Dear Reader,

As one alumnus recently – and quite rightly – remarked, the Manager Training Programme (MP) offers infinite opportunities for learning. The MP has been around for 20 years, and in this time it has continually adapted to new conditions. Together with our partners, we have learned new things and improved with each passing year. Similarly, the Programme has probably provided you with many opportunities for new impulses and expanded horizons.

In honour of the Programme's 20th anniversary, we met this past October in Berlin to take stock and set a course for the coming years – as you will read about in detail in this issue. In an interview, Gerd Schimansky-Geier recalled how everything began with Russia in 1998, and the parts played by then heads of state Helmut Kohl and Boris Yeltsin. The knowledge map on pages 40-41 provides an overview of the Programme's dynamic development since it began, and a closer look reveals the entire programme cycle of this "hub for exchange", which is what the MP has become.

At the end of the year, we were delighted to be able to extend our cooperation with a number of countries. After successful pilot phases, Chile, Georgia and Iran signed up to the Programme for

additional years. Please see the news section for more details. This issue also talks about the goals the various alumni associations have set for themselves, and shares new participant success stories. We take a look into the future as well and explain the benefits of artificial intelligence for small and medium-sized enterprises. Another article on methods applied in the workshop of the future explains how SMEs can get ready to deal with accelerated economic and social change.

Throughout the journal, there are quotes from alumni, partners and many other people who have been involved in the Programme. Perhaps you will recognise yourself in them? What was your favourite takeaway from the Manager Training Programme? I would enjoy hearing about it, so please feel free to drop me a line. We hope you enjoy this latest issue of the Journal.

**Reimut Düring**  
Head of the Manager Training Programme



(From the left) Roberto Ampuero Espinoza, Foreign Minister for the Republic of Chile, and Dr. Ulrich Nussbaum, State Secretary for the BMWi, signing the MoU.

## Extension Following a Successful Pilot Phase

Chile and Germany are continuing their cooperation within the framework of the Manager Training Programme (MP). Both countries signed a Memorandum of Understanding to this effect in October 2018. The agreement represents the completion of a successful pilot phase of

the Programme. Chile has been an MP partner country since 2017 and has sent 41 Chilean executives from middle and upper management levels to Germany since then. Besides the comprehensive exchange with German enterprises from diverse industries, the participation in the

Programme has already borne fruit in the form of solid business relations. The pilot phase has shown that there is great interest among firms on both the German and Chilean side. The new Memorandum of Understanding creates the prerequisites for long-term, sustainable cooperation.



## A Bundle of Skills New management skills guide

How to get fit for partnership with Germany? The Manager Training Programme's recently published management skills reader covers everything you need to know for successful corporate management. Written for Programme alumni who have completed advanced training in Germany and the German private sector, the reader is excellent preparation and is designed to hone specific skills. It provides insight into the management techniques employed in the German private sector. Every practical chapter provides concrete examples, recommended steps and suggestions for further reading.



Download a copy of the Management Skills Reader now at:  
<https://www.managerprogramm.de/en/publications/books/>



DID YOU KNOW?

# 13,000

managers from around the world have participated in the MP since 1998, and each year 1,000 more join them. During their stay in Germany, every tenth participant enters into a contract with a German firm.



(From the left) Thomas Bareiß and Genadi Arveladze signed the MoU.

## MP with Georgia Renewed until 2021

Georgia and Germany will continue their cooperation in the Manager Training Programme (MP) for another two years. Both countries agreed to this at a meeting between the Federal Ministry for Economic Affairs and Energy (BMWi) and the Georgian Ministry of Economy and Sustainable Development held on 18 October 2018 in Berlin. Genadi Arveladze, the Deputy Minister of Economy and Sustainable Development of Georgia, and Thomas Bareiß, the Parliamentary State Secretary at the BMWi, signed a respective letter of intent. The agreement allows Georgia to participate in the MP until the end of 2021. Georgia has been a partner country of the Programme since 2016, and 56 Georgian executives have participated in training in Germany thus far. Many of them have been able to establish profitable and sustainable business relationships with German enterprises.



## Partnership Affirmed

Following the successful conclusion of a two-year pilot phase, the German and Iranian partners have agreed to continue the existing cooperation between the two countries within the framework of the Manager Training Programme. The first joint letter of intent was signed on 17

October 2018 in Berlin by Claudia Dörr-Voß, State Secretary at the Federal Ministry for Economic Affairs and Energy (BMWi), and Sadeh Najafi Khezerlou, Deputy Minister of Economic Affairs and Chairman of the Iran Small Industries and Industrial Parks Organization (ISIPO).

Iran has been a Programme partner since 2016. Since then, five groups of Iranian executives have completed training in Germany, one of them in 2018 with an industry specialisation on renewable energies.



# New Training Partners Guarantee Regional Diversity

As of January 2019, five new training centres will complement the existing training facilities that carry out the Manager Training Programme (MP) in Germany on behalf of the GIZ. Two new partners came on board in Berlin: Commit Project Partners and a consortium of two economic training institutes, namely the bbw (Bildungswerk der Wirtschaft Berlin und Brandenburg) and bsw e.V. (Bildungs-

werk der Sächsischen Wirtschaft e.V.). In the metropole region of Stuttgart, both the Chamber of Commerce for the Stuttgart region (IHK Region Stuttgart) and the consortium Baden-Württemberg International – ICUnet.ag now serve MP participants. In North Rhine Westphalia, the regional network has been expanded to include IMAP GmbH in the state's capital city of Düsseldorf.

Now totalling 18, the German training centres specifically design their training to meet the needs of the MP participants. By virtue of their regional roots and experienced experts and trainers, they make a critical contribution to the ability of foreign entrepreneurs to network both as pertains to their specialisation and across all of Germany.



## A four-week whistle-stop tour of Bavaria

# Five Nations, One Goal

Intercultural competence in action: for four weeks this was the daily bread of 19 Manager Training Programme participants. While living together in Bavaria, the executives from five different nations not only got to know German entrepreneurs, but themselves as well.



Networking were at the top of the agenda for the group.

“For me, the most important thing was seeing the different points of view and approaches to the same situation and the same problem,” is how the Mongolian entrepreneur Otgonbayar Ulaankhuu sums it up. Learning about and appreciating each other’s different cultures and views was a central part of the Programme and was certainly lived out for four weeks simply through the group’s international makeup. The executives also further practiced their handling of intercultural situations during training.

Westerham, a town southeast of Munich, was where the international group started their trip. For nearly one month they visited businesses and attended training, and went off on their own to establish contacts with firms across Germany. All of the participants had the same goal: being prepared for working with German business partners.

It is nothing new that the Manager Training Programme (MP) can serve as a springboard for networking within the German economy. But what was novel in this group was that the participants were

not just from one, but from five different countries: Azerbaijan, India, Mexico, Mongolia and Russia. As a result, it was a meeting of different continents, religions, political views and worldviews.

Spending four weeks in unknown territory with people you have just met is of course a kind of bonding experience. Apparently, the effect is even stronger when your “colleagues” are from different countries: At the very first training, the Indians always sat together and apart from the Mongolians, but on the last day it was

hard to tell that the participants actually had very different backgrounds.

The organisation, execution and supervision for this group was also something special for the IHK Academy of Munich and Upper Bavaria: “The participants in one Programme are usually only from a single country. It being five countries all at once this time meant it was a whole new challenge for us. It was a matter of reconciling very different tastes, people and their wants and needs”, explained Sandra Dirnberger, a project manager at the IHK Academy. “And the participants also had to be willing to compromise now and then. So we were even happier that everything went so smoothly – and that even the notorious German punctuality was accepted and even followed by everyone”, adds Dirnberger with a grin.

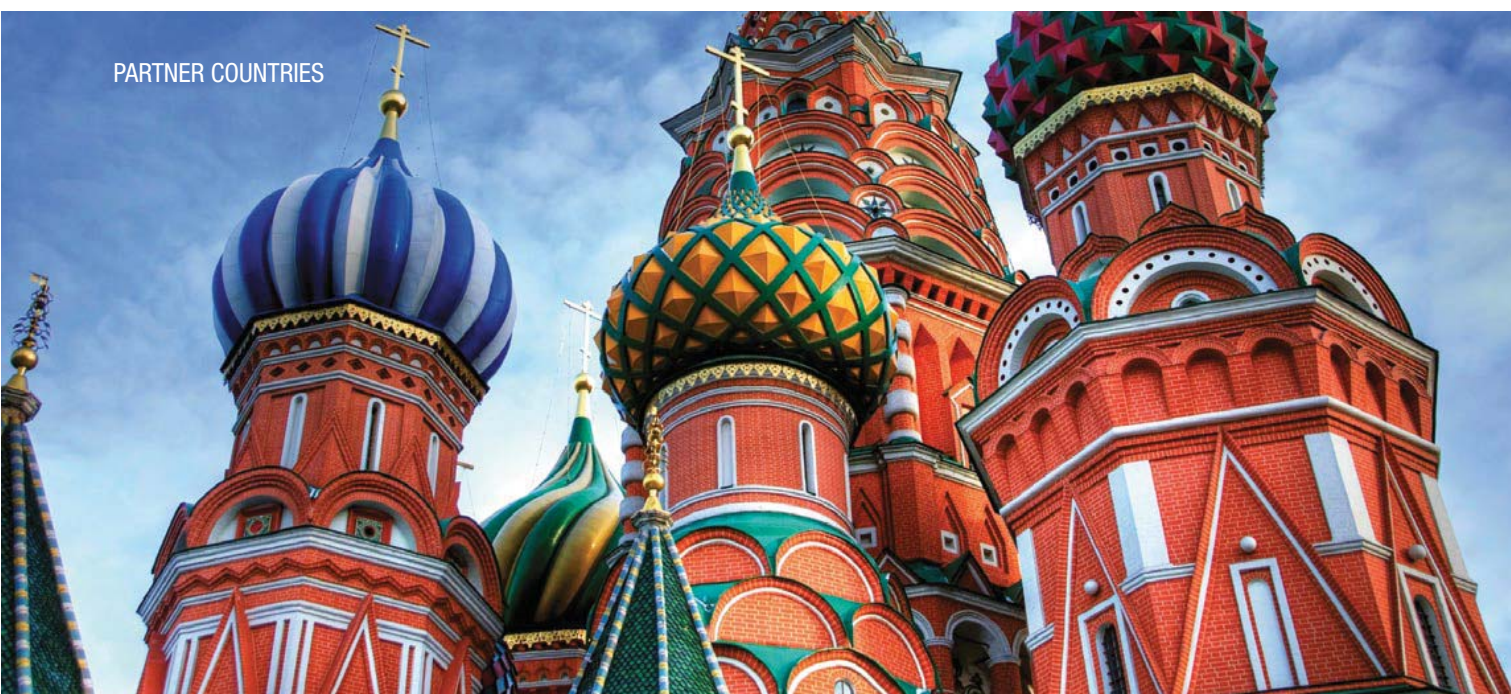
At the celebration marking the end of the Programme, all of the MP participants were aware of the fact that they had not only learned something about working together with the Germans – but that they had first and foremost also found “friends for life from different countries”, to use Indian participant Anil Rajveer Sharma’s words. And who knows – we might not only find a Mexican-style pretzel at a bakery here soon, but maybe also in Azerbaijan or India. “I personally learned a lot about German culture, business ethics and management techniques”, says Sharma. “And also the opportunity to be part of an international group really expanded my horizons.” So: see you soon, bis bald, udakhgüi uulzana uu, jald hee milenge, yaxında görürsən, hasta luego, do swidanja and do skorogo!

Author: Tim Gottschlag, IHK Academy of Munich and Upper Bavaria



The firm Strama-MPS Maschinenbau providing behind-the-scenes insights.





From the left: Alexej Bunkin (Commission for the Organisation of the Manager Training in Russia), Yıldız Götze (BMW)  
Matthias Schepp (AHK Russia), Anzhelika Veremeenko (Regional Resource Centre Kemerovo)



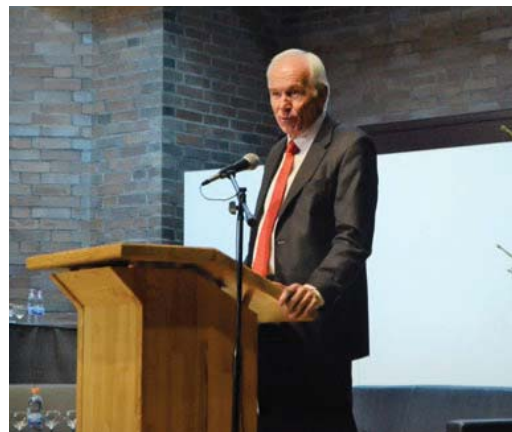
Wassilij Pushkin



Rüdiger von Fritsch



From the left: Dr. Oleg Luschnikov, Dr. Gerd Schimansky-Geier, Isolde Heinz (GlZ), Wladimir Bogdanov (GlZ)



Dr. Heinz Hetmeier



# Strong Partners over the Past Two Decades

The Manager Training Programme with Russia began 20 years ago. Since then, it has prepared Russian specialists and executives for the initiation of business relations with German firms – to the benefit of both sides.

“We are honoured that so many of you have accepted our invitation. The Manager Training Programme is of great significance for cooperation between German and Russian entrepreneurs. You were all willing to go through a difficult selection process and made a conscious decision in favour of Germany”, said Ambassador Rüdiger von Fritsch, welcoming the 170 guests from Germany and all over Russia at the German Embassy in Moscow in December 2018 on the occasion of the 20th anniversary of the Manager Training Programme (MP).

Russian specialists and executives have taken part in this practical training programme under the motto “Fit for Partnership with Germany” every year since 1998; almost 6,000 of them have completed it successfully since then. “This bilateral cooperation of twenty years’ standing is one of the most successful joint programmes between our two countries”, said Dr Heinz Hetmeier, the responsible director at the German Federal Ministry for Economic Affairs and Energy (BMWi). “It is a partnership on equal footing in the form of economic cooperation and an important, attractive and internationally recognised programme for the promotion of foreign trade.”

The Russian cooperation partners have also been inviting German specialists and executives to Russia under the title “Fit for Business with Russia” since 2006, where they visit small and medium-sized enterprises. In addition, expert discussions are held on the possibilities for economic commitment in Russia as well as meetings with high-level representatives of the Russian regional administrations.

## Current Topics: Digitalisation and Increased Productivity

Entrepreneurs in both countries have the same goal: successfully strengthening the competitive position of their firms in international markets. The fruits of this Programme are primarily new business contacts, optimised management competencies and intercultural skills.



In 2006, the Federal Chancellor Angela Merkel met MP alumni in Tomsk, western Siberia.

Wassilij Pushkin, Director of Department at the Ministry of Economic Development of the Russian Federation, acknowledged the cooperation at the 20 year-celebrations in Moscow and emphasised the economic benefit for the development of the Russian regions: “The Programme has only existed for such a long time and been so successful because it continuously deals with current topics concerning economic development. At the moment, digitalisation and increased productivity are particularly relevant”. These and many further topical issues were also taken up in the panel discussions during the festivities.

## Success Stories: Bakery and Paint Firm Tap into New Markets

Former participants presented their economic results at the celebration in Moscow and described the changes the Programme has brought for them: a new way of thinking, a new understanding, new points of view – and an endless number of new ideas for their own businesses. Tatjana Tutatschikova is a good example. She opened a small bakery in Khakassia in Siberia in 2013 and participated in training with an emphasis on food processing in 2015 in Germany within the scope of the MP. That was when her new business idea was born: the specialisation in natural, organic food in cooperation with regional farms. Her new bakery got off to a flying start with the equipment she had bought from German cooperation partners; she doubled her turnover within a year, hired new employees and opened ten branches in Abakan and



## The MP with Russia in Figures

- Since 1998, more than 5,800 Russian specialists and executives from 52 regions in Russia have visited Germany within the scope of the MP (Fit for Partnership with Germany).
- Since 2006, 410 German specialists and executives have completed training and visited enterprises in Russia (Fit for Business with Russia).
- Between 2015 and 2017 alone, 177 contracts with a total value of €45 million were concluded between Russian and German firms within the “Fit for Partnership with Germany” programme.
- Today, the alumni associations of the Russian President’s Programme are active in roughly 40 regions of the country. GIZ has supported 124 alumni events with over 5,000 participants, e.g. by sending experts, speakers, moderators, trainers and through study trips to Germany covering the topic of association management.



Krasnoyarsk. She also arranges guided tours for school pupils and students to enhance “transparent production” and show the conditions under which she produces her goods and the raw materials she uses. Her bakery has won her the “Made in Khakassia” competition for the second time in a row.

The MP opened up opportunities for Maxim Savinkov too. He is the managing director of an enterprise that develops and manufactures paint sorters in Barnaul, the capital of the Russian region of Altai. He participated in the MP in 2013, established business contacts in Germany and also bought the equipment there in order to improve the quality of the products and tap into new markets. Furthermore, he found a German appointed dealer who still sells his paint sorters today. Now he has ten appointed dealers and delivers his machines to 25 countries. Keeping in contact with his training group remains important to him; the group has met in the Altai region every year since 2013 to share their experiences.

### Active Alumni: Russian Managers have Good Networks

Within the Programme, particular importance is attached to alumni work in Russia: more than 15 years ago, GIZ supported the development of networks – alumni associations – throughout the country at the request of the Russian partner. Not only former MP participants are members, but also primarily alumni of the Russian national training programme, the President's Programme. Entrepreneurs



MP alumnus Tatjana Tutatschikova's bakery has specialised in natural and organic food

form networks in these associations – to promote economic development in their regions, establish lobby representations, support social projects, meet qualification needs and set up dialogue forums. The regional alumni associations also provide support in the implementation of the “Fit for Business with Russia” training programme, as a part of which German executives are invited to Russia. The alumni in the regions open up their businesses to welcome German entrepreneurs and thus find new business partners. They provide insights into their Russian business culture and the special characteristics of the respective regional markets.

### 20 Years of the MP: Like a Big Family

Yıldız Götze, the responsible Head of Division at the BMWi, was very pleased



Go to the “In Focus” section to read more about 20 years of the Manager Training Programme (page 32)

with the atmosphere at the anniversary event in Moscow, which she compared with that at a “large family get-together”. She said that the numerous examples of successful cooperation, the sustainability of the Programme and the alumni's strong social commitment were very impressive and highlighted the fact that its continuation is politically and economically important and right. Not only economic cooperation has been established in the 20 years of the MP with Russia, but also many personal contacts and friendships. This is not least of all due to the “Woman Power”, which is traditional in Russia. Hence, the party after the ceremony was more than a German-Russian business meeting and rather like a cheerful and friendly family celebration.



170 guests start the 20th anniversary celebrations for the MP with Russia in Moscow



German and European market. Tips on dealing with possible intercultural conflicts are useful in avoiding mistakes, especially concerning cooperation.

*Are their specific needs or preferences that Chinese firms have when working with German businesses?*

It's probably not a specifically Chinese need, but it's something that's especially important to our executives: How do you confront the invisible conflicts that arise in business negotiations due to cultural differences?

*Your vision: What is the future of the MP in China?*

The complementary circumstances of both economies contributes significantly to the fact that cooperation between Chinese and German SMEs has a bright future. For our part, we hope that the future holds a mutual "Chinese-German Model of Cooperation". We also hope that this model will develop great international visibility and becomes an example of international cooperation in the field of further education.

# Modern Corporate Leadership

China is on a path of steep growth. That includes a departure from its image as a producer of cheap goods. Now the country is focused on the latest technologies and innovations – a world inextricably linked to modern management styles and efficient methods of corporate leadership. Zhang Xiaohui, the deputy Secretary General for the MP partner organization ProSME and head of the MP office at the Chinese Ministry for Industry and Information Technology (MIIT), explains in the following interview how the Manager Training Programme (MP) contributes to establishing modern corporate leadership methods in China.



methods, group visits to benchmark businesses and individually customised business contacts really appeals to our participants. The results show that as well: the positive effect on bilateral trade and economic ties is palpable and far-reaching.

*541 Chinese executives have now graduated from the MP. Are there specific topics and content that are especially popular among Chinese managers?*

The MP covers a wide range of topics, but there actually are three aspects that our participants are especially interested in: innovation management, doing business with Germans, and intercultural management.

*The Manager Training Programme with China has now been running for ten years. How do you rate it?*

The Programme has a very good and efficient format. The combination of seminars and training on management

*Has the training supported the MP participants in initiating a modern corporate leadership style?*

Definitely. The training has been a great help to Chinese firms as regards their efforts to internationalise, especially on the

The on-site visits are really helpful because they give us the opportunity to communicate face to face with local firms in Germany. We visited businesses from different industries and learnt how they modernise their production plants. And we also received an insight, for example, into their human resource systems. Now I can apply this knowledge in my own company.

Gao Qian (China), MP Participant 2018  
Vice President, Changsha Dewater Machinery Technology Co. Ltd.







Mritunjay Kumar heads the German-Indian Manager Training Programme for the FICCI

# Family Businesses as the Backbone of the Indian Economy

A large proportion of the over 700 Indian executives from middle and upper management levels who have completed the Manager Training Programme (MP) since 2008 are entrepreneurs from family businesses run by the second or third generation. They advance their enterprises with new ideas gained in Germany and thus boost the Indian economy. Mritunjay Kumar, who coordinates the MP for the Federation of Indian Chambers of Commerce and Industry (FICCI), describes the challenges they face in their home country and how they organize their entrepreneurial activities.

Family businesses – not only in India but worldwide – belong to the category of micro, small and medium-sized enterprises, although many of them have devel-

oped over the years into multinational groups with a global presence. In India, family businesses are crucial for nation-building and the creation of jobs, and they

contribute to growth in all industries. The gross output value of this form of enterprise currently comprises 90 per cent of India's industrial production, 79 per cent of the entire sector employment and 27 per cent of total employment, only surpassed by public-sector enterprises. Since 2006, family businesses in India have been achieving better results than those not owned by families. Nevertheless, it is evident both in India and throughout the world that family-owned businesses often struggle to survive. From a global perspective, only 30 per cent of these enterprises are passed on by their founders to the sec-



ond generation, and only just ten per cent are also run by the third generation.

### The Hand-Over to the Next Generation is not Always Smooth

Adaptability and a capacity for innovation are decisive for the continued existence and success of these businesses in the second and third generations. Only enterprises that adapt to change, are open to new technologies, reinvent themselves and keep an eye on internal and external influencing factors can survive and grow. Successful entrepreneurs of the third generation are educated, ambitious, self-confident and not afraid to take calculated risks. Some business successors continue the success of previous generations and improve the strategic orientation, while others take a diversification approach and found new enterprises as well as expanding into new industries and markets. Every Indian business person in the second or third generation is faced with a few challenges. Some major ones are listed below:

- multiple appointments of family members for management positions
- inefficient succession policy due to poor communication between the old and new generation
- decision-making is subject to the sole powers of the owners and hence not always fact-oriented
- issues regarding asset management
- nepotism and a lack of trust in employees from outside the family
- lack of innovation and insufficient use of technologies in business processes.

### New Entrepreneurship Thanks to Impetus from Germany

The two largest Indian industrial and employers' associations, the FICCI (Federation of Indian Chambers of Commerce and Industry), and the CII (Confederation of Indian Industry) have been organizing the MP between Germany and India in cooperation with GIZ since 2009. More than 700 Indian enterprises have benefited from the Programme in just under ten years. A large proportion of the participants are family business owners, partly in the second and third generation, who form the basis of entrepreneurship in India. Through the MP, they do not only learn the importance



of a global perspective, the competitive advantage gained through the use of state-of-the-art technology or the use of the right resources, but they also gain an understanding of how to overcome cultural and language barriers. Today, many Indian enterprises put a number of best-practice applications into practice. They include higher investments in infrastructure and automation as well as the creation of a culture of caring and sharing among the employees. Entrepreneurs increasingly define long-term business goals, set priorities and find ways of promoting growth through partnerships. A culture of innovation and feedback is establishing itself in more and more Indian firms, and more importance is placed on praise and the recognition of performance. A few Indian enterprises are named below as examples of successful cooperation with the MP.

- **Xenos Impax** exports bicycles to various universities in Europe, including the Humboldt University in Berlin. This is done via a further enterprise that was founded after participation in the Programme.
- **Kiran Rubbers** was able to establish business contacts with German partners and will soon be delivering the first consignment of its waterproof membrane

products. This novel rubber membrane is less expensive and more efficient for laying surfaces than bitumen or asphalt-based waterproofing.

- **Machinecraft** was inspired by a German firm in the toilet cleaning business and introduced the idea in India in order to support the Swachh-Bharat-Mission, a national campaign of the Indian government for cleaning streets and infrastructure facilities. In addition, the enterprise has a new partnership with a Bavarian firm. In the future, Machinecraft will be manufacturing FRIMO machinery under licence for the Asian market.

The next generation of Indian entrepreneurs are closely connected with their businesses and determined to strengthen them. They are not afraid to optimise processes, products or services in order to become successful at an international level and, correspondingly, take calculated risks.

#### About the Author

**Mritunjay Kumar** is Joint Director and Head of the FICCI Quality Forum, a special department of the Indian Federation of Indian Chambers of Commerce and Industry (FICCI) providing consultancy services and training. He has been in charge of the German-Indian Manager Training Programme (IGMTP) at FICCI since 2017 and is an expert on project management and quality management systems.



The Chamber of Commerce and Industry of the Kyrgyz Republic coordinates the MP locally on behalf of GlZ. The Chamber's own training centre is the main contact point for interested parties and stakeholders of the Programme. Its head, Rustam Baltabaev, spent four weeks familiarising himself with Germany and learnt a lot about German entrepreneurship and SME promotion during that time.

**“Entrepreneurs  
shared some  
of their secrets”**

The Kyrgyz Chamber of Commerce and Industry is also the main contact point for using the Senior Expert Service (SES) in Kyrgyzstan



Rustam Baltabaev with MP staff in Bonn and Programme participants in Cologne



“People in Germany are polite and open-minded. I have become fond of the country”. Rustam Baltabaev sounds enthusiastic when he talks about his stay in Germany. However, the head of the training centre of the Chamber of Commerce and Industry (CCI) of the Kyrgyz Republic in Bishkek was not in Germany as a tourist. He took part in a trip to Germany which was organized by the Manager Training Programme (MP). As the Programme coordinator of the MP in his home country, this was a special experience for him.

His training centre is still a very young facility of the CCI in Kyrgyzstan. It was founded in 2016 to meet the businesses’ strong demand for training and information. “We informed ourselves about the experiences of other CCIs and adopted a lot for our training facility”, says Rustam Baltabaev. The training centre already occupies an important niche; entrepreneurs are able to attend ongoing training courses which have been adapted to meet their needs and whose content meets the latest requirements, particularly in the context of globalisation. Under the umbrella of

the CCI, the centre is the main contact point for the MP in the small Central Asian country.

### Fully Equipped for the Coordination of the MP

As the Programme coordinator, Rustam Baltabaev has recently been involved in the selection of candidates for the MP. The four-week trip to Germany helped him to gain a deeper insight into the Programme. That is important; after all, his institution is not only responsible for the entire co-ordination of the Programme on the Kyrgyz side, but also informs enterprises and candidates about the Programme and the selection process. The centre selects the participants together with GIZ and prepares them for their stay in Germany. The follow-up process at home is also important, as is maintaining contact with the alumni, which is organized by the training centre too.

Baltabaev explains that, as the head of the training centre, he is responsible for the specialist trips abroad and for initiating

and maintaining contacts with foreign partners as well as advising enterprises. These are areas in which the MP renders valuable services. He goes on to say that the MP also helps directly and indirectly to achieve the objectives of the CCI of Kyrgyzstan, first and foremost the promotion of the country’s economy and hence the development of a market-economy infrastructure. The aim is that the CCI will improve Kyrgyzstan’s connection to the global economy by creating good foreign trade conditions. Furthermore, exports are to be promoted more strongly and trade and economic relations with foreign countries expanded.

### A Close Look at SME Promotion

97 per cent of the more than 1,030 member firms of the CCI of Kyrgyzstan are small and medium-sized enterprises – which is why the insight into SME promotion in Germany was of particular interest to Baltabaev. “Here firms are not supported with funding but with a special range of further training courses and with information on new technologies”, he sums it up. Tours of firms in North Rhine-Westphalia including Grohe AG, WILO SE, Trubatec GmbH, KHS GmbH, Monolith GmbH and the law firm Derra, Meyer & Partner Rechtsanwälte were also an enrichment. “We were able to ask all the questions we had and met with a great willingness to share a few secrets with us”, says Rustam Baltabaev looking back.

The Kyrgyz describes the organization of his stay in Germany as well thought-out right down to the smallest detail and is grateful to GIZ and the Carl Duisburg Centres for that. In his opinion, Germany is a country that is exemplary with regard to the right approach to technologies of the future and economic development. “Here again it has proved to be true that perfection knows no bounds”.



## The Chamber of Commerce and Industry of the Kyrgyz Republic

The CCI of Kyrgyzstan represents more than 50 business associations from all sectors and all regions of the country. It was founded in December 1959, i.e. at a time when Kyrgyzstan was still part of the Soviet Union. In 1994, it was put on a new legal footing by the Kyrgyz parliament, the Dschogorku Kenesch. The CCI is a non-governmental, non-profit organization. Among other things, it is responsible for representing and protecting businesses’ interests towards governmental authorities, promoting export trade and the image of the domestic economy, establishing and maintaining contacts with foreign businesses and business associations and encouraging investment. In addition, it organizes continued and advanced training for firms and defends the rules and principles of business ethics and social responsibility. In cooperation with government authorities, it develops strategies for improving the economic and investment climate. It offers its members educational opportunities and organizes their participation in trade fairs. The CCI also maintains a list of reliable business partners and provides help through mediation in cases of dispute.





# Vietnam: Gateway to the East Asian Market

Situated at the heart of the dynamic business environment of the ASEAN (Association of Southeast Asian Nations), Vietnam with its various free trade agreements is one of the most easily accessible markets in the whole of Asia. Vietnamese and German entrepreneurs benefit similarly from this situation – and for the past 10 years also as part of the Manager Training Programme.

Germany is the most important European trade partner for Vietnam. Economic relations will become even simpler when the Free Trade Agreement with the European Union comes into force at the beginning of 2019 as planned. Access to the largest economic areas of the world is particularly easy for goods “made in Vietnam” – and international investors can combine different free trade agreements with comparatively low production costs. Thus, an increasing number of local and foreign firms have recently been investing in new factories in Vietnam in order to benefit from these advantages.

In 2017, Germany exported goods amounting to 3.48 billion euros to Vietnam, primarily electronics, machinery and

equipment, motor vehicles and chemical products. The most important imports from Vietnam in 2017 were electronics, but also hardware, textiles, agricultural products and seafood worth 9.58 billion euros.

The Manager Training Programme (MP), which GIZ has been organizing together with the Vietnam Chamber of Commerce and Industry (VCCI) for the past 10 years now, also contributes to the active trade relations between Germany and Vietnam. “This Programme gives the participants a lot. I have talked with managers returning from Germany: they have not only gained new skills, but have also concluded contracts and expanded foreign trade relations between Vietnam and Germany”, says Hoang Van Anh, Deputy Director General “Membership and Training” at VCCI.



## About the MP in Vietnam

Vietnam has been participating in the Manager Training Programme since 1998. The Vietnam Chamber of Commerce and Industry, VCCI, is the partner implementing the Programme within the country. On average, 50 executives from middle and upper management levels travel to Germany each year. In March 2011, Programme alumni founded an alumni association in order to promote exchange among the Vietnamese participants and networking with the German business sector.





Round about 600,000 enterprises are registered in Vietnam, most of them are rather small or medium-sized. Since 2008, 530 of these businesses have sent their executives from middle and upper management levels to Germany to initiate business relations within the scope of the MP. Over 90 per cent of the participants come from small and medium-sized enterprises in the production (42 per cent), trade (40 per cent) and services (16 per cent) sectors. “It is very good for us to bring business people from both countries together. We want to learn from other countries and get to know more about the markets and people in Germany”, Hoang Van Anh continues.

### Achieving Success with German Trade Partners

Vietnam’s export orientation is also reflected in the active cooperation intentions of the managers from diverse industries who have participated in the MP. For instance, Anh Nguy, who travelled to Germany for training at the age of 27. The MBA alumni worked as a project manager for a German business consultancy in the 8-million metropolis Ho Chi Minh City. At the age of 30, she founded her own firm, Sanet Vietnam Ltd., and now paves the way for (mostly German) customers to the Asian economic association, ASEAN, with its single market comprising ten countries

and more than 620 million consumers. “The Manager Training Programme helped me in my venture into self-employment. I was able to participate in training in Berlin, Dresden and Stuttgart. That made it easier for me to understand the German culture and German business conduct”, the businesswoman says. She is glad to pass on her knowledge to others at alumni meetings.

Le Minh Hai too participated in the MP. As Deputy Head of Sales at Hai Phong Port Holding Ltd., the Vietnamese port authority, he was particularly keen to expand his management skills during his stay in Germany and get to know one of the strongest economies in Europe. And his expectations were fulfilled: “I learnt how Germans behave, work and do business – and what they expect from their Vietnamese partners”, says Hai. He put this knowledge into practice the same year, bought two multipurpose cranes from a firm in Brandenburg and established further business contacts.

### The Advantage of a Young Population

Nguy and Hai are two of the 530 examples of fruitful exchange within the Manager Training Programme. The Delegation of German Industry and Commerce in Vietnam (AHK) sees motivation, wage levels and infrastructure as primary reasons for successful entrepreneurship and the extremely dynamic development of the Vietnamese economy. Particularly the young and motivated employees are a locational opportunity. Sixty-five per cent of the population of 93 million are younger than 40 years of age – and these young people are becoming increasingly well-trained.

The wage level in Vietnam is still significantly lower than in several other neighbouring ASEAN countries and China, but it is rising continuously. And this again is leading to a lively domestic market with a growing middle class and corresponding consumption. Furthermore, the Vietnamese government is making great efforts to improve the infrastructure. Road construction is at the fore, with a planned north-south extension of 2,000 kilometres, but port logistics and the expansion of regional airports have also been improved considerably. Here the government wants to invest almost 4 billion US dollars by 2020.

### Tiger and 3rd Place as Rice World Champion

Given the current state of development, it is hard to imagine that Vietnam suffered a great famine as recently as 1985, which triggered the so-called Doi Moi policy, a “renewal” policy, which implemented fundamental economic reforms and created an environment enabling relatively free entrepreneurial activity in a socialist republic. During this process, Vietnam opened its foreign policy considerably and sought cooperation, not only with the Southeast Asian countries in ASEAN, but also with the United States of America and the European Union as well as Japan and Australia. In the end, this helped Vietnam to achieve rapid economic growth with an emerging middle class and a gross domestic product that has been growing for years at over six per cent (6.8% in 2017).



Hoang Van Anh coordinates the MP for the Vietnamese Chamber of Commerce and Industry VCCI

This growth data corresponds to the fact that Vietnam has become the world’s third largest rice exporter, after India and Thailand. This economic dynamism, coupled with a politically stable environment, is reflected in the numerous descriptions of Vietnam: tiger economy, China plus 1 or “Next 11” as an ambitious successor of the BRIC states.



# Uzbekistan's Promising Future

Nabijon Kasimov





The Uzbek economy is currently enjoying an upswing, as the Central Asian country's young, well-educated entrepreneurs increasingly turn their attention to the European market. Uzbekistan has participated in the "Fit for Partnership with Germany" Programme and sent over 400 managers for advanced training in Germany since 2006. Nabijon Kasimov completed the Programme in 2011 and is now the ambassador of the Republic of Uzbekistan in Germany. In an interview, he talks about what the Manager Training Programme (MP) means for his country and how it has helped him over the years.

*Mr Kasimov, what do you remember most about the MP?*

I had the good fortune to complete this unique Programme in 2011. The knowledge I acquired at the time, the opportunity to learn how German firms worked, about their management methods and ways to promote foreign trade, were very valuable and gave me a deep understanding of the basics of corporate management. The Programme is very efficient and effective, especially since it gives participants so many opportunities to visit enterprises on site and learn about their real day-to-day business operations. It would be hard to overestimate the value of the insights gained. As Goethe's Faust once said: "Grey, my friend, is every theory, but green is the golden tree of life".

*Uzbekistan has been an MP partner since 2006. What role does the Programme play for the country today?*

Like for any modern country, qualified, capable and decisive executives are essential for Uzbekistan. Our managers and, of course, the Uzbek economy have benefited in every way from participating in the MP. Training in Germany has allowed many entrepreneurs to work much more strategically. Many firms have introduced customer relationship and quality management systems and expanded their cooperation with German enterprises. This has led to significant turnover increases and created new jobs. In the context of global competition, we see innovation and needs-based modernisation of the economy, export promotion and incentives for entrepreneurial initiative as particularly important in Uzbekistan. We therefore have a vital interest in continuing the Manager Training Programme and significantly increasing the number of Uzbek participants. We would really like to send Uzbek industry groups to Germany to work in specific sectors. We



**Alumni should not only focus on cultivating new contacts, but also turn these contacts into concrete joint projects.**

would like to organize specialist visits for our managers in areas such as road construction, standardisation and certification, transport logistics, veterinary medicine, agriculture, the chemical industry and IT, for example. We look forward to working on realising these complex and meaningful Programme aspects with our German partners.

*How is the Programme significant for you today in your work as an ambassador?*

The MP gave me the opportunity to study German corporate philosophy from the

inside, so to speak, and helped me understand the mentality of German entrepreneurs. The experiences and insights it provided also help me in my current role. Today we are all aware that the success of any business requires modern management methods and qualified managers with know-how, be it in a production plant, a hospital, a sports club or, as in my case, an embassy. In my current position as head of a diplomatic representation, one of my most important tasks is to strengthen bilateral economic and trade relations at all levels. I try to employ my knowledge to make cooperation with Uzbek partners attractive to German firms in areas like trade and investment.

*And what wisdom would you like to share with future Programme participants and alumni?*

First and foremost, I recommend everyone use their time in Germany as efficiently as possible and take a close look at how German firms work, especially in marketing. I also advise them to initiate as many contacts as possible and adopt new ideas. I suggest alumni focus not only on cultivating new contacts, but also turn these contacts into concrete joint projects and actively sell German partners on the advantages of working with Uzbekistan. I wish all former and future Programme participants all the best and great success.

### MP Uzbekistan Facts and Figures

At least one selection round has taken place since the MP commenced in 2006 and attracted more than **1,000** interested parties.

More than **400** participants have travelled to Germany for advanced training.

Participants come from the following sectors: **65%** manufacturing industry, **22%** service sector, **13%** trade.

# Growing Diversity of Industries between Gobi and Altai

With its extensive copper, gold and uranium deposits, Mongolia is one of the richest countries in terms of natural resources and it also has a strong export sector. However, the intention is that other sectors besides mining should catch up and contribute to strengthening the Central Asian country's economy. The Manager Training Programme (MP) with Mongolia began in 2009. Since then, several hundred Mongolian entrepreneurs have been able to cooperate with German firms and thus boost the energy, health and tourism industries, among others.

"The Manager Training Programme makes an active contribution to the diversification of the Mongolian economy and structural change in the country. It is an essential element of Mongolia's foreign trade. It brings entrepreneurs from both countries together and promotes the Mongolian economy perceptibly", says Tsengeg Mijiddorj, Director General for Europe at the Mongolian Ministry for Foreign Affairs. The training for executives in Germany and the cooperation with German enterprises familiarise Mongolian SMEs with international standards

and thus lead to increases in exports to Germany.

Ganbaatar Khuyag, Vice President of the Mongolian Employers' Federation (MONEF), GIZ's partner organization in the MP, is also convinced of the positive effect the Programme has on Mongolian entrepreneurs: "The MP attracts managers from all areas of business, and the demand shows us that we provide just what they need; our Mongolian managers gain valuable management know-how to improve the efficiency of their work". Participation in the MP opens up new, inter-

More than **50%**  
of the Mongolian MP  
participants are women.

national prospects, although Germany has been Mongolia's most important trade partner in the European Union for many years now.

## Growing Interest in the MP, High Proportion of Women

Interest in the MP is indeed increasing yearly among Mongolian entrepreneurs. Since the start of the Programme, 309 Mongolian executives have participated in it. Seventy-four of those participants took part in international industry-specific groups focusing on mining and raw materials management, agriculture, energy efficiency and health care. The large proportion of women among the Mongolian participants is noticeable and is higher than the MP average. The participants' cooperation interests reflect the economic relations between the two countries: German plant engineering and mechanical engineering firms, followed by representatives of the textile industry and tourism operators, are the most sought after contacts.

According to polls in recent years, Mongolian alumni are very satisfied with the MP. The majority stated that they had expanded their knowledge about innovative and high-quality products



The MP attracts managers from every field of business and the demand for it shows us that we have created exactly the right programme.

Ganbaatar Khuyag





**The Manager Training Programme actively contributes to the diversification of the Mongolian economy and to structural changes in the country.**

Tsengeg Mijiddorj



Mongolia is rich in natural resources, however, the country wants to become less dependent on mining in the future.

German know-how, German technologies and German ideas on corporate strategies are very highly regarded in Mongolia. When we send young people to Germany for training, they bring a part of the German corporate culture back to Mongolia.

Bekhat Daginaa (Mongolia)  
Second Secretary of Economy and Trade,  
Embassy of the Republic of Mongolia in  
Berlin



during their stay in Germany. Here the mining sector is of particular relevance for foreign trade, corresponding to the characteristics of the Mongolian economy: the country has a population of roughly three million, which is less than that of Berlin; however, it is one of the ten richest countries in the world with regard to natural resources. The largest unexploited coal reserves in the world are in the Gobi Desert. In addition to copper, gold and uranium, Mongolia has large reserves of iron ore, tungsten, silver and rare earths.

Germany and Mongolia concluded a commodity partnership agreement in October 2011, in which both countries express that they wish to cooperate more closely in the extraction of raw materials. The agreement was signed on the occasion of the German Chancellor

Angela Merkel's visit to Mongolia. At a special session of the Mongolian parliament during her visit, Merkel said: "We are a reliable partner for Mongolia and are interested in the sustainable development of the Mongolian economy".



## Development of the Mongolian Economy

After a considerable slowdown of the economy in the years 2014 to 2016, driven by the drop in prices for raw materials and foreign direct investments, the Mongolian economy recovered strongly in 2017: Real GDP grew by 5.1%, driven by strong coal exports, a recovery in direct investments and an improved business situation. The forecast for economic growth in 2018 is 5.0%. Growth prospects beyond that period remain positive. Structural changes and a limited diversification in the export sector remain the biggest challenges for the national economy.





# “We anticipate a spill-over effect”

The Manager Training Programme (MP) is a successful model being implemented in more and more countries. Georgia joined the MP in 2016, where the Enterprise Georgia business development agency implements it on the ground. The Journal spoke with its Deputy Director Tornike Sulaberidze and MP Coordinator Avtandil Ghoghoberidze about expectations and results.



Avtandil Ghoghoberidze



Tornike Sulaberidze

*Georgia joined the MP in 2016. What is your take after two years?*

**Tornike Sulaberidze:** Our entrepreneurs have really profited from the Programme so far. In Germany, they learn about modern approaches to business management, which are indispensable to successful operations. Enterprises in Georgia, especially SMEs, lack not only management skills, but also robust contact with German and European firms. So we are very pleased that the MP has been extended to the end of 2021 and guaranteed by the recent signing of a memorandum of understanding.

*What do you see as the advantages of the MP for Georgian entrepreneurs and their enterprises?*

**Avtandil Ghoghoberidze:** Georgian SMEs want to increase their presence in foreign markets and aim for long-term international trade relations, especially with EU firms. In the current climate, this takes a great deal of know-how,





which is where the MP comes in. In addition to introducing practical corporate management principles, we also anticipate that the Programme will have a spill-over effect. Alumni will act as multipliers and pass on their knowledge to a large number of Georgian firms. Additionally, establishing contacts with German partners is beneficial for both sides, especially against the backdrop of the free trade agreement concluded between the EU and Georgia in 2014.

*So the MP is promoting Georgia's economic goals...*

**Tornike Sulaberidze:** Yes, exactly. With its clear focus on SMEs, the MP is a champion of Georgia's private sector. This focus goes well with the Georgian government's national development



**Due to the MP, our participants can align their businesses with EU standards.**

Tornike Sulaberidze

strategy: the "Georgia 2020" action plan also targets SMEs. The keywords are growth, development and increased competitiveness. Participation in the MP helps our entrepreneurs align their standards with those of the EU and acquire the necessary skills to build long-term trade and investment partnerships.

*What kind of feedback do you get from Programme alumni?*

**Avtandil Ghoghoberidze:** Alumni are very satisfied, and everyone has reported that it has helped them move their business forward. Contact with German

firms opens up new perspectives for the integration into the EU market, and the first business deals have also been reached.

*Do any specific examples come to mind?*

**Avtandil Ghoghoberidze:** Some alumni have successfully begun exporting wine and tea. An executive at the Georgian tea brand Gurieli was able to establish a partnership with the German Monolith Group, one of the leading wholesalers for the import and distribution of Eastern European specialities.

*What plans do you have for the MP's future?*

**Tornike Sulaberidze:** We are focusing on alumni outreach. We are currently working on a project in which entrepreneurs will pass on the knowledge and experience they have gained through the MP to other SMEs, particularly at a regional level. We plan to organize additional training and workshops in several regions of Georgia that MP alumni will participate in.



## Georgia: Hub in the Caucasus



**Participants will in the future act as disseminators and will pass on their knowledge to a large number of Georgian firms.**

Avtandil Ghoghoberidze

Georgia has shown strong economic growth in recent years. According to current forecasts, GDP grew by 5% in 2017. An increase of 5.5% is expected for 2018 and 4.8% for 2019. The Georgian government launched its "Georgia 2020" national development plan in 2014, supporting SMEs and created a business-friendly climate by simplifying bureaucracy and offering tax relief. The World Bank's Doing Business Report 2019 acknowledged this progress, ranking Georgia sixth in its overall assessment of 190 national economies.

Source: gta, Enterprise Georgia, Doing Business Report 2019



# SME Promotion at the Caspian Sea

The Azerbaijani economy is experiencing an upward trend. The country wants to increase its gross domestic product even more considerably by 2020. SMEs are to generate 15 per cent of this growth. The government is specifically promoting SMEs; most recently through a development agency established for this purpose. Executives from medium-sized enterprises have also been participating in the Manager Training Programme (MP) since 2009. With the know-how gained in Germany, they not only strengthen the economic growth of their own country, but also contribute to expanding economic relations between Azerbaijan and Germany.

“Through the Programme, I was able to establish close and reliable contact with German firms”, says Emil Samedow looking back. He visited Germany in the summer of 2010 as one of the first Azerbaijani participants of the MP. Almost 400 executives from the middle and upper levels of management in the Western Asian country have benefited in a similar way since the start of the Programme. And demand remains steady. Mainly younger,

well-trained entrepreneurs, for the most part with little practical business experience, apply to take part. For experienced managers, on the other hand, the exchange with German partners and interest in a modern manager training programme are reasons for participation. Cooperation with EU countries, especially with Germany, is almost always new to all the participants.

## Travelling to Germany with Concrete Plans

Even though they have little experience in cooperating with the German business sector, the Azerbaijani executives arrive in Germany with concrete plans for co-operation projects. Besides the purchase



## Germany and Azerbaijan as Trade Partners

In 2018, Germany was in fourth place as a main supplier for Azerbaijan, behind China, Russia and Turkey. Petroleum comprises over 90% of the goods imported to Germany from Azerbaijan. With its population of 9.9 million, Azerbaijan is a relatively smaller market for the German economy. The Federal Republic of Germany mainly supplies the country with machinery, motor vehicles and vehicle components as well as chemical products.

Source: gta

Under its “Vision 2020” strategy, Azerbaijan has set itself the goal of becoming independent from oil and natural gas.





of technical equipment, they are often looking for partners for joint ventures or for marketing their products on the German market. Emil Samedow, for instance, wanted to establish business relations with suppliers of medical equipment and disposable medical supplies. He was able to sign exclusive contracts with three German firms during his stay in Germany in 2010.



### A Win-Win Situation

Two thirds of the Azerbaijanis who participated in the MP between 2015 and 2018 came from medium-sized enterprises. This is rather exceptional in view of the fact that the Azerbaijani economy is still strongly dependent on natural resources such as oil and gas. Through this indirect promotion of SMEs, of which 96 per cent are from the non-oil sector, the MP contributes to the diversification of

## No Longer Dependent On “Black Gold” in the Future

Azerbaijan has large oil and natural gas reserves. These mineral resources provide the country with considerable revenue, which has a positive effect on the economy but makes it dependent on them. In 2012, Azerbaijan introduced the “Vision 2020” strategy to promote the diversification of the economy. This development programme for the non-oil sector offers significant opportunities for businesses from the most diverse industries. The focus is on agriculture as well as the manufacturing, food and building industries, but the areas of renewable energy and energy efficiency also receive support. Projects for water supply and disposal as well as waste management are being launched too. They provide numerous cooperation opportunities for German firms. The strategy focuses on Azerbaijani SMEs and the Small and Medium Business Development Agency of the Republic of Azerbaijan was founded in 2018 to provide stronger support for them.

the Azerbaijani economy. But others benefit as well: since the Programme started, more than 1,000 German business people have had the opportunity to get to know Azerbaijani entrepreneurs during visits to their firms, B2B events or trade fairs. The Programme is therefore an important facilitator for the German economy regarding relations with Azerbaijan and the region.

### Spring Board for Participants’ Own Careers

Numerous personal success stories in Azerbaijan are based on the MP; that of Nahid Hasanow, who visited Germany in autumn 2009, is one of them. At the time, Hasanow was still working as Head of the Purchasing Department at Embawood, a large Azerbaijani furniture manufacturer. Besides participating in the Programme, he paid eight individual visits to firms during his one-month stay in Germany. He concluded a number of contracts, bought product samples and familiarised himself with quality control systems. His employer acknowledged his efforts: Hasanow was



**Bringing my experience and knowledge to the new project makes me happy.**

Nahid Hasanow

appointed Managing Director of Embawood Türkiye in Istanbul in August 2010. Within a very short time, he opened a production site in Düzce, 250 kilometres east of Istanbul. “I thoroughly enjoy this work”, says Nahid Hasanow. “Not only because it means a career jump. I am glad to have the opportunity to contribute my experience and knowledge to the project. The experience I gained in Germany plays a large role.”

Emil Samedow founded his own business Set Medical LLC in Baku in 2017 and sells medical devices. The exchange with German firms remains very important to him. He visits one of the largest medical trade fairs, MEDICA in Düsseldorf, every year to inform himself about trends in the industry.

The summer of 2019 will also be a time to take stock and record the diverse results and effects of the Programme. That is when the Azerbaijani partners of the Programme will be celebrating its 10th anniversary in Baku together with GIZ and the German Federal Ministry for Economic Affairs and Energy.



## Azerbaijan in Figures

Area:	86,600 km <sup>2</sup>
Population:	9.9 million*
GDP:	US\$45.6 billion*
Economic growth	1.3%*

\*Forecast / Source: gtaai, as of: 11/2018

# New Growth Markets Thanks to International Alliances

Sebastián Sichel

Chile has been a Manager Training Programme (MP) partner country since 2017. Following a successful pilot phase, Germany and the South American country agreed to extend the cooperation for a further three years in autumn 2018. This is an excellent opportunity to take stock and look to the future. The MP journal spoke with Sebastián Sichel, Executive Director of MP partner organization CORFO, about how Chilean SMEs are holding their own in global competition and what role “Fit for Partnership with Germany” plays in implementing the country's diversification and internationalisation strategies.

## *Mr Sichel, what are the current challenges facing Chilean SMEs?*

Small and medium-sized enterprises in Chile are currently faced with enormous challenges. They have to become much more international if they are to stay competitive in the face of technologi-

cal upheavals on the global market and maintain jobs. According to a McKinsey Global Institute study, half the work done by Chileans today will be done by robots and machines in 30 years' time and an estimated 3.2 million jobs could be automated. So it is important for

SMEs to establish new growth markets, find new areas of cooperation, diversify and anticipate technological changes even better. We have to expand international alliances and networks that will enable our SMEs to accelerate their innovation processes and lead the way in solving technological problems. CORFO helps Chilean small and medium-sized enterprises recognise their international potential, accelerate their internationalisation processes and broaden their business horizons. Our key focus is on growth and innovation.

## *What role does “Fit for Partnership with Germany” play in this development?*

The Programme is really important for a number of reasons. It provides a learning platform for international cooperation



and management techniques. It is an opportunity for Chilean executives to visit German firms and network with German entrepreneurs, gaining first-hand insight into how to run businesses and do business with foreign partners. This helps fulfil the Programme's primary goal: to promote business relationships. And we can look to Germany for possible solutions to some of our more pressing issues, things like shaping transformation processes or automating production processes. Our entrepreneurs get a close and personal look at what can be achieved by integrating technologies, another decisive factor for advancing their own enterprises.

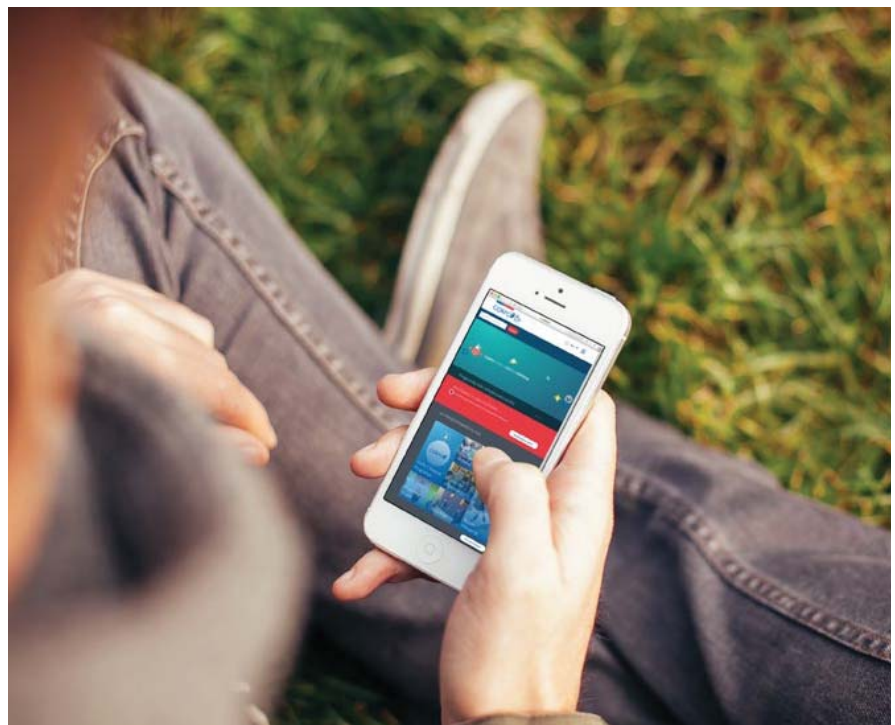
*What characterises Chilean exports and where do you see opportunities for German firms interested in doing business with Chile?*

The OECD has highlighted our country's need to diversify its economy and become less dependent on commodity exports. Aside from raw materials, other products in high demand on the world market have become a very important source of income for Chile in recent years. Roughly 82 million people worldwide consume fruit from Chile every day, ten million people eat Chilean salmon and over five million people drink our wine. In 2016, Chilean food exports amounted to 16 billion US dollars. Only mining generates more export income in Chile. So there are good, short-term cooperation opportunities for the German private sector in food in particular. I think bilateral projects between firms from both countries interested in exchanging ideas about production processes or looking to develop new products or processes to generate added value have the best chance of success. In the food sector, developing functional ingredients and special additives along with technologies to promote urban agriculture and adapt to climate change could be particularly fruitful. In the long term, we want to expand some specific production sectors, including clean energy, exportable technology services, mining technology and machinery, along with ways of incorporating advanced manufacturing methods and Industry 4.0 and sustainable tourism. We are also backing foreign investment in all areas and we see great potential for cooperation with German firms here too.

*How would you like to see the Manager Training Programme structured in Chile in the coming years?*

We have set various goals regarding the MP. One thing we would really like to do is increase the percentage of women in the Programme. We would also like to get more businesses from all over Chile involved, as more than 50 per cent of the participants currently come from the capital. We are hoping to kick off more projects with German partners that help us develop solutions for challenges in the fields of the recycling management, sustainable agro-industry, environmentally friendly mining, renewable energies, the

solar industry, smart cities, digitisation and Industry 4.0. I would also like to mention that MP pilot group alumni are already involved in several successful cooperation projects and we are offering them our support. We hope to announce the positive results in the near future. We could never have achieved so much in such a short time without the assistance of our German partners, the BMWi and GIZ, the Chilean Ministry of Economics, Development and Tourism, the German-Chilean Chamber of Industry and Commerce CAMCHAL and ProCHILE.



## CORFO – Driving Economic Growth

The CORFO (Corporación de Fomento de la Producción) business development association promotes entrepreneurship and aims to strengthen the competitiveness of Chilean firms. CORFO Vice President Sebastián Sichel reports the organization's ambitious plans to help develop Chile's economy, currently reliant on just a few sectors, into a diverse landscape of millions of entrepreneurs and innovators. The keys here are diversification, decentralisation, a focus on innovation, more intensive cooperation between SMEs and the expansion of technologies. SMEs have a special role to play in this development, as they generate around 70% of jobs in the country. As such, they make an important contribution to advancing living conditions and equitable economic and demographic development in this historically highly centralised country. CORFO's internationalisation strategy focuses on strengthening cooperation between Chilean SMEs and leading international enterprises. CORFO is financed by the Chilean Ministry of Economy, Development and Tourism.



[www.corfo.cl](http://www.corfo.cl)

# Sushki, Bicycles and Loans

## How Ukrainian entrepreneurs are taking off with German support

Germany has become one of Ukraine's most important economic partners in recent years. With a trade volume of about 6.6 billion euros, it ranks third among Ukraine's EU partners. The Manager Training Programme (MP) that was started in Ukraine in 2001 has also contributed to this success. The Programme opened doors to the German market for the majority of the more than 1,300 Ukrainian participants and also helped to boost their careers.

"What we have achieved so far with this Programme has greatly exceeded our expectations. The majority of the Ukrainian graduates now work with partner enterprises from Germany, and many of the businesses here were able to profitably modernise their production", explains Svetlana Stepashchenko, head of the MP project office in Kiev. "We hear again and again from our graduates that the Programme has become a part of their life", she adds.

Every year about 100 executives from Ukrainian businesses travel to Germany for the "Fit for Partnership with Germany" Programme. Sergei Smirnow is one of them. He heads the export department of Chlebodar AG in Saporischschja, in southern Ukraine. During his stay in Germany, Smirnow soon found buyers for his goods: gingerbread, small sweet bread

rings – called sushki – and suchariki, a type of Russian crouton. "At a trade fair we met six potential business partners and were able to land a major contract. The current volume of our orders, just from the visit to Germany, amounts to half a million euros annually", explains Smirnow, whose business uses German packaging systems in their production.

When the CEO of the engineering service provider Progresstech-Ukraine decided in 2015 to attend the MP, his enterprise did not expect to find any major opportunities on the German market. But taking that step proved to be the right decision. "The most important insights that we gained were in the area of modern human resources management. We were thus able to strengthen our business considerably and enter new

markets", says Fialkowski. Progresstech-Ukraine has now expanded and developed into a global player: the firm does business in the automotive industry with customers such as Daimler and Tesla, in the aerospace industry with Airbus, Boeing and Bombardier, and in space technology with NASA.

### Starting Small and Thinking Big

Many of the MP alumni's plans have not just been successful at a local level, but have also broken through regionally or even nationally. One example is Agrarforum Agropor, which started in Kharkiv in

Today there is much talk of Industry 4.0. New technologies are entering and changing our lives. However, with a new generation of executives, it is important to develop the soft skills and competencies that are crucial to implementing new trends and technologies. Here the MP has strong potential.

Oleksander Oleschko (Ukraine)  
Head of UPP Partner Platform





## Strong in Supporting SMEs

With a trade volume of about 6.6 billion euros, Germany was Ukraine's third largest trade partner in 2017\*. 24 million euros of the trade volume between 2014 and 2018 stem from cooperation projects with participants from "Fit for Partnership with Germany". Independent analysts consider the BMWi Manager Training Programme to be one of the most important instruments for promoting SMEs in Ukraine in addition to other measures such as COSME, HORIZONT 2020, EUROSTARS and USAID.

\*Sources: gta, Ministry of Economic Development and Trade of Ukraine

2013 as a small, regionally funded project for agriculture and is now being implemented throughout the whole of Ukraine. It is headed by managing director Dmitri Titarenko, an MP graduate. "Through Agroport Ukrainian farmers are becoming familiarised with German methods and German technologies, and they have access to the German market. In addition, we are enabling Ukrainian producers to present their businesses at German trade fairs and to meet contacts from providers of agricultural technology and customers from Germany", says Titarenko.

The MP was also motivating for Viktoria Miljutina, who attended in 2013. After she came back from Germany she founded the German-Ukrainian medical association Udamed in her home country. In addition to planning work visits for Ukrainian physicians and nurses in Germany, Udamed organizes other projects on the modernisation of medical institutions in Ukraine. The young doctor has benefitted from the Programme in many ways. "Since my visit to Germany my work has become much more efficient and successful. For example, it's simply easier for me to acquire resources", explains Miljutina. The best-practice examples from the Programme have helped her to initiate innovations in the Ukrainian health care system with her partners – from the introduction of new treatment methods to the restructuring of entire areas of the medical system.

The MP graduates Valeriy Mayboroda and Olexiy Kushka also received valuable input during their stay in Germany. Mayboroda, who is a member of the board of directors of the German-Ukrainian Fund (GUF), supports Ukrainian SMEs with financing. In addition to longer credit periods, the GUF offers them interest rates that are 15 to 20 per cent lower than

the average interest rates on the Ukrainian market. Half of them are reimbursed by the local government budget if there is a corresponding cooperation agreement between the GUF and the respective local government. As an MP graduate, Mayboroda knows exactly what sort of problems small and medium-sized enterprises have and what they need in order to be successful. He acquired his expertise during training in Berlin, among other places, in 2002.

Olexiy Kushka has moved a good deal further towards his goal of establishing a culture of cycling in the Ukrainian capital of Kiev by attending the MP. Together with the city government of Kiev, he has realised the bicycle rental system Nextbike, a franchise of the German firm. "In Ukraine there are not nearly as many people who regularly cycle as there are in Germany. But cycling is not only healthy, it's also ecological", explains the young manager. If he has his way, bicycles will be part of the city landscape in many parts of Ukraine. "In the future, Nextbike will definitely be a permanent part of public transportation here as well", says Kushka with conviction.

### Networking is Everything

The MP should also be bearing fruit in Ukraine in the future. So together with local chambers of industry and commerce, MP alumni and other organizations, the regional administrations have initiated "partner networks", that recruit new participants through informational events and offer consultations, preparation for the Programme and networking opportunities. The alumni of the Programme play a key role. Many of them remain closely connected to

the MP and are in frequent contact with other Programme graduates. They support MP newcomers in establishing business ties to German businesses and they also provide access to Ukrainian markets to enterprises from Germany. Svetlana Stepashchenko is certain: "Our graduates are the core of the success of Ukrainian economic growth. If they share their knowledge, the country will continue to benefit socially and economically in the future".



Valeriy Mayboroda



Viktoria Miljutina



Olexiy Kushka



Sergeij Smirnov (l.) and Andrei Fialkowskij (r.)

# 20 YEARS





# “The Programme stands for continuity, dynamism and openness”

Since 1998, the Manager Training Programme has stood for successful economic cooperation and is regarded as a powerful tool for promoting German foreign trade. Thomas Bareiß, Parliamentary State Secretary at the Federal Ministry for Economic Affairs and Energy (BMWi), praised the Programme on the occasion of its 20th anniversary.

It was my great pleasure to celebrate the Manager Training Programme's 20th anniversary with high-ranking guests and alumni from home and abroad on 18 October 2018 at the Federal Ministry of Economic Affairs and Energy in Berlin.

This successful Programme started out as a Russian-German project. It was launched in 1998 as the German contribution to a Russian initiative aimed at helping Russian business leaders improve their qualifications and explore new ways of thinking.

Over the past 20 years, the Manager Training Programme has expanded and grown. Today, it is an equal partnership geared towards economic cooperation and an important, attractive and internationally recognised Federal Ministry of Economic Affairs and Energy programme promoting international trade. The MP's popularity around the world is further proof of its success and appeal. We are currently working with 19 countries, and others have asked to join.

I firmly believe that German and foreign firms alike benefit from participation in the Programme. Entrepreneurs at home and abroad are united by the desire to strengthen their position in international competition and run a successful business.



Thomas Bareiß

And that's exactly what the Programme offers through new business contacts, experience in new markets and new management and intercultural skills.

The German government is dedicated to promoting international trade and creating a framework and favourable conditions with effective tools like the Manager Training Programme. We focus on the small and medium-sized enterprises so essential to the success of the German economy – and often world-market leaders, the “hidden champions”. But German SMEs do not always find it easy to initiate international partnerships and find new business partners. This is precisely where

we come in with a range of coordinated measures that include export initiatives and market development programmes, the foreign trade fair programme, support for a network of foreign chambers of commerce, the advisory services offered by Germany Trade and Invest (GTAI), and, of course, with our Manager Training Programme.

The Federal Government sees a bright future for the Manager Training Programme. It stands for exceptional continuity coupled with a wide range of experience, for great dynamism and openness towards new partners and facing new, exciting challenges.

I would like to use this opportunity to express our appreciation to all our long-standing partners in Germany and abroad for their great commitment over the years. And I would like to encourage you to continue to be persistent in pursuing this fair and balanced partnership in the future and to add many more success stories to all those written thus far. I encourage all entrepreneurs and potential participants from Germany and our partner countries to take advantage of the potential and opportunities the Manager Training Programme offers for your entrepreneurial success!

# A Guiding Light in International Cooperation

The Manager Training Programme celebrated its 20th anniversary in 2018. About 300 guests came to Berlin for the ceremony on 18 October 2018, demonstrating that the Programme is so much more than just a business exchange.

Up on stage, Georg Riegel seems delighted as he talks about his new business partners in Iran. “They are very open minded and have a great sense of humour”, the head of the deZem software firm reports. Roughly 300 guests in the hall of the Federal Ministry for Economic Affairs and Energy (BMWi) hang on his words. “I was looking for foreign partners to sell my products”. A year ago, he signed up for the Manager Training Programme (MP) and invited a group of Iranian managers to tour his enterprise in Berlin. Among them he found just the people he was looking for.

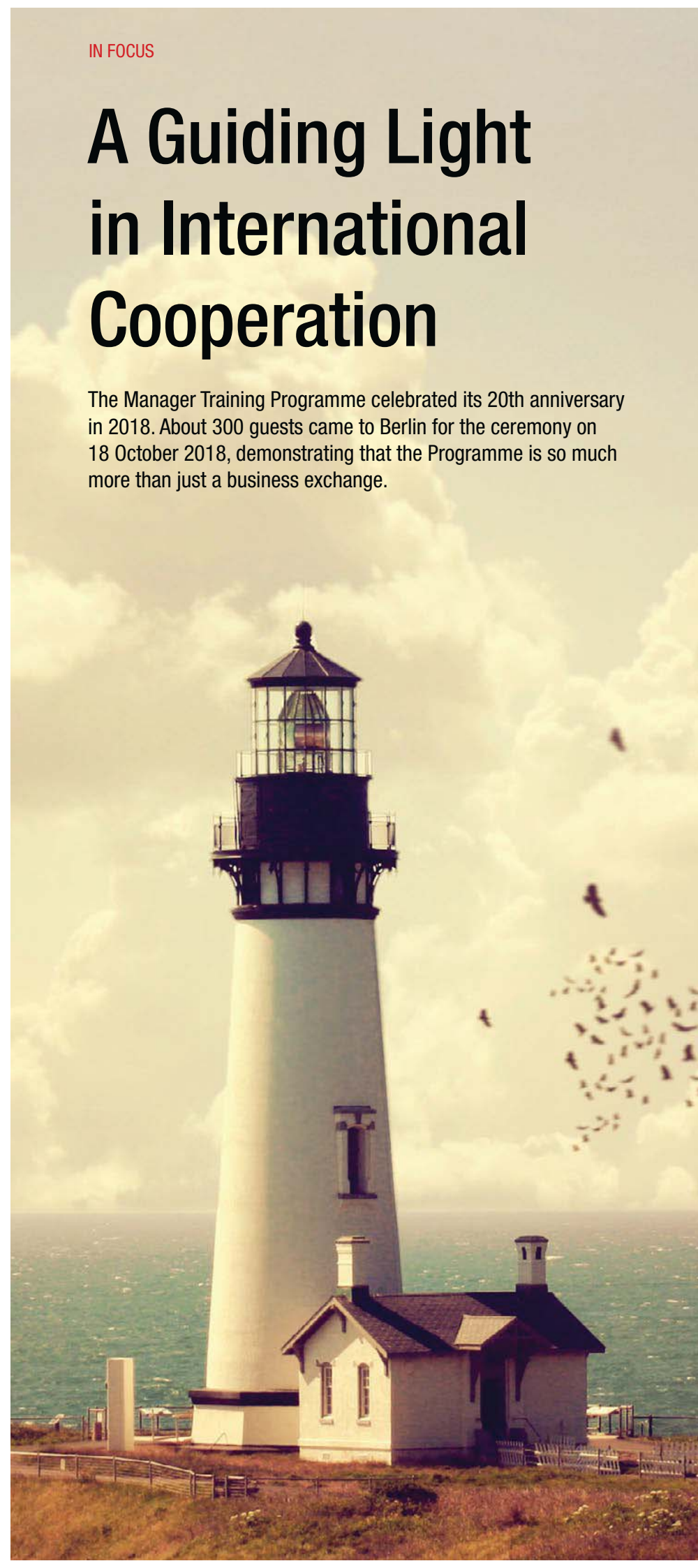


**Every euro we invest in the Programme comes back to us tenfold.**

Dr Heinz Hetmeier, Deputy-Director General for European Policy at the BMWi

Listening to Riegel and others, it is immediately apparent that the MP is about so much more than just classic business relationships. Participants get to know other cultures, build trust and take part in an intercultural exchange. In the best case scenario, sustainable partnerships develop, as they did for Riegel. “The Programme builds bridges to other countries – bridges for the future”, BMWi Parliamentary State Secretary Thomas Bareiß says. Such programmes are particularly important in this era of trade barriers, sanctions and protectionism. “MP participants are ambassadors for a friendly and peaceful world”, GIZ Deputy Chairman of the Board Dr Christoph Beier says. The GIZ coordinates the Programme on behalf of the BMWi and has made it a beacon of free trade.

On 18 October 2018, guests from Germany and all 19 partner countries came to celebrate with the BMWi, including state secretaries, ambassadors, alumni, representatives of partner organizations and the training centres involved in the MP, as well as current Programme participants. It was a happy crowd that shared experiences and exchanged ideas. They





represent the 13,000 upper level managers and thousands of German firms that have taken part in the Manager Training Programme over the past two decades. The Programme is a win-win. Executives from other countries learn how German SMEs work and expand their skill sets, while in return, German firms get an inside look into how things work in other countries and can expand into new markets.

### Rethinking German-Russian Relations

Launched in 1997 at the behest of the Russian government, the Programme began as a business exchange between Germany and Russia. The idea was to have Russian executives learn from German entrepreneurs. "Helmut Kohl promised Boris Yeltsin up to one thousand internships for Russian industrialists, which presented a real challenge", former GIZ Programme Manager Prof Dr Gerd

Schimansky-Geier recalled on stage at the BMWi.

This ambitious promise was kept. Sergey Shchedrin, Manager of Russian bakery products manufacturer KBK Chere-mushki, was one of the first to take part in the Programme in 1999 and returned to Berlin to report on his experience as part of the anniversary celebrations. After completing the MP in Germany, he returned to Russia to restructure his business and reframe its strategic orientation. He regularly returns to Germany for business meetings and trade fairs to this day.

20 years ago, the MP was one of the few international programmes on the market open to Russians and Germans, but today there are many similar exchange and training opportunities. "There were no business schools back then," one of the Programme's initiators Dr Andrei Sharonov recalls, now President of the Moscow School of Management and former Vice Minister of the Ministry for Economic Development of the Russian Federation. Which made it ever more important, he added, to highlight the benefits of the MP.

Dr Karl-Ernst Brauner, Deputy-Director General at the WTO and former Head of the Foreign Trade Policy Department at the BMWi, expressed his thoughts quite succinctly: "The Programme serves up high-quality partners on a silver platter". Brauner was also instrumental



Dr Christoph Beier, GIZ Deputy Chairman of the Board

**The participants of the Programme are ambassadors for a friendly and peaceful world.**

in developing the MP. "The GIZ looks quite carefully at how serious potential Programme participants' interest really is. This saves German firms a lot of time and work and creates a great opportunity for finding long-term partners".

### A Growing Potential Partner Pool

Since those early days, a total of 19 countries from Asia, Eastern Europe, North Africa and Latin America have joined the Programme, and new countries are waiting in the wings. "Today, a broad network of relationships is more important than ever", Dr Stefan Mair, a member of the Executive Board of the Federation of German Industries, says. "Political changes have made long-standing trading partners, like the United States, unpredictable overnight". There need to be more partners to further consolidate the strength of German industry in world trade. The more the merrier.



**The Manager Training Programme can withstand any foreign policy crisis – which is as it should be.**

Claudia Dörr-Voß, BMWi State Secretary





Discussion moderator Frederik von Rumohr, Dr. Karl-Ernst Brauner, Andrei Sharonov, Dr. Gerd Schimansky-Geier, Dr. Heinz Hetmeier (from left to right)



**The Manager Training Programme is about much more than knowledge transfer. It is more like a hub for exchange.**

Reimut Düring, Head of the Manager Training Programme

The four-week workshop in Germany is the heart of the Programme. Foreign executives come to Germany, get to know the market, learn what makes it unique, and meet with German entrepreneurs. On average, a group of 20 participants comes into contact with 60 German SMEs. Conversely, German firms can travel to China, Russia and Mexico for further training with the "Fit for Foreign Markets" programme.

Like Heinrich Schäffler, the head of an insurance firm who travelled to Mexico last year. "A friend recommended I join", Schäffler says. "At first, I was sceptical that it would be worth it. Today I can say that it was one of the best decisions I've ever made". Schäffler toured Mexican food and chemical businesses, established contacts, and ultimately found two valuable

partners. "We are joining the Mexican market this year. This would never have happened without the Manager Training Programme". The entrepreneur also felt it enriched his personal life: "I made friends and fell in love with the country".

#### Working Together for the Future

Organizers are already setting a course for the future to make sure the Programme remains successful. They described their vision for the MP at the celebrations in Berlin, noting they wanted to integrate digitisation, e-mobility and the smart city more and expand cooperation with African nations. Additionally, there is to be an increased focus on the needs of enterprises and Programme participants.

To this end, attendees at the celebration were asked to share their ideas for the Programme's future. In a two-hour workshop, guests drafted their visions of the future in small groups, and exchanged and discussed ideas. They started with three leading questions: How could the MP better meet the expectations of firms in Germany, in the future? What joint ventures with business organizations should be developed further? How could the MP intensify cooperation between Germany and other countries? A consensus was quickly reached that MP participants and alumni everywhere in the world wanted even more intensive digital exchange in the future. This would help ensure that the MP beacon continues to shine brightly – no matter what challenges may arise.



In workshops, the guests developed their future visions for the MP.



# The Impetus Came from Moscow

Dr Gerd Schimansky-Geier was a co-initiator and head of the Manager Training Programme (MP) from 1997 up to his retirement in 2012. In an interview, he describes the early days of the Programme and the challenges it faced in the years that followed.



Dr Gerd Schimansky-Geier

*Dr Schimansky-Geier, the MP celebrated its 20th anniversary in 2018. It all started in Moscow.*

In 1997, the Russian president Boris Yeltsin announced an initiative “for the training of executives for organizations of the national economy of the Russian Federation”. A government commission was formed for the purpose and comparable commissions were established in 80 Russian regions from Kaliningrad to Vladivostok. The objective was to modernise the Russian economy by training business executives who understand the principles and mechanisms of a market economy and act accordingly, particularly those from enterprises in the regions. Each year, 5,000 specialists and executives were to participate in further training over a period of several months. At the same time, it was about opening up the regions to the global market and attracting foreign investment. Therefore, the Russian government approached the ten leading industrial nations asking them to provide internships within their economies for the best alumni of the so-called Russian President’s Programme. The German government also promised its support.

*That was your introduction to the Programme.*

At the time, I was a group leader for the CIS countries at Carl Duisberg Gesellschaft, a predecessor organization of GIZ. At the end of 1997, Carl Duisberg Gesellschaft was nominated by the German Ministry for Economic Affairs and Energy (BMWi) as the general manager of the German contribution to the Russian President’s Programme. In that function, it was responsible for conception, planning, implementation and finances. Although we had already implemented numerous projects for the Russian economic administration regarding further training and had a good network, this was a considerable challenge for us.

*What exactly did this challenge consist of and how did you master it?*

The German chancellor Helmut Kohl had promised the Russian President Boris Yeltsin up to 1,000 internships in the German economy per year. This exceeded all previous arrangements. First of all, a practice-focused programme concept was drawn up which met the needs of the target group. Every participant and every dispatching enterprise was to have an actual benefit from the internship in Germany. We were in competition with the USA, Great Britain, France and other countries. The German programme was soon in highest demand, and that is still the case today. Germany's attractiveness as a business location and the strong support the MP enjoys from German businesses was one reason for this.

*Demand is one thing, but how were you able to mobilise participants in the expanses of Russia?*

It soon became clear to us that we could only reach candidates for our Programme in the regions in which they worked and lived. Hence, in addition to Moscow and St Petersburg, we chose 20 economic centres including Voronezh, Rostov, Yekaterinburg, Tomsk, Irkutsk and Krasnoyarsk. We held information and selection events there as well as follow up meetings and further training for German teachers and economics lecturers. In the past, the majority of the participants in international projects had come from Moscow and St Petersburg. For the MP, it was just the opposite – in 1999, 94 per cent of our participants were from other regions of Russia. And that hasn't changed up to now.

*How was the Programme organized in Germany?*

The Programme was centrally organized, but naturally the firms were located throughout Germany. The specialist training was to be carried out in business-oriented training centres (also known as FBZs) with excellent connections to German enterprises. In 1998, 140 institutions all over Germany applied and we selected twelve. Many of them are still involved in the Programme today. The FBZs carry out the specialist training, establish contact with German firms for the initiation of business relations, advise the participants and are responsible



**1998** The German chancellor Helmut Kohl had promised the Russian President Boris Yeltsin up to 1,000 internships in the German economy per year.

for their accommodation and cultural support. Many of the former participants still associate the Programme with "their" FBZ. And the FBZs also often remain in contact with "their" alumni and help them where they can.

*Alumni work is another keyword.*

Indeed, alumni work in Russia is different from that in the other MP countries. Shortly after the Programme began, our Russian partners asked us to support the establishment of regional alumni associations of the President's Programme with advice and training. After initial scepticism, the fact that we would gain access to thousands of participants and enterprises from the President's Programme convinced us. The alumni associations gradually became good partners, also in the promotion and preparation of the German-Russian programme. The "Fit for Business with Russia" programme, which was initiated in 2006, was also largely organized by regional alumni as-

sociations. At the invitation of the Russian government, German executives receive business-oriented training in Russia. The Manager Training Programme still works with 35 associations today.

*Up to now, about 13,000 entrepreneurs from around the world took part in the Programme. How could the Programme cope with this large number?*

Naturally, first and foremost through the sustained commitment of the BMWi and the German economy. But also through hard work on the part of our partners abroad and those involved in Germany. I particularly want to mention our staff in Bonn and in the external offices, those in the German training centres and the many German specialists who were involved in the Programme. Not forgetting the experts who supported us. However, the close cooperation with our partners based on trust was probably the most important factor. The intensive joint work led to strong mutual respect and recognition and hence to long-standing connections and friendships.

*The German contribution to the President's Programme primarily aimed to support market economy reforms. Then it developed into a support programme for foreign trade. How did this change come about?*

There have been changes in demand since the beginning of the 2000s. The participants increasingly came from SMEs, although the SME sector was







Dr. Gerd Schimansky-Geier and Dr. Oleg Lushnikov, former Secretary of the Federal Commission for Manager Training, with MP alumnus Tatyana Vischnewskaya.



**2018** It is important that we support the enterprises in finding answers to the numerous new economic challenges. And, above all, that the MP continues to promote intercultural understanding.

hardly developed in Russia at the time. We started adapting the Programme to meet their specific needs. And more and more participants arrived in Germany with concrete business cooperation projects in mind. Both tendencies grew when we extended the Programme to further countries with the support of the BMWi. A growing number of countries wanted to participate in the Programme in the following years. The participants' business experience varied, as did the cultural environments from which they came, and the Programme developed into the MP as we know it today. We gave it the motto "Fit for Partnership with Germany", which stressed its clear

emphasis on economic cooperation. We formed industry-specific and international topic groups, for example with a focus on food processing, hospital management or renewable energy. Together with our partners, we defined the competencies participants need in order to be successful in the German market. The Programme content was aligned accordingly.

*Dr Schimansky, what do you wish the MP for the future?*

Naturally, first and foremost that it continues its successful development. Today 19 countries take part in the Programme and demand remains steady. It is important that we support the enterprises in finding answers to the numerous new economic challenges. And, above all, that the MP continues to promote intercultural understanding.



### At a Glance

The Manager Training Programme at a glance – this is what the knowledge map on the next two pages offers: from the beginnings of the Programme – with Helmut Kohl and Boris Yeltsin on the red button – to the arrival of new partner countries and individual Programme phases, to the results, cooperation and successes of the participants. Discover, recognise and smile! Do you have any questions about the Manager Training Programme? Then write to us at [mp-pr@giz.de](mailto:mp-pr@giz.de)





Federal Ministry  
for Economic Affairs  
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# MANAGER TRAINING PROGRAMME "THE TERMINAL OF ENCOUNTERS"



AH!  
QUALITY MADE  
IN GERMANY!

MEGATRENDS  
ON THE RADAR:  
GLOBALIZATION,  
CLIMATE CHANGE,  
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PROTECTIONISM  
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QUALIFICATION

CORE COMPETENCES  
& CHANGING

PREPARATION

EVALUATION

SELECTION

FOR PARTNERSHIP  
+++ FIT

CHECKPOINT OF FUTURE INITIATIVES

SUSTAINABILITY

GLOBALIZATION

NEW TECHNOLOGY





EXPORT



LETTER OF INTENT

EARLY AGREEMENT

CONTRACT

COMPETENCIES  
OF MINDSET

TRAINING

MONITORING  
& ANALYSIS

FOLLOW-UP MEETING

RESULTS:

ALUMNI LOUNGE

BUSINESS

AIR FUTURE

ECONOMIC  
SUCCESS

GLOBAL  
COMPETITIVENESS

COOPERATIONS





# Alumni Powering Full Steam Ahead







The EMAAC alumni association has been around since 2015 and was founded by the first Mexican entrepreneurs to come to Germany as part of the Manager Training Programme (MP). The association has since grown into a platform for exchange and cooperation and is committed to promoting corporate relations between Mexico and Germany. EMAAC President Luis Pedraza provides some insight into the association's activities and plans in an interview.

*Mr Pedraza, what challenges did you have to overcome when setting up the association in 2015?*

Funding was a major issue. As a non-profit organization, we were responsible for financing our day-to-day business. It is always difficult to get outside support, whether from state or private organizations. EMAAC has enjoyed the support of membership fees and contributions from its founding members, but we have also been able to generate funds by organizing conferences and networking events. We were newcomers, so getting EMAAC involved in Ger-



man-Mexican economic relations was also a challenge. Fortunately, the Mexican National Entrepreneur Institute INADEM, and German and international organizations and firms that share our goals and see the association as a key player in this environment pledged their support throughout the process.

*How is EMAAC organized and who is eligible for membership?*

Our association is divided into various sector groups that work with regional groups here and are responsible for specific areas, like automotive engineering, the food industry, technology and IT, services and consulting. This diverse structure helps us reach out to members throughout Mexico and across industries. It also allows us to directly identify the needs of both members and industries, making it an effective tool for representing the interests of our members in their respective fields. Most association members are alumni of the "Fit for Partnership with Germany" Programme, but we are open to any entrepreneur interested in intensifying business contacts with Germany. We currently have 120 members and our executive board reports to them.

*What is your vision for the future of the MP?*

We want to enrich the "Fit for Partnership with Germany" Programme and serve as a platform for exchange and cooperation among MP alumni and internationally active firms and organizations. We offer support and services for developing successful business relations between Mexico and Germany and would like to extend our support to SMEs looking to enter international markets in the future. EMAAC is growing and becoming a major player in the Mexican cooperation network with foreign countries. As a strong partner for both Mexico and Germany, the association will continue to gain importance and support the establishment and development of a solid economic environment in which internationally active SMEs play a key role.

Last year we looked after the pilot group of German entrepreneurs and took them on a 15-day business trip through our country. This gave German participants the chance to meet Mexican business people locally. And it was a very good opportunity for the Mexicans to present the quality of our production and show that we have innovations and the competencies needed to operate globally.

Martha Gabriela Viveros Gadena (Mexico)  
Operations Director, EMAAC Alumni Association  
(Empresarios México-Alemanes)




*EMAAC is active at various levels. Can you share some of your success stories?*

In addition to participating in such major events as the Hamburg Woche and other annual conferences under the auspices of the Latin America Association, EMAAC was actively involved in the Hannover Messe, where Mexico was the 2018 partner country. We also supported the negotiations in the run-up to three international agreements signed during the Germany Year in Mexico 2016-2017: a joint agreement between the two countries signed during the Mexican President's official state visit to Germany in April 2016, a declaration of intent between INADEM and Hamburg Messe on expanding international cooperation in technology and an agreement between INADEM, the Latin America Association and EMAAC on PPP projects to promote and internationalise business contacts between Mexico and Germany.

*Last, but not least: What advice would you give other alumni associations? What does it take to be successful?*

They need to have staying power and the determination to tackle problems. Organizations should have a clear structure with precise rules for governance and funding. They should also cooperate closely with public and private stakeholders who have the same goals and, more importantly, the same values. And lastly, never give up; those who sow well, will reap well!

 EMAAC (Empresarios México-Alemanes) website: [www.emaac.mx](http://www.emaac.mx)

# New Alumni Association Expands Kazakh Network

In August 2018, a new point of contact was established for alumni and others interested in the Manager Training Programme (MP). The Alumni Association Kazger intends not only to improve the network and maintain connections with German businesses, but is also committed to supporting young entrepreneurs and the long-term professional qualification of its members.

group. Alumni from other countries are to be addressed as well as entrepreneurs in general who are interested in the development of Kazakh-German relations.

Schanajar Tapalow, Managing Director of Infradim GmbH, a small business that produces and services meters for water, electricity and heating systems, took part in the MP in 2009. "When the installation of energy consumption meters became mandatory, I decided to participate in the Manager Training Programme because my order books were no longer bulging once households and industry had been equipped with meters", Tapalow remembers. And his expectations were high. "I hoped to gain new impetus and know-how for the future development of my business", the businessman adds. The economist and legal scholar took the opportunity of his one-month stay at the training centre beside the Mueggelsee Lake in Berlin to have numerous cooperation talks. Concrete agreements on the supply of testing devices and water meters as well as an additional business idea were the result: Tapalow was inspired by German colleagues to expand his product range with the production of protective cabinets for electrical devices and fire extinguishers.

He attributes his success mainly to the intercultural skills he gained in Germany. "It is important to be familiar with the history and culture, particularly the business culture of the other parties' country in order to understand them", Tapalow says. Now he passes on this knowledge and experience to others: as the vice president of the business association in Astana, he sees himself as a disseminator and regularly arranges business contacts for German business delegations.

MP participant Irina Mazkewitsch from the sparsely populated province of East Kazakhstan bordering Russia, China and Mongolia had a similarly positive experience. She and her husband manage D-ARC, a construction firm with roughly

The results of the first six months were impressive: six conferences in the six Kazakh cities of Qaraghandy, Astana, Aktobe, Shymkent, Oskemen and Almaty. After its foundation in Almaty in August 2018, the new Alumni Association of the Kazakh-German Programme did not dither – the first event took place just one month later. The range of topics on the programme included creative problem-solving strategies, negotiation strategies, communication, lean management, leadership methods in the digital age and the Kaizen method in Kazakh enterprises. For instance, in November 2018 participants visited Medeu Serikbajew's food

enterprise and Aigul Dshanserik's workshop, both located in Almaty. Following a presentation and a guided tour around the businesses, optimisation potential for SMEs was discussed, quite in keeping with the Kaizen principle of a continuous improvement process.

## Broad Target Group for Maximum Impact

The MP has been carried out in Kazakhstan since 2004; so far, 658 Kazakh executives from middle and upper management levels have participated. These entrepreneurs represent the new association's main, but certainly not its only, target





Kazakh alumni met in November 2018 in Almaty.

one hundred employees. As the long transport distances have a considerable effect on energy prices, the qualified psychologist wanted to find German partners for low energy construction. “The seminars on quality and project management were also particularly valuable to me”, she remembers. With this knowledge, she managed to introduce a quality management system in her firm within one year. “Moreover, now I pass on my knowledge to private and state universities”, says the businesswoman. Additionally, Mazkewitsch bought software in Germany for planning passive house projects and found German partners for the energy-related refurbishment of public buildings in areas that are difficult to access. “We were able to increase our turnover by over 70 per cent compared with the previous year and gain new customers. That would hardly have been pos-

sible without the practical training in Germany”, she says.

### Achieving Economic Success through Cooperation

The alumni’s extensive knowledge pool and their willingness to pass on their knowledge is one of KazGer’s main pillars. “Our work so far has already shown that alumni need a strong network and can help each other”,

says the association. Its main focus will therefore be on supporting young entrepreneurs and on the long-term professional qualification of its members.

After the ambitious start, the agenda for 2019 is also impressive: a group of experts is to be established comprising members

who advise other members; alumni are formulating eligibility criteria for enterprises for consultation with consultants, who will

then visit them and carry out an initial assessment. Furthermore, the association wants to support members with their applications for promotional instruments for SMEs provided by the Kazakh government and the European Bank for Reconstruction and Development (EBRD).

### It is the People That Count

With that, KazGer goes far beyond just association work at a desk. The association says it wants to make a real contribution to improving the economic success of the alumni’s enterprises. Local business networks are being established and maintained for that purpose and invitations extended to international experts concerning current topics. The alumni association intends to establish itself in Kazakhstan and Central Asia as a leading international centre for experience, knowledge and capital. In addition, KazGer plans to support Atameken, the largest national chamber of entrepreneurs and the partner organization of GIZ in Kazakhstan, with tasks connected to the MP Programme.

# 658

**Kazakh managers have participated in the MP so far.**



An MP alumni reunion in October 2018 in Karaganda.



Enjoying the alumni meeting and visiting several firms: the international healthcare management group.

## A Reunion at MEDICA

At the leading trade fair for medical technology in Düsseldorf, Egyptian MP alumni met up with participants of an international group on medical technology as well as with German disseminators and players from the industry.

Why should one only meet at follow-up and alumni meetings in the partner countries when many alumni of the Manager Training Programme (MP) regularly come to Germany? Based on this idea, GIZ, together with the Egyptian-German Alumni Association (EGAA) and the Egyptian Export Authority (EDA), planned a meeting which took place at MEDICA in November 2018. The aim was to create networks between the MP alumni and German businesses as well as current Programme participants from the health sector.

Almost all the MP participants have several German trade and cooperation partners and they were very glad to see them again at the trade fair. The Egyptians presented their exhibition stands, reported on cooperation relationships and met disseminators from the German medical technology industry and from the "Health made in Germany" export initiative for the German healthcare industry as well as medical experts from Baden-Württemberg International (bw-i). The result: initial agree-

ments were reached and matchmaking for MEDICA 2020 took place; moreover, opportunities for cooperation with German businesses were clearly defined. But there were also cross-sector topics on the agenda. For instance, the export trade credit insurance firm Euler-Hermes presented its services to the Egyptian business representatives. Sherif Farouk, Deputy Head of EGAA, the Egyptian alumni organization, praised the prospects and the connections to German business and the trade associations, which were new to him. One thing is certain: "The talks and contacts will now be evaluated as soon as possible and made available to all alumni via our alumni association."

However, the alumni were not only pleased to meet the cooperation partners; following the visit to the trade fair, the alumni all met for a convivial exchange with representatives from "their" training centres in Germany.

On the previous day at MEDICA, 20 MP participants from the international

group on medical technology spoke with MP alumni at the Egyptian development agency's stand. In addition, the programme included numerous meetings with German firms. The participants were impressed by the large number of solutions available in the medical technology industry and the high standards of quality and innovation in medium-sized German enterprises.

The meeting with the Egyptian alumni was very informative for the MP participants. The exchange on establishing business contacts with German firms and the alumni's motivation to present their enterprises at MEDICA met with a particularly positive response – serious consideration is already being given to exhibiting at MEDICA next year. The executives are convinced that international trade fairs are still an important disseminator for sharing knowledge and establishing contacts.



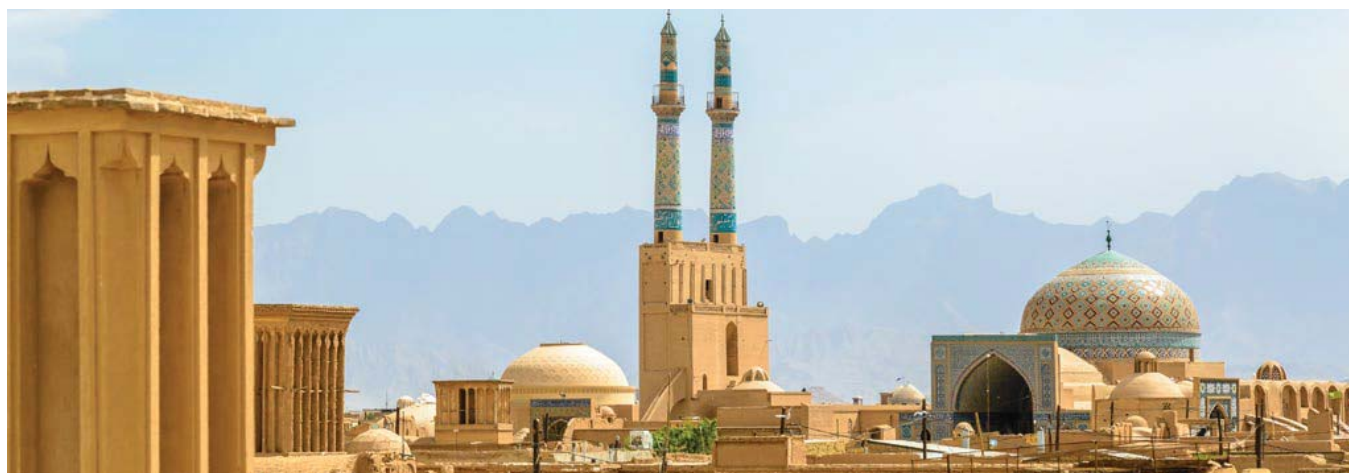
### About the Author

Professor Dr. Bertram Lohmüller is CEO of the Baden-Württemberg Export Academy (EABW) and lectures on innovation management and leadership at Steinbeis University Berlin. He was in charge of the group on behalf of EABW, focusing on healthcare management.



# Alumni Becoming Ambassadors

The Manager Training Programme pilot group in Iran shows what a small group of people can do for German-Iranian trade relations.



The Iranian business association ISIPO (Iran Small Industries & Industrial Parks Organization) did not have to look for long to find candidates for the first round of the Manager Training Programme (MP) in the summer of 2016: 112 executives from 24 Iranian provinces had applied to participate. 24 ultimately made it, forming the pilot group for the Programme in Iran. They represented various industries: the participants came from the petrochemical industries, the automotive and metal industries, food processing, agriculture and the field of renewable energies. Nearly three

# 24

**Iranian managers formed the pilot group.**

months later, they travelled to Germany. They were accompanied by representatives from ISIPO, the new MP partner organization, who made the trip in order to be involved in processes as quickly as possible.

## Knowledge Management at Its Best

After returning from Germany, the Iranian pilot group celebrated not only economic successes in the form of closed deals, machine purchases and business trips with German partners. Their experience gained from the MP was now in demand to help other candidates participate in the Programme. In the meantime, they have now succeeded in providing information about the Programme to over 1,200 entrepreneurs in 51 information dissemination workshops. In addition to this type of peer-to-peer review, they offered courses for managers and devised an SME training curriculum for ISIPO.

English skills, the Iranian candidates are highly qualified. The cooperation that was started in 2016 has paid off: within the framework of the MP, German firms are showing increasing interest in business relations with Iranian enterprises. In 2019 two groups from Iran will travel to Germany, and Iranian executives will participate in the international MP groups, each of which will focus on one specific industry.

The MP is a very valuable opportunity for Iranian SMEs looking for business relationships with businesses that have innovative, cutting edge technology and expertise in a variety of industries. So far, we have been able to dispatch five groups to Germany. Almost all of the participants have made major changes within their enterprises since then, as well as concluding contracts, and many serious business contacts have been established.

Ahmad Javanmardi (Iran)  
Manager ISIPO (Iranian Small Industries and Industrial Parks Organization), Coordinator of the Manager Training Programme in Iran

**ISIPO** (Iran Small Industries & Industrial Parks Organization), together with other organizations, is responsible for the development of SMEs in Iran. A total of 88,000 producers in the country have a business licence issued by the Ministry for Industry, of which 84,500 are SMEs, which are all private enterprises and some of which are located in Iran's 950 industrial parks. There are 380 industrial clusters in Iran.

It is thanks to ISIPO's good networking in Iran that the MP there has such exceptionally high numbers of applicants. In 2017 alone more than 500 applications were received. With a high proportion of MBA graduates and above-average





# A Pioneer in Poultry Farming

The largest closed-loop poultry farm in Turkmenistan is developing with the support of German technology.

An ultra-modern facility for the production of poultry meat is being built in the Gökdepe District, roughly 65 kilometres from the Turkmen capital Ashgabat. The family-run business, Maksada Okgunly, is investing nine million euros in this innovative project, which is ground-breaking for agricultural development in Turkmenistan. German technology is also playing a significant role: all the technology for the farm facility is from Germany.

"I wanted equipment from Germany because it is the best. And because the businesses don't only supply the technology, but also provide support and service", says Maksat Ibragimov, who runs Maksada Okgunly with his sister. The two currently have visitors from Germany: experts from Prüllage Systeme GmbH, who will be accompanying the installation and the putting into service of the new housing for rearing turkeys as well as training the personnel. The German family business in Lower Saxony, run by the three brothers Heinz, Josef and Ludger Prüllage, supplied all of the equipment for a total of 22 new turkey houses including a feed plant, a ventilation and heating system and automation technology.

## The Innovation: Closed-Loop Production

The whole farm complex is built as a closed-loop production system. It includes a hatchery, three houses for rearing chickens and 19 poultry houses. In addition, the farm has its own feed factory, made by K.H. Witte Anlagenbau GmbH & Co. KG, another German firm. Moreover, a slaughterhouse with a meat processing unit is in the planning stage, as is a plant for processing and using organic waste; both plants are to be supplied by German enterprises. The new factory complex being built on the firm's 30-hectare premises – equivalent in size to 42 football pitches – is intended to go into operation at the end of 2019. Ibragimov will then produce 4,800 tonnes of turkey meat a year. The annual capacity should reach







6,400 tonnes by 2020 and will then be expanded to 30,000 tonnes. With that, Maksada Okgunly would supply about ten per cent of the country's total meat production, which is currently approximately 300,000 tonnes a year.

### Feed Factory Made in Germany

Ibragimov will be producing his own feed in the future. He grows his own grain on an area of 230 hectares for this purpose. The grain ends up in the new mixed feed factory supplied by Witte, where it is used to make turkey feed. The new plant from Germany can produce five tonnes an hour and up to 43,000 tonnes a year. The new production line also includes storage silos and buildings for up to 24,000 tonnes of grain and the controls are fully automated. The agricultural area and the premises have been made available to Ibragimov free of charge after his plans won a call for proposal, despite tough competition, in 2015. As a result of the call for proposal, the Turkmen government also granted him a low-interest loan of nine million euros. The government supports the development of private-sector industrial agriculture with these schemes in order to drive the diversification of the economy forward.

# 43,000

tonnes of feed are produced annually by the new equipment from Germany.



The Turkmen firm will produce its own feed in the future.

Ibragimov has already invested about two million euros in his new German technology.

### Big Plans for the Future

"Now we can do everything ourselves, from rearing to the processing of the poultry meat. So far, this has not been the case in Turkmenistan", says the head of the firm, who participated in the Manager Training Programme (MP) at the end of 2017. But that

is not enough for the committed 37-year-old entrepreneur; his visions go further than that. He wants to become even more autonomous and continue to invest. He also wants to produce eggs for breeding

from 2020 onwards, so that he no longer needs to buy them. He intends to purchase his own parent stock for this purpose. And he plans to order it from Kartzfehn Märkische Puten GmbH, the largest German turkey breeder. Up to now, he has only bought hatching eggs from this enterprise. He also wants to expand his facilities to produce duck and goose meat.

Ibragimov has always been open to innovations and prepared to take risks. In 2013, he was the first to import turkey eggs, with which he laid the foundation for the industrial production of turkey meat in Turkmenistan. Originally, the ambitious entrepreneur was not a businessman or manager but a philologist. He says that is why he benefited particularly from the MP. The Programme provided him with the valuable management know-how he needed in order to expand his enterprise, which currently has 70 employees.



Maksat Ibragimow with Karl-Heinz Witte, Director of Witte Anlagenbau GmbH & Co. KG, and representatives of the firm in Germany

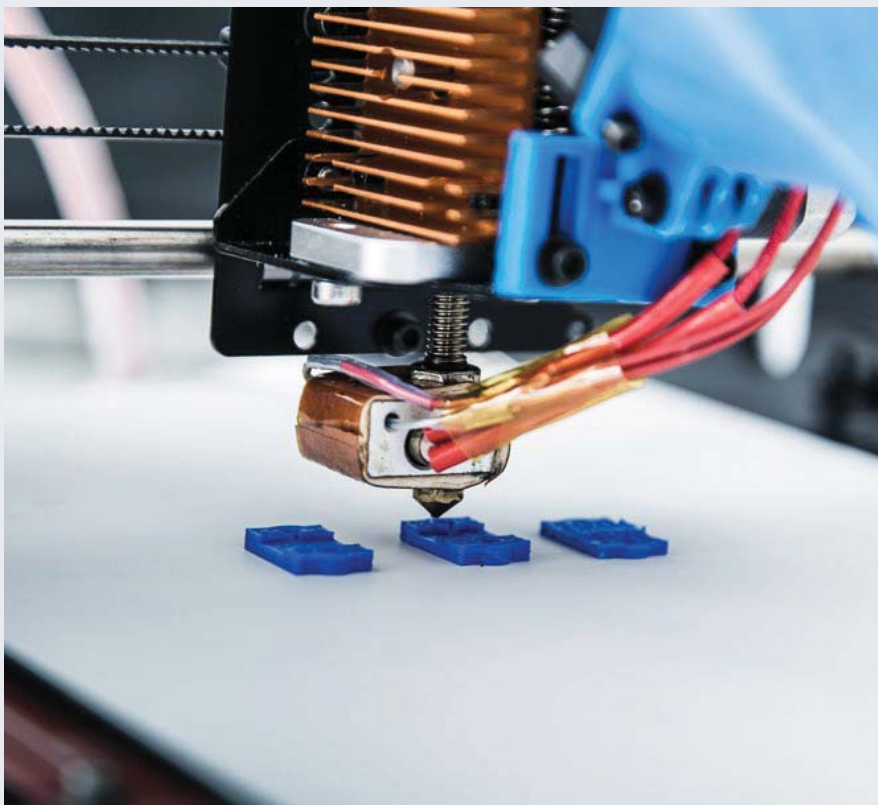


# New Projects in the Millions

Cairo-based Promech Engineering was founded in 2003. The firm specialises in Industry 4.0, advising businesses on how to employ 3D solutions and selling the accompanying hardware and software. Karim Mohsen is the Sales Manager for Egypt and the Middle East and is working with a German company, German RepRap GmbH, to realise profitable new projects worth millions of euros. At the heart are German RepRap printers that can transform fluids into three-dimensional products.

Things are really buzzing in the Egyptian Ministry of Industry's new laboratory in Cairo. A medium-sized enterprise is currently printing out a prototype on a 3D printer from German RepRap GmbH. The Egyptian government has recently begun offering this service to SMEs that cannot afford their own 3D technology, thus supporting the development and competitiveness of the Egyptian middle class, and of the manufacturing industry in particular. Promech set up the lab and Karim Mohsen headed the €400,000 project. "We are very proud of the lab that features the largest 3D printer with a fully closed chamber made in Germany", Karim Mohsen says. It can create 3D models from different materials and print large or even multiple smaller objects in industrial quality.

"We had been in contact with the Feldkirchen-based company for some time, trying to get a joint project off the ground, initially with no success", the 34-year-old mechanical engineer reports. The Manager Training Programme (MP) and its good reputation finally helped him organize a meeting in Germany, where he convinced the South German firm of the benefits of cooperation. The lab was his first project with RepRap. Since then, he has sold additional printers to the Middle East for around two million euros, which are being used in architecture, automotive, aviation and other industries. Promech is now a German RepRap value-added reseller (VAR). VAR describes a dealer who adds value to the product through customisation and services, for example.



What makes this Programme very special is that it places a focus on intercultural knowledge. Our family business tried several times to do business with Germany, but we weren't successful. Through our participation in the MP, we know how to deal with the differences between our cultures. I believe that every alumnus in the world could be an ambassador for the German culture in their home country.

Rania Oraby (Egypt)  
Founder and Chairwoman,  
EGAA (Egyptian-German Alumni Association)

In addition, Mohsen was able to win over the SLM Solutions Group AG, one of the world's largest manufacturers of 3D metal printers, as a new partner in Germany. Promech expects projects worth four million euros for the Lubeck-based mechanical engineering firm and is now a VAR in the Middle East.



## Quality Like in Germany

Promech's CEO Mohamad Reda regularly sends the firm's 45 employees to Germany for advanced training, where engineers, support team and sales staff spend up to several weeks learning about a specific firm's technology. Employees' knowledge is tested every six months. "We are proud that our employees are as well trained as those of German enterprises. This allows us to guarantee the same quality of service and support", Mohsen says.

## Passing Knowledge On

Mohsen held a one-week training course to share what he learned during the MP with his firm's employees. He particularly focused on passing on what he learned about intercultural business relationships. "We used to have frequent misunderstandings between our staff and employees in Germany because we lacked intercultural understanding. This is something I was able to address during the training seminar", Mohsen says with satisfaction.





# Quality “Made in Iran”

Tools are Mohammad Ramezani's world. His family has manufactured them in the family-run firm, the Iran Potk Tools Company, for over thirty years. Now the entrepreneur would like to sell his products in Germany and Europe as well. Despite the current political and economic tensions in Iran, the Manager Training Programme (MP) opened up a path to success: Ramezani founded a company in Germany and is active in the market. He also took a lot of new ideas home from Germany about how to make sure his business is ready to face the future.

During the MP, Ramezani founded the Daniel GmbH. Like a traditional family company, he used his son's name as a good omen. The fact that it is also a common German first name has worked to his advantage as well. In cooperation with a Gelsenkirchen logistics enterprise the new company markets raw materials, spare parts and equipment. Ramezani has also signed agreements with two leading German tool manufacturers: “We will be up and running as soon as the political climate allows. Everything is ready to go”, he says optimistically. Until then, he is focusing on implementing some new ideas in his family firm, which employs around 360 people.

## New Approaches to Customer Retention

The marketing specialist visited eighteen enterprises in Germany – and found plenty of inspiration to take home to his own firm. Such as an idea for restructuring on-site tours. “First we show a presentation, then



Mohammad Ramezani

there is a bit of entertainment, followed by the tour and a feedback round. It is now a standardised process, which makes showing roughly 20 potential customers a month around the firm much easier and more professional”, Ramezani says.

He has also improved customer relationship management and adapted after-sales service. “We are now very interested in customer feedback”, Ramezani says. He conducts telephone interviews that pro-

vide impulses for fine-tuning products and improving marketing. “This is the best way to satisfy our customers”, he reports. He has also implemented customer segmentation that allows the firm to respond more individually to customers' needs.

“Research and development is very important in Germany”, Ramezani notes. So he expanded his R&D division from two engineers working on improving production lines to a total of six. He has also kicked off new projects to boost sustainability, replacing plastic parts with wooden parts in the IPKA line of children's tools, and using paints that do not dissolve, ensuring they are not absorbed through children's mouths or skin during play.

## Domestic Cooperation

While international business is still partly on hold, thanks to the MP, the 38-year-old has enjoyed fruitful cooperation with other programme alumni within Iran. These include Mahdi Alijani, Managing Director of the Anit Industrial Group that manufactures air conditioning and heating systems, who Ramezani supplied with engraving tools and cooling ducts and fluids. And Behzad Kohani, the Managing Director of the Sabalan Company that produces mains adaptors, is now providing the energy supply for the electronic educational tools from the Iran Potk Tools Company's range. Mohammad Reza Jafari, Managing Director of Ekbatan Gas Control Co. and an expert in the aluminium industry also helped Ramezani solve problems in an aluminium die casting plant.



# 360

employees work  
for Mohammad  
Ramezani's firm.



Valeriy Mayboroda



**I'm for absolute transparency. Businesses should understand that it's realistic to receive financial support from us, even though we're practically a state entity.**

Valeriy Mayboroda

## MP Graduate Supports Ukrainian Entrepreneurs

The ambitious financial expert, Valeriy Mayboroda, attended the Manager Training Programme (MP) 16 years ago. At that time, he was 25 years old and working for the Ukrainian National Bank. He was just starting his professional career, but he had a clear mission: He wanted to study the work done by development banks and then use the knowledge to support the development of small and medium-sized enterprises in Ukraine. Today Mayboroda is the head of the German-Ukrainian Fund (GUF), which runs programmes supporting SMEs.

2002 was a historical year for the EU: the issue of the “euro kits” gave EU citizens their first opportunity to hold actual euro coins. And it was also an important year for the MP: The Manager Training Programme with Ukraine started, and with it the internationalisation of the Programme. Valeriy Mayboroda was among the very first managers to come from Ukraine for training in Germany. An economist, he worked for the Ukrainian National Bank and coordinated the work of the GUF, in which the Ukrainian National Bank, the Ukrainian Ministry of Finance and the KfW (a German government owned development bank) are all shareholders.

### Completely Satisfied with the MP

“My expectations of the Programme were met 100 per cent”, says Mayboroda, a foreign trade expert who closely examined the work done by financial institutions and enterprises during his time on the MP. He later shared the knowledge he gained in a working group he joined that drafted a business plan to establish a Ukrainian development bank. Back then, though, the time was simply not ripe for such entities. “Unfortunately, at that time the Ukrainian government wasn’t yet paying much attention to SMEs. Now – also as a result of the crisis – it has recognised how important SMEs are

for economic development”, says Mayboroda, who is now head of the GUF. The GUF is to be transformed into an agency offering financial support to SMEs within the next few years. A state programme to develop SMEs is planned to start by 2020. The government programme was developed with the support of the EU programme EU4Business.

### Help for Medium-Sized Enterprises

“In Germany I saw an ideal model of a state financing programme for SMEs”, says Mayboroda. He has been able to implement a lot on the basis of his expertise, even if the business plan per se has had to be shelved for now. Among the new instruments that he has realised is the introduction of interest rate subsidies based on the German model. “It’s good to invent something new, but it’s even better to adopt something good. We don’t need to develop a Ukrainian bicycle if bicycles already exist”, explains the entrepreneur. In addition to financial support, the GUF would like to also offer credit guarantees and consultancy services to enterprises in the future, to provide them with holistic assistance on their path to success. “Now that trade has been opened between Ukraine and the EU, it has become easier for German businesses. But our Ukrainian firms don’t have the same general conditions or the same access to financial support. That’s where we have to do some catching up”, says Mayboroda.



## MP Graduates Benefit from Financing

The GUF has granted more than 162,000 loans in the last 20 years. Some of the now 1,300 graduates of the MP in Ukraine have also been able to benefit from the low interest rates. Like, for instance the shoe maker Oleg Potienko from Browary, a small town close to Kiev. His enterprise Kaman manufactures high-quality shoes, including German and Italian production lines. Potienko used the loan to purchase a new production line and to strengthen his working capital.

# 162,000

loans were granted to  
SMEs by the GUF over  
the last 20 years



## Financing Programmes to Become More Well-Known

“Many entrepreneurs have no confidence in our loan programmes. They think that it’s a fraud or that it won’t work”, says Mayboroda. This is the reason that he has set marketing as the GUF’s priority. “I’m for absolute transparency. Businesses should understand that it’s realistic to receive financial support from us, even though we’re practically a state entity”,

he says. He regularly visits the regions and the partner banks, and promotes the GUF at events – including at the MP. He has also developed a new format: trade fairs for small and medium-sized enterprises ([www.sme-fair.org.ua](http://www.sme-fair.org.ua)), at which enterprises, banks and financial support institutions can meet. And he publishes a monthly fact sheet with data and figures

on the sponsored businesses. “It used to be that only a few people knew the GUF. Now we’re well-known, and word has got out that we can be trusted”, reports Mayboroda.



German-Ukrainian Fund website:  
<http://guf.gov.ua/uk>





# Growth Thanks to High-Technology

Tunisian family business relies on  
German technology and know-how







Anouar Yaiche is part owner of Novaprint, the business his father founded when he was ten years old. For the first twenty years, the family business generated an income from printing and expanded into manufacturing packaging in 2016. The biggest challenge the medium-sized business is currently facing is their plan for even more growth, as the Yaiche family aims to double its two million euro turnover by 2020. New German contacts and production facilities as well as a publishing expert from the Bonn-based Senior Expert Service will help the enterprise in this ambitious undertaking.

our own printing plates in the future. We currently have them made in Italy. We also received a range of coatings from Actega GmbH in North Rhine-Westphalia, which we are currently testing in our plants. A technician from the company is helping us with the test runs. And we just produced a trial run of packaging for orthopaedic devices for Lohmann & Rauscher GmbH & Co. KG, a business from Rhineland-Palatinate that manufactures medical products. The firm already has production facilities in Tunisia, but has been sending the products to Germany for packaging. If everything runs smoothly, we will take over the packaging once the test phase has been successfully completed.



*Mr. Yaiche, please tell us a bit about your business.*

We produce books, magazines and packaging. Novaprint employs 60 people and we export to 17 countries, mostly in Africa, but also in Europe, including Italy, Belgium and France. We focus on high

quality and were the first printing firm in Africa to receive an ISO certificate for our offset printing.

*What motivated you to take part in the Manager Training Programme?*

Well, we are always on the lookout for new customers for our products, of course. We also wanted to expand and needed new equipment to increase our capacity and expand our portfolio. There is a lot of potential for packaging and print sales in Tunisia and Africa.

*Was your time in Germany everything you hoped it would be?*

Yes, absolutely. We bought an index cutting machine from used machine dealer Kruse-Bsat GmbH, which allows us to cut out the indexes in telephone directories and encyclopaedias, for example. We are currently negotiating with Stoma GmbH to purchase an etching machine for €50,000. This would really add value because it would enable us to produce

*What are your biggest challenges at the moment?*

Our biggest challenge is really a problem of our own making, as it involves our ambitious plans for growth. We hope to increase our sales to four million euros by the end of 2020 and to be the market leader in Tunisia in ten years' time. To achieve this, we will not only need new machines – we are currently toying with buying printing machines from König & Bauer or Heidelberger Druckmaschinen – we will also need to ensure our business is strong and efficient. So a publishing expert is coming from Germany soon to help us out for a month and audit our operations. He will take a critical look at all the business units, from production and management to logistics. He volunteers for the Senior Expert Service, a German private sector foundation I got to know in Germany.

# On the Path to Success with Artificial Fibres

**Chemical firm expands its customer base and develops new materials**



Iryna Smartselava works for Europe's largest producer of artificial fibres, SvetlogorskKhimvolokno AG in Belarus. The state enterprise set up a new product line two years ago to produce multilayer non-woven fabrics. These so-called laminates are breathable and are popularly used in hygiene products. The German market for hygiene products, which has a volume of about €4.7 billion per year, is very attractive, although it is also conservative as regards new suppliers, reports Iryna Smartselava who is an economist. With the help of the Manager Training Programme, despite the obstacles, she nevertheless succeeded in establishing contacts in this industry, which is new for her firm, and in delivering samples. For 2019 her sights are set on two major customers.



Used her stay in Germany to foster her business relationships: businesswoman Iryna Smartselava

Iryna Smartselava will soon have an important meeting. In the near future, a conference for hygiene products will be held in the Croatian city of Dubrovnik. She is scheduled to meet a firm from Germany there. That meeting could be a milestone in their further cooperation: it concerns a one-year contract to the value of €400,000 for the delivery of laminates as an outer layer for nappies. Six months have passed since the first meeting with the firm during the MP. During these six months there have been countless negotiations, sample deliveries, product modifications and a comprehensive search for raw materials. "Agreements in this industry sometimes take months or even years", notes Smartselava. The industry is known for its conservative attitudes, especially in Germany. Initiating contact is difficult and emails often go unanswered, reports the sales manager. With its good reputation, the MP functions as an important icebreaker for establishing these complicated business connections.

## Germany is the Main Buyer

After Russia, Germany is the most important export market for the chemical giant, which has an annual revenue of about €120 million – with products that





are largely manufactured on German machines. The nonwoven fabrics are produced in systems built by the Reifenhäuser Group and Trützschler GmbH and Co. KG, for example.

Orders from Germany previously only came from the furniture, construction and technology industries. The major customers include Continental AG. This global player from Hannover relies on quality from Belarus in the production of turbocharger hoses.

#### New Product for Existing Customers

The existing customers also include Sima GmbH, a wholesaler for painting supplies. Smartselava used the MP to develop their relationship. In close collaboration with the customer, she had a new product developed: breathable cover sheets for floors. When wooden floors don't breathe under cover sheets, damage may occur as a result of the dampness. The innovative sheet prevents this from happening. The first sample delivery was sent to the medium-sized enterprise from Baden-Würt-

temberg in October 2018. Smartselava expects to close the deal in 2019.

#### Organic Market is Still a Way Off

# 120

million euros of turnover was generated by the chemical giant with products which were largely manufactured using German equipment.

But not all meetings have been grand successes. So far there has not been any agreement with WILOGIS Hygieneprodukte GmbH, whose product range includes nappies. The company is interested in organic laminates, but the chemical firm is not ready for that. There is a lack of suitable sources of raw materials, regrets

Smartselava. "I have assigned that to our development department because that's an interesting market for us in the future she says".

#### Founding a Promotional Group

The requirement profiles for the individual nonwoven fabric layers in hygiene laminates vary greatly: they must be more permeable or less permeable. In coordi-



nation with the customers, the different layers are developed and made available. Three employees in the sales department have been assigned to a promotional group for the hygiene market to survey the needs of the customers and increase sales. There is major potential, and more than one third of all the nonwoven fabrics the firm produces are already sold in the hygiene sector, and the numbers are increasing.

Smartselava's most important job is to ensure full capacity for the new production facilities. She accomplished that in 2018 with many smaller orders. From 2019 on, the line should increasingly be producing for larger orders. Those will be coming from the contacts established in Germany and the new promotional department.

## Spare Parts Dealer Focuses on Long-Term Cooperation

Auto Mall is the largest B2B dealer of automotive parts in the Republic of Moldova. More than 1,200 customers, mostly car repair shop operators and spare parts dealers, appreciate the quality of its products, three quarters of which come from German manufacturers. Looking to expand its range further, the business sent Marketing Manager Sergiu Macari to Germany for the Manager Training Programme. While there, he negotiated a long-term cooperation agreement with Ferdinand Bilstein GmbH & Co. KG, a hidden champion in spare parts production. Now his task is to position the brand and increase the sales of Bilstein products.



In the next three years, Auto Mall plans to sell €1 million in Bilstein products. Macari has drafted an extensive marketing plan with various campaigns to achieve the set sales targets. These include discounts on Bilstein products and attractive special services for customers. Customers who opt for Bilstein products also receive additional mobile phone or data packages and the firm offers product training courses. The 36-year-old business data processing specialist recently introduced these





The MP offers endless possibilities for learning. We can learn from different branches of industry, even if they are not directly connected with our line of business; we learn from each other. Alumni all over the world have more or less the same idea: to establish, expand and strengthen new business relationships.

Michai Bostan (Moldova)  
Owner and Managing Director,  
M&M COMERT S.R.L.

measures to promote sales and brand loyalty. Auto Mall, however, did previously sell products from the Baden-Württemberg family business, although on a much smaller scale. Under the new contract, the Moldovan market leader now offers a wide assortment of automobile products from Bilstein's "Swag" and "Blueprint" lines. The lorry product range was also expanded. "We used to only offer filters and oil for lorries; now we have Bilstein's entire "febi" lorry brand with more than 37,000 different products", Macari says. Since September 2018, Auto Mall has also been an official dealer of ElringKlinger GmbH, another spare parts producer and also a world market leader, though for seals for engine parts. Here, too, Macari is committed to a lasting relationship and has concluded

a three-year cooperation agreement with the Baden-Württemberg-based firm.

### Improving Marketing

Auto Mall's purchasing department was recently restructured into two departments, Product Management and Marketing and Advertising, to help the firm grow faster. These units are no longer only active in purchasing and sales; they also assess the market and identify new opportunities. Four new employees were hired to provide support. In addition, Auto Mall regularly organizes forums, exhibitions and conferences on key topics with national and international guests.

### Expanding into the Romanian Market

Moldova's economy is growing at a rate of around four per cent and motor vehicle sales recently grew by almost six per cent. "Our parts have been used in one in four cars in this country either during routine services or for repairs", Macari, who has the after-sale market in Moldova pretty much sewn up, reports. But he does not view profit as the most important measure of success, and sees the personal benefits he received from the MP as more valuable than any signed contract. "Touring Bilstein showed me the real spirit of entrepreneurship. I met with employees who identified with the firm and were enthusiastically behind it. That made a lasting impression on me", Macari recalls. He shares his experiences with employees and customers, and passing on German values like discipline, respectability and loyalty is very dear to his heart. After all, sometimes these count more towards an enterprise's success than just the bottom line.

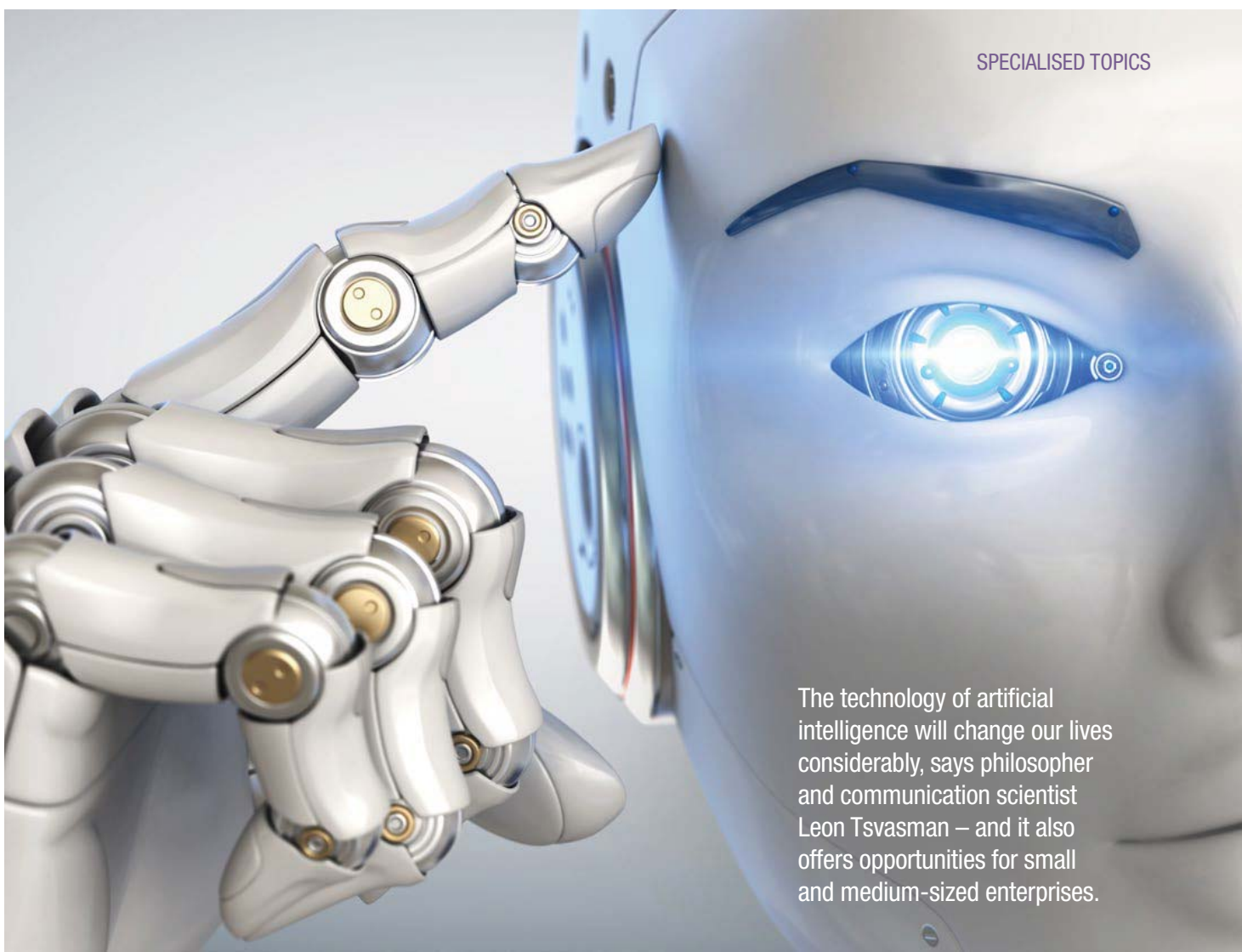
”

I witnessed the spirit of the business at Bilstein. I experienced how the employees identified with the firm and were super motivated. That left a lasting impression on me.

Sergiu Macari, Marketing Manager







The technology of artificial intelligence will change our lives considerably, says philosopher and communication scientist Leon Tsvasman – and it also offers opportunities for small and medium-sized enterprises.

## Intelligence from the cloud:

# A Job Destroyer or a Creativity Enhancer?

Cars that find their destination without a driver. Fridges that tell you when you are out of milk and order some via the internet at the same time. Computers that beat chess world champions – these are all familiar examples of Artificial Intelligence (AI). They are mostly mentioned in connection with the large technology groups such as Amazon, Apple, Google or Tesla, which develop, use and sell this technology. But AI also concerns small and medium-sized enterprises in Germany and could help to improve their competitiveness.

SMEs benefit if they use AI systems internally and, of course, if they develop and produce them. According to current

studies, particularly those AI solutions that support business decisions with data analyses (business intelligence) and automate existing processes are sought after in the market today. Firms prefer packages developed especially for specific problems, i.e. integrated solutions. Creating value with AI, namely innovative products and services, is most exciting. Software providers should therefore concentrate on tackling concrete business problems with their AI solutions.

### Application in Marketing and Book-keeping

AI can be very useful in marketing departments, bringing advantages, for instance,

in the analysis of customer data and purchasing preferences – a prerequisite for showing automated recommendations on a corporate homepage or adjusting offers and prices automatically. Where processes are supported with AI, exemplary connections and possible deviations can be detected much more accurately.

Beyond that, there are a number of other fields of application in marketing: digital vocal assistants similar to Siri or Alexa, the analysis of large quantities of data and the recognition of patterns in user behaviour are just some examples of what can be optimised with AI or is even only possible through it. Moreover, intelligent applications will make digital marketing quicker and simpler and continuously optimise it in real time. However, the precondition is good underlying data, which can be obtained from customer relationship management databases, social media, search and purchase profiles in online shops and other legally accessible sources.

But AI also simplifies bookkeeping processes: tedious and time-consuming tasks such as travel expense accounting can be done by their algorithms. Altogether, there is considerable scope for its use in correspondence, for instance in the wording of standard letters that can be adapted to individual enquiries. The objective is to automate technical or simple texts according to clear standard rules. It can be very helpful for small and medium-sized enterprises if recurrent wordings such as in business reports, stock market reports and descriptive texts for products and services are automated.

### Ethical Issues not yet Settled

Autonomous driving on public roads, i.e. cars, buses or lorries with no one steering them, is still some way off. It is already reality on test tracks, but even pioneer businesses such as Google Driverless Car, Tesla, Daimler, Delphi Automotive or Bosch have only achieved limited autonomy as so far a person with a driving licence is still required at the wheel. Although the technology is becoming increasingly reliable, questions concerning ethical aspects and legislation in this regard have not yet been settled. For instance, who is liable if an autonomous car causes an accident in which people are injured or even killed? Even if artificial intelligence in transport and logistics offers numerous opportunities for SMEs – low transport costs or improved efficiency in supply chain management are just two examples – it will still be a while before answers to the urgent ethical issues are found. This is also due to conflicting interpretations of legal aspects and values clashing with one another.

Altogether, it will take time before artificial intelligence finds broad acceptance; as a representative study by an institute for management and business research, the IMWF (Institut für Management und Wirtschaftsforschung), and the Toluna market research institute shows, there is still some scepticism in Germany. Half of employees over 18 regard it as a cause for concern. Although 78 per cent of the persons polled consider voice recognition positively, only 46 per cent of them see talking AI as a good idea because they fear it as competition in the workplace. There are currently very diverse and lively discussions about AI. The



topic of data protection also plays a role in ethical considerations.

### Increased Workplace Diversity

However, the looming loss of jobs in certain segments of the economy is what most people are concerned about. This concern results from the fact that automatic processes and especially their control are being carried out more and more by AI without the aid of humans. On the other hand, it enables employees to become more creative. But that does not happen automatically, and it takes time for new jobs to be created. The process requires special measures for initial and further vocational training.

Particularly enterprises in the information technology sector have an advantage, simply due to their corporate culture. They have already internalised the fact that processes can be handled flexibly and recognise the possibilities of working from home. In contrast, industrial firms, in which tasks are organized according to the division of labour, will have to learn new methods. Artificial intelligence means that diverse forms of work are possible within one enterprise. In the future, executives need to have adequate answers to these demands placed on corporate culture. The reward will be considerable: if enterprises recognise the opportunities that the use of AI provides, they will have much more time for strategic and creative tasks in the future.



#### About the Author

Dr Leon Tsvasman is a communication, information and media scientist. He studied at Lomonossow University in Moscow and earned his Master's degree at Duisburg-Essen University. Tsvasman attained a doctorate at the University of Münster in 2002. He works for several universities and as a freelance lecturer. His research interests address the connections between cybernetics, information psychology, leadership ethics and innovation.



## Artificial Intelligence – Concepts and Forms

**Machine Learning and Deep Learning:** in both forms, the artificial intelligence learns independently from the largest possible set of data with the aid of algorithms. Machine Learning (ML) is used for image recognition or the processing of natural language. Deep Learning (DL) develops artificial neural networks trained to classify gigantic quantities of data.

**General AI:** this term includes systems that are able to fulfil complex, yet mainly monotonous and repetitive tasks.

**Applied AI:** focuses on “smart” systems that fulfil specific tasks, for instance in stock exchange trading or the personalisation of marketing.

**Augmented and virtual reality:** augmented reality is “expanded reality” and is based on the understanding that the environment is perceived more strongly through computer-generated information, such as the supplementing of images with inserted facts and figures. In the case of virtual reality, a person sees, hears and sometimes also feels in real time a world generated by the computer, for example by wearing a special headset, headphones and gloves.



# Tracking the Future

Knowing today, what will happen tomorrow – who wouldn't like that? Foresighting makes it possible to simulate future developments and actively help to shape the megatrends of the third millennium – an innovative method also suitable for small and medium-sized enterprises.



More than ever, accelerated economic, ecological and societal changes are presenting new challenges for business and politics. A variety of methodological processes gathered under the generic term “foresight” provide a good basis for preparation. The objective of foresighting is to identify risks and opportunities at an

early stage in order to explore the room for manoeuvre for organizations and their executives regarding proactive, future-oriented action.

Large firms have been using forecast methods for some time now, for example in the areas of strategy development and crisis

communication. Shell, the international mineral oil and natural gas group, is one of the pioneers. The group has been developing systematic scenarios for the future since the 1970s to ensure its adaptability in the case of economic and international political turbulence.

## Foresight as the Basis for Decisions

In this context, “foresight” must be understood as the structured discussion between various players such as government representatives, business people and experts on medium and long-term future scenarios – for instance, for the coming 20 to 40 years. Mostly megatrends like globalisation, sustainability, information and communication technology or tomorrow’s world of work are looked at as they have considerable effects on the economy and society. The German Federal Ministry of Education and Research also applies foresighting, for example, in the design of scenarios for nanotechnology, neuroscience or the energy sector and as the basis for decisions regarding its scientific and innovation policies.



## Megatrend Analysis in Kyrgyzstan

Within the scope of the Manager Training Programme (MP), the foresight method was applied for the first time in 2017 at the Alumni Conference in Bishkek, Kyrgyzstan. The global megatrends “Lifelong Learning”, “Mobility of the Future” and “Communication in the Third Millennium” were examined closely. Roughly 40 previous MP participants were divided into three topic groups for designing possible future scenarios. Their conclusions:

awareness for lifelong learning is likely to also grow in Kyrgyzstan and become similarly strong as in Germany in the future. Due to globalisation, various trends, for example towards mobility, will converge more and more over the course of time. However, the communication channels presumably will develop more quickly in Kyrgyzstan than in Germany as Kyrgyz have a stronger technology affinity.

## Integrating all Parties Involved

The foresight method, which, by way of example, was run through in a few hours, can in a different context be an intensive analysis and evaluation process lasting several months. The foresight process generally thrives on variety: the more diverse the players and groups involved, the more fruitful the result will be. Therefore, the process always begins with the identification of the stakeholders – in the case of lifelong learning, for instance, they will be pupils, parents, teachers and experts in different fields, for example digital learning. In the development of business fields for small and medium-sized enterprises, on the other hand, they could be customers, suppliers and employees – and, naturally, also foreign partners.



## The Foresight Approach

Systematic foresighting includes a broad range of methods, from the reviewing of sources up to trend monitoring, moderated discussion and a variety of creativity techniques. The result is not one correct master plan, but different future scenarios. Here the foresight approach distinguishes between the scenarios of a “probable future”, a “possible future” and a “desirable future”.

### Three Principles

- ▶ Shaping the future proactively instead of merely forecasting (Shaping the Future)
- ▶ Involvement of all relevant stakeholders and experts in the forecast process (Participation)
- ▶ Medium and long-term future scenarios beyond short-term planning horizons (Scenarios)

### Support for the Management:

- ▶ in the identification of future customer needs and technological potential as well as possible risks
- ▶ in the evaluation of alternative solutions and the adaptation of products to changed market developments
- ▶ through the joint systematic exploration of future scenarios; this ensures support within the enterprise and on the part of top management.

Source:

<https://www.polsoz.fu-berlin.de/polwiss/forschung/systeme/ffu/forschung/methoden/szenarien/index.html>



### About the Author

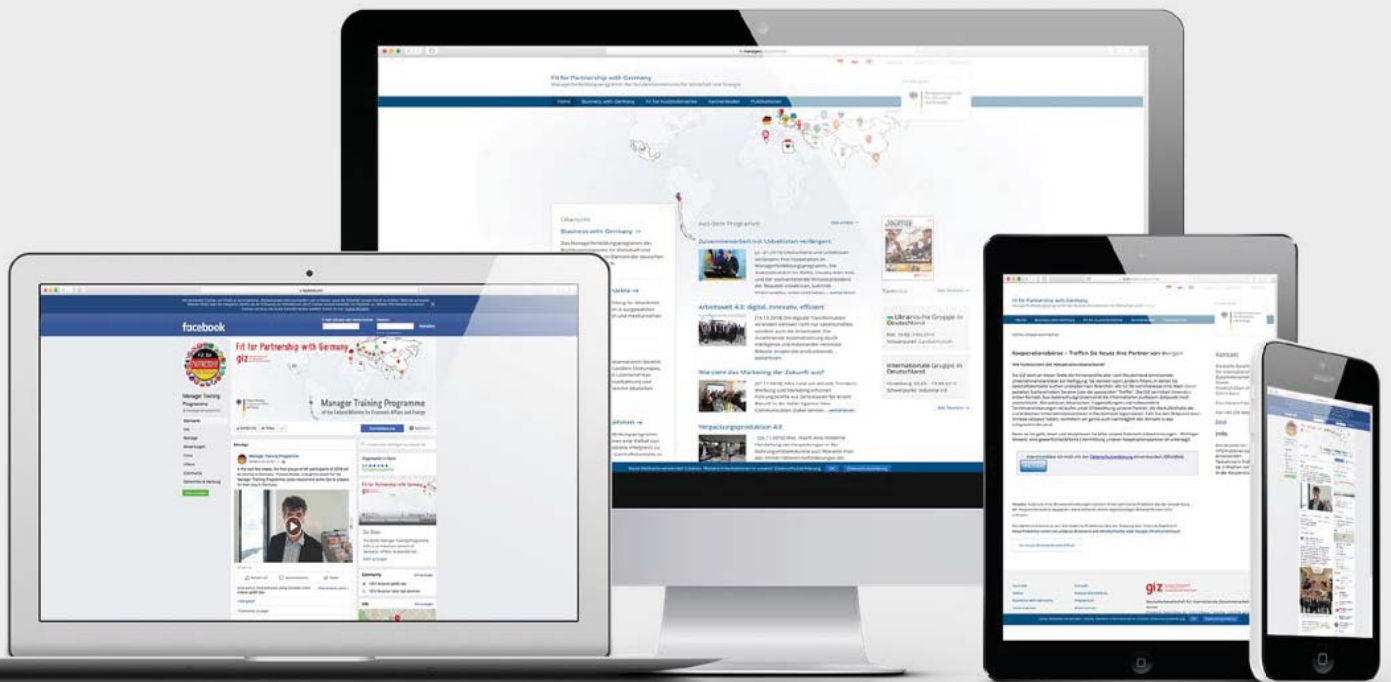
Mareike Dröge is responsible for the preparation and implementation of the MP as project manager, trainer and coach at the Carl Duisberg Centres in Cologne. A scholar of English and economics, Mareike Dröge has over 25 years' experience in dealing and negotiating with participants from approximately 50 different countries.



Lots of information at a glance  
for participants or anyone  
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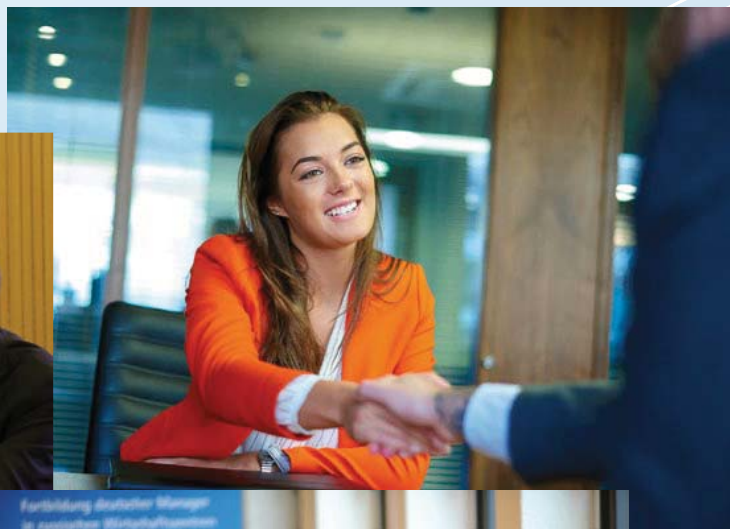
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