

Journal

Fit for Partnership with Germany

ISSUE 1 | 2012
ENGLISH

MANAGER TRAINING PROGRAMME OF THE GERMAN FEDERAL MINISTRY OF ECONOMICS AND TECHNOLOGY



In focus: Mining and Raw Materials Industry



New Partner Country Egypt

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IMPRINT

Journal
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Dear friends of the Manager Training Programme!

Allow me to introduce myself: my name is Reimut Düring and I have the pleasure of succeeding Prof. Dr Schimansky-Geier as Head of the Manager Training Programme at the GIZ. According to the motto of "Taking advantage of the opportunities of globalisation", the German Federal Ministry of Economics and Technology (BMW_i) supports small and medium-sized businesses from selected partner countries and Germany in the development of new markets. The "Fit for Partnership with Germany" programme for the training of business executives has been running for almost 15 years now. Success has transformed what was originally bilateral activity into an international programme boasting partners in some 14 countries. With more than 7,500 participants, the Manager Training Programme affords vast potential encompassing internationally active executives in companies both in Germany and abroad. The majority of them are organised in alumni associations; almost all are part of an international network. We wish to create this journal for just these people.



The journal will report on the latest developments within the programme as well as on issues and events from the training in Germany. Information will additionally be provided on programme-related goings-on in the partner countries. Foreign trade and management topics of interest to participating German and foreign companies will be covered. The lives of the alumni associations will form one special focus. Examples of best practices from successful participants will round out the offerings. Finally, the dates of important upcoming events in the partner countries will be listed.

With publication of the new journal for the entire programme in German, English and Russian, the journals for the German contribution to the Russian Presidential Programme, the Ukrainian Initiative and the countries in Central Asia shall cease to be published.

I wish you a thoroughly interesting read and look forward to receiving your feedback!

Warm regards

Reimut Düring

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Development of the BMWi Manager Training Programme

By Hartmut Röben, Head of Division at the BMWi

The German Federal Ministry of Economics and Technology (BMWi) supports executives through its Manager Training Programme, which has since become an important tool for trade between Germany and its partner countries. A total of fourteen countries now participate in the programme – and a great deal has been achieved in terms of the programme's content too.



Berlin. Foreign trade drives growth in Germany: around half of economic growth achieved in the Federal Republic over the past ten years can be attributed to the balance of trade. Almost half of economic activity is dependent on exports, and every fourth workplace in Germany is assured by German products and services asserting themselves on global markets. With an over 95 per cent degree of openness (imports and exports in relation to the GDP), Germany is the most open economy among the G7 nations. German companies have earned themselves a leading position in many sectors, both on global markets and within the European internal market.

It is primarily geared towards foreign companies. According to the motto "Fit for Partnership with Germany", executives from foreign companies can be prepared, in a targeted way, for business relations and sustainable economic cooperation with German companies. More than 7,500 foreign executives have completed and benefited from the programme in Germany to date. Political agreements with partner countries, which are generally renewed every three years, form the basis of the cooperation between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, commissioned by the BMWi to coordinate the programme, and

Goods bearing the "Made in Germany" label, and services from German providers are recognised and in demand on the international marketplace. German investment goods and services contribute to economic development and prosperity the world over. This not only helps the target countries, but also Germany itself.

Targeted preparation, sustainable co-operation

the respective foreign partner. The two organisations identify, select and prepare parties interested in the programme, and subsequently manage and organise the contact and cooperation with alumni and their associations. During the stay, participants gain first-hand practical corporate experience and can, at the same time, familiarise themselves with the state-of-the-art German technology and equipment in person. Moreover, they also enter into direct contact with potential German business partners.

Experience has shown that many programme participants conduct extensive business dealings during their stay in Germany. They then bring the acquired expertise back with them to their company in their home country, which leads to increased economic efficiency and the creation of new jobs:

- restructuring and optimisation measures in the form of diversification of production and services;
- enhanced use of resources;
- procurement optimisation and the introduction of international quality certification.

Quality and quantity

Originally launched at the end of the 1990s to help in the reform of the Russian market economy, a total of fourteen countries participate in the programme today, namely Azerbaijan, Belarus, China, Egypt, India, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Turkmenistan, Ukraine, Uzbekistan, and Vietnam. Extension of the Manager Training Programme to include further countries is under way.



Over the years, the programme has not only developed in terms of the number of partner countries, but also in terms of its content – based on a partnership approach. One development is that there are now sector-specific orientations. These include agriculture, mining, health care, energy efficiency, and waste and water management.

Furthermore, sector-specific international groups have been formed in addition to national groups. One particularly future-orientated programme development should be emphasised: according to the mottos of "Fit for Russia" and "Fit for China", foreign governments have also invited German executives to their countries since 2006 and 2012 respectively. Representatives from German companies have thus had the opportunity to familiarise themselves with foreign companies and establish personal business contacts.

The diverse opportunities offered by the Manager Training Programme are clear. Moreover, the programme affords political "backing", which enhances its value. Its set-up is flexible and can therefore be adapted to the needs of the individual countries, and it can also be implemented rapidly and efficiently. The partners are actively involved, meaning all are responsible for the activities within their country. Regular contact with programme alumni also means the Manager Training Programme is sustainable. The outcome is a successful programme that is attractive to all those involved. Requests from further countries to participate in the Manager Training Programme underscore this impressively. The individual entrepreneurs are a major factor in this. Their business interests, personal openness to innovation, and dynamism are key characteristics of the programme and they are what help make it such a resounding success. ■

125 years of "Made in Germany"

Quality prevails

The British trademark law known as the Merchandise Marks Act 1887 came into force on 23 August, 1887 – so exactly 125 years ago. It provided for the duty to advise consumers of the country of origin, with the aim of protecting Great Britain from supposedly inferior foreign products. This act led to creation of the "Made in Germany" label.

However, in light of the fact that German products ultimately proved to be of a high quality, the impact of this quality label, originally intended to suggest the very opposite, could be used to Germany's advantage. Today the "Made in Germany" label stands for high-quality, reliable and innovative German products all around the globe.

Seal of approval and basis

German Federal Minister of Economics and Technology, Dr Philipp Rösler: "We are proud of our companies and employees, and of our successful 'German Mittelstand'. They are the ones, who ensure that our economy is particularly strong and competitive on the international market. German products enjoy an excellent reputation the world over. The 'Made in Germany' label is a symbol of this. Economic success stems from high performance and good economic conditions, and not from protectionism and state intervention. The social market economy forms the basis of our success story. Particularly at the current time, it is important to heed the principles of the social market economy, for they are more relevant than ever before. Growth and competitive power cannot be determined by legislation, but rather must be gained anew time and time again." ■



Egypt Becomes Partner Country No 14

Berlin, Cologne. With 5,000 years of history, Egypt is one of the oldest civilisations in the world. Surpassed only by South Africa, it is the second most heavily-industrialised country in Africa, although agriculture still plays a significant role. Egypt is currently in a phase of transformation. Besides freedom and democracy, the sustainable improvement of living conditions is also of key importance. To achieve this, the Egyptian economy must recover and gain strength. The German business sector can contribute to boosting the economy and increasing international competitiveness through cooperation arrangements and the transfer of knowledge.



The first Egyptian group in front of the Konzerthaus Berlin.

The starting point for the Manager Training Programme is the creation of economic win-win situations. The programme “Fit for Partnership with Germany” provides opportunities for establishing business contacts, getting to know the different business cultures, and for the exchange of know-how between business executives from the countries involved. So far, impressive results have been achieved in 13 Asian and Eastern European partner countries to the economic benefit of both sides. With Egypt, the programme was extended to the Arab Region for the first time. On 8 December 2011, the Federal Minister of Economics and Technology, Dr Philipp Rösler, and Dr Mahmoud Eisa, Minister for Industry and Foreign Trade of the Arab Republic of Egypt, signed a joint declaration of intent on cooperation

in the training of managers from Egypt. With that, Egypt became the 14th partner country in the training programme.

Philipp Rösler emphasised the significance of personal contact within the programme, saying: “Only after looking someone in the eye do you know whether you can and want to work with them.” With a dynamic, young population, a large domestic market and a strategically favourable geographical location, Egypt has excellent preconditions for economic development. On the other hand, the country’s population is growing fast and youth unemployment is high. The Egyptian executives’ visit to Germany is meant to contribute to increasing productivity, efficiency and value creation in Egypt.

“The Egyptian executives are committed and have good qualifications in their fields”

The first Egyptian programme participants visited Germany from 10 June to 7 July 2012. They started off by attending the German-Arab Economic Forum in Berlin. After a few days in the capital city, the training took place mainly in Cologne. The 18 participants came from industries such as the furniture, foodstuffs and automotive industries as well as the distribution or manufacturing of electrical and EDP appliances. The Egyptian group was looked after by Jörg Kalmbach from Carl Duisberg Centres, the institution carrying out the training programme, who stressed the competence and professionalism of the guests. He said, “The Egyptian executives are committed and have good qualifications in their fields.” The atmosphere during their stay was very positive and motivating.

Altogether, 16 group visits and 71 individual visits to German companies were organised for the decision-makers. The seminars on intercultural management, presentation techniques and project management were assessed as being particularly helpful. The following subjects were covered in the closing presentations:

- process optimisation
- quality as a key success factor
- personnel management and development and
- strategic innovation

The Egyptian guests discovered similarities, but also fundamental differences between German and Egyptian business culture. They were impressed by how their German business partners strive for continuous improvement. They found that quality was part of the culture, and punctuality and reliability were also important quality characteristics.

In an evaluation, participants expressed great satisfaction with the results of their visit. They intend to adapt the insights gained in Germany to the conditions in



Closing presentation in Cologne

Egypt and adopt them selectively. Promising business contacts were made, which have, in some cases, already led to actual cooperation. The first group of participants came from Cairo and Alexandria; in future, further Egyptian regions will be represented. The next two groups of Egyptian executives are expected for training in Germany in 2013. ■

The First Alumni Conference in Mongolia

Ulaanbaatar. 21 Mongolian managers visited several firms in Germany in March 2012 and, six months later, the follow-up seminar and the first alumni conference were held. The German-Mongolian BMWi Manager Training Programme seminar (20-21 September 2012) brought 2011 and 2012 participants together. They exchanged views on their experiences of the programme and its advantages, as well as on successfully establishing German-Mongolian contacts. At the conference, Germany and Mongolia’s economic relationship was evaluated, as were the results achieved by participating in the programme. To date, more than 120 Mongolian executives have successfully completed the training in Germany. A get-together was organised for the BMWi (German Federal Ministry of Economics and Technology) and the Mongolian Foreign Affairs Ministry. ■

A Premiere in Central China

The first BMWi Manager Training Programme Alumni Conference “Chinese-German Partnership – Identifying Business Opportunities” in China



Wuhan

Wuhan. The premiere will take place in Central China where the Yangtze Kiang and Han rivers meet. The GIZ and Pro SME China have issued invitations to the first BMWi Manager Training Programme Alumni Conference in Wuhan (26-27 Oct. 2012). The event will take place under the “Chinese-German Partnership – Identifying Business Opportunities” motto. China has participated in the BMWi Manager Training Programme since the end of 2007 and over 150 participants from the People’s Republic have successfully completed the programme to date.

The conference will welcome Remut Düring, Director of the BMWi Manager Training Programme at the GIZ, and a representative of the Chinese Ministry for Industry and Information Technology (MIIT). The event will include presentations from the Association of German Machine and Plant Construction (VDMA) on the current and future economic relationship between Germany and China. The BMWi will host a dinner for all participants to celebrate the first day of the conference.

Energy efficiency, business relationships and networks

The second day of the conference will feature three parallel modules for participants to choose from. Module 1 “Energy Efficiency” covers ways of helping companies increase both energy efficiency and cost effectiveness. Module 2 “Maintaining Business Relationships” discusses the long-term development of a Chinese-German partnership. Module 3 “Networking Opportunities” addresses additional opportunities for business relationships. After a summary and closing speech by representatives of the BMWi and the MIIT, the conference will officially close with a festive lunch. ■

We are interested in your opinion!

Give us your feedback about this Journal at www.giz.de/gc21/mp/feedback.



“Indo-German Business Development Association” Registered

Delhi. Appropriate to the start of the first alumni conference in India, the Indian Alumni Association announced its official registration as the “Indo-German Business Development Association” (IGBDA).

The IGBDA is intended as a platform for promoting economic and business contact between India and Germany and with the other partner countries involved in the Manager Training Programme. Its members are firms and individuals who have participated in the programme and are interested in further developing international business relationships through export, import and joint ventures and in research, development and technological exchange. The IGBDA has already signed a memorandum of understanding to work together with the alumni associations of 10 additional countries and is partnering with the Indian Ministry of Commerce and Industry, the Indian Ministry of External Affairs, the German Federal Ministry for Economics and Technology (BMWi), the Federation of Indian Chambers of Commerce and Industry (FICCI), the German Society for International Cooperation (GIZ), the Confederation of Indian Industry (CII) and other business associations in India and Germany.

The association's motto is “creating synergies between abilities and opportunities”. It aspires to the on-going continuation of the Manager Training Programme and to the intensification and consolidation of Indian-German trade. The ultimate goal is to use existing potential to benefit both sides and offer members a medium for exchange. The IGBDA will offer information, advising services, qualification opportunities, and assistance in finding potential business partners. There are also plans to work together on preparing and organising exhibition booths and company visits. 160 alumni from every region of India will have participated in the Manager Training Programme in Germany by the end of 2012. ■

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Strategic Partnership with Kazakhstan in the Raw Materials Sector

GIZ welcomes Kazakh executives from the raw materials sector and secures the advantages that result from the partnership for both countries.

Berlin. There is a strategic partnership in the raw materials sector between Germany and Kazakhstan, which is extremely rich in mineral resources. This partnership was agreed on the occasion of the Kazakh President Nursultan Nazarbayev's visit to Berlin on 8 February 2012. It is intended to provide benefits for both sides, and a number of measures were initiated. They include the training of executives from the raw materials sector in Kazakhstan. In November 2012, GIZ will be welcoming a group of representatives from companies with plants that extract and process raw materials. Further focal points are qualifications in company management, the transfer of technology and the initiation of business contacts. The presentation of the results at the Federal Ministry of Economics and Technology will be the highlight of the programme. ■

Ten Years of Alumni Relations in the Russian Federation

Together with their Russian partners, the BMWi and GIZ are celebrating a special anniversary: ten years of successful alumni relations in the Russian Federation.



Moscow. 15 years of the President's Programme: an occasion to be celebrated in style. So the BMWi and GIZ have invited particularly active representatives of 30 Russian regions to a commemorative event on 1 November, 2012 at the German Embassy. The programme provides managers from the Russian Federation's business community with advanced training. Now they will come together to remember the around 100 events from the last ten years. Almost 4,000 managers from the Russian business community, in addition to decision-makers from administrations, professional associations and universities from 43 regions, have participated in the programme. The topics addressed by alumni relations in Russia are varied and cover a wide range. In the beginning, many events supported the founding of alumni associations, offering training on organising events and implementing consulting projects and cooperation forums, for example.

Over the last few years, German experts have shared their experience, particularly on topics such as:

- regional economic development
- health care management
- logistics
- energy efficiency in firms and the community housing industry

The most important results from alumni relations are regularly presented and multiplied at both annual and results conferences. Employees from the BMWi Manager Training Programme's Russia team are looking forward to welcoming many guests. In addition to reminiscing among participants, the event is also intended to develop ideas for the coming years. ■

Isolde Heinz

Fit for Business with China



During the HANNOVER MESSE 2012, a new agreement was concluded with partner country China on training German executives in China.

Hanover. On 24 April 2012, Liu Lihua from the Ministry for Industry and Information Technology of the People's Republic of China (MIIT) and Dr Karl-Ernst Brauner from the Federal Ministry of Economics and Technology (BMWi) signed a supplementary agreement to the Memorandum of Understanding regarding the continuation and expansion of cooperation regarding training executives from small and medium-sized enterprises. The expansion concerned the new programme “Fit for Business with China”, in which German executives – at the invitation of the Chinese government – are trained to become experts on business with China. The successful training programme for Chinese executives in Germany will be continued.

China is an important export and investment market for German companies. In 2011, trade between Germany and China reached a volume of 144 billion

imports, but also its exports. China was a partner country of the HANNOVER MESSE 2012. The world's largest industrial fair was also a worthy setting for the signing ceremony.

Fit for Business with China

The programme serves to promote German-Chinese economic cooperation and supports German companies in developing and expanding their business activities in China. Focal points of the programme are:

- the opportunity to initiate business contacts with Chinese companies, decision makers, chambers and associations
- visits to Chinese companies and the opportunity to get to know their business practices at the same time
- the enhancement of intercultural competence through training

The practice-oriented training gives German executives a deeper understanding of Chinese companies' business practices and of the business culture. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) is entrusted with carrying out the programme on behalf of Germany and the China Centre for Promotion of Small and Medium-sized Enterprise Development (proSME) shall carry it out on behalf of China. German companies sending executives to China within the scope of the programme gain experts this way and become “Fit for Business with China”. ■



From a Company in Crisis to a Model Enterprise

Automobile industry supplier shares know-how and experience with Egyptian managers.

Egyptian participants on a company visit



Westerwald. “Turnaround, Innovation, Motivation”: on July 5, 2012, Plant Manager Roman Löw took the first Egyptian Manager Training Programme participants on a tour through the Gestamp Griwe Innovative Umformtechnik GmbH in Westerburg-Sainscheid. The group was particularly impressed by his presentation after the plant tour, during which he explained to his visitors how the company managed to weather a crisis and emerge as a model company.

Small and medium-sized enterprises are particularly well-suited for company tours since they are such vibrant examples of German industry. Firms with a successful track record can demonstrate innovative processes, strategies and technologies in line with actual practices. Griwe GmbH is one such firm. A module and system supplier for the automobile industry, its customer base includes well-known automobile manufacturers who profit from premium products and the highest quality standards. Just a few years ago, though, the plant was in crisis: there were problems with acquisition and orders were way down. The resulting rise in costs and drop in production had a correspondingly negative effect on employee motivation.

Rethinking products and processes

The solution was a radical process of transformation into a streamlined company. This involved a number of new measures, such as regular training and advanced training seminars aimed at honing and improving employees’ perception of and approach to their work and, as such, to the company. The process-oriented future

workshop with methods like value stream analysis and T-card systems was another important building block in innovation management. All data and facts are now visualised in an information centre and on team and department boards. Additional factors for success included introducing an integrated target agreement system, a results-oriented reward system and an open information policy.

In recent years, EUR 20 million has been invested in new halls and machines. Every year, 60,000 tonnes of steel are processed into 60 million parts on eleven large presses and 54 welding robots. Griwe delivers 300 different articles to firms like Audi, BMW, Daimler, Opel, Ford and Volkswagen. Last year, the company achieved a sales volume of 100 million euros. Product innovation was one element of the company’s growth strategy, but process innovation played an even more important role.

“We care about our employees’ well-being”

A health plan was another key element in the Griwe turnaround. “Our employees are at the heart of everything we do. Their well-being

is important to us,” confirms Plant Manager Löw. The company offers workers free fruit and five-minute exercise programs led by a physical therapist. This innovation has won the plant in Rhineland-Palatinate a number of awards. In 2011, it received the TOP Innovation Prize from the German Federal Ministry of Economics and Technology, a prize that has been awarded annually since 1993 to the best firm for its innovative strength – from a network of over 100 innovative firms. Griwe was chosen for its continual quest to implement innovation and altruistic willingness to share its practical knowledge with others.

The Egyptian visitors also found the measures taken and the plant’s success very inspiring. The group was in general agreement: they now intend to make similar changes towards lean management and production principles in their homeland. Houssam Eldin Shalaby was impressed by Roman Löw’s openness and the overall willingness of his German business partners to share their know-how. The plant tour ended with an invitation to Löw to visit Egypt to give presentations and help with the restructuring of companies. ■

“When Everyone Pulls Together”



Moldovan participants on a company visit

Wilnsdorf. “The journey to Wilnsdorf was worth it,” said programme participants from the Republic of Moldova on their visit to the firm Reinhard Krückemeyer GmbH & Co. KG. The company is a wholesale establishment that specialises in abrasive and adhesive technology, as well as industrial safety. In addition, it is also

a fitter of abrasive and adhesive belts. The businessmen had gathered in Wilnsdorf for the Manager Training Programme. Wilnsdorf is a community on the border between North Rhine-Westphalia and Hesse.

A Five Star Visit to the Specialists

After an introduction to the product line and a tour around the factory of the German specialists for abrasive and adhesive technology, the managers Jan Krückemeyer and Uwe Kittel took questions from the participants. And not only on the original

subject of “Human Resource Management and Development”. The executives from Moldova, who are used to a very strong emphasis on hierarchy in their own country, were particularly impressed by the importance Krückemeyer accorded to the team: that the customer’s expectations can only be met or even exceeded when everyone “pulls together”. Every individual employee is important and is deployed according to his skills, to work in the areas where his strengths lie. Acting independently is seen as extremely important in Wilnsdorf, so that everyone can work together to form a successful unit. “We still don’t have anything like this in Moldova,” was the consensus among the visitors. They were delighted that the management answered all questions so openly and gave them a lot of their time, despite an upcoming audit.

Everyone agreed that “the journey to Wilnsdorf was worth it”. And since, as the group pointed out, Germans love to evaluate everything, this visit was definitely a five-star visit. ■

Christine Jung

CEO Jan Krückemeyer



German-Russian Business Talks at the Consulate General of the Russian Federation in Bonn



Bonn. Personal contacts are key, hence the German-Russian business talks held on June 15, 2012 met with a great deal of interest. More than 100 German and Russian executives accepted the joint invitation from the Federal Ministry of Economics and Technology (BMWi) Manager Training Programme and the Consulate General of the Russian Federation. The annual event was held at the Consulate General in Bonn for what is now the fourth time. A great many Russian companies already active in Germany, as well as German business executives wishing to intensify their activities in Russia, attended. Countless German alumni of the "Fit for Russia" programme, in addition to participants in the Russian President's Programme currently completing their advanced training in Germany, were among those present.



Welcome by Consul General Yevgeny Shmagin

Attendees were welcomed by the event hosts, Consul General, Yevgeny Shmagin, and Head of Division at BMWi, Hartmut Röben. The pair emphasised the political support of both their governments, speaking of how the business talks are a welcome opportunity for company representatives to exchange views on the latest issues in German-Russian business relations. Hartmut Röben reported that, based on positive experiences with Russia, an agreement was recently signed with Chinese partners for the "Fit for China" programme (see the report in this journal; p. 9).

Director of the Federal Resource Centre, Andrey Fedorov, and Head of the BMWi Manager Training Programme at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Reimut Düring, are both new to their positions and therefore attended the business talks for the first time. In their opening addresses, they acknowledged the development of bilateral business relations and emphasised the importance of personal contacts in business activities.

The land of opportunities

Leading experts with extensive experience in Russia advised on the practical aspects of business activities in the country. Falk Tischendorf from law firm Beiten & Burghard spoke on "Compliance and risk management in daily business activities" (see the article in this journal; p. 52). Isabelle Weidemann from auditing

firm PricewaterhouseCoopers shared details of the "Internationalisation strategies and investment conditions for German companies in Russia". Dr Alexander Spaak reported on his work for the German-Russian Chamber of Commerce in Moscow and the concrete opportunities for support available to German companies. The focus of the Chamber's work is on representing the interests of German companies active in Russia.

During a discussion chaired by GIZ Project Leader, Ronald Schulz, experts and Dr. Vladislav Belov from the Centre of German Studies at the Institute of Science conversed with event participants. Besides the presentation topics, current business issues were also covered. The podium discussion provided the opportuni-

ty to learn more about the general conditions of bilateral business cooperation as well as the specific experiences of individual event participants. The simultaneous translation service provided by the Consulate General contributed significantly to the favourable discussion atmosphere.

Cooperation platform for economic contacts

A business contact platform constitutes an integral component of the business talks. This opportunity to forge concrete contacts between German and Russian companies was, once again, well received. The mechanical engineering, automotive, medical, education, trade, agricultural, food, construction, transport and logistics industries were all represented on the cooperation platform organised by GIZ expert, Dr Tatjana Andreyeva. An open-space discussion round led by Dr Belov on German companies' practical experience in Russia took place in parallel.

Following the event, the Consulate General and German Federal Ministry of Economics and Technology in Bonn invited event attendees to a reception with music and regional delicacies. The impressive building housing the Consulate General, which reminds of Bonn's significance as the former federal capital, was an apt setting. Once upon a time, the property in Bonn's Bad Godesberg district was the official residence of German Federal President, Theodor Heuss. Plans exist to continue the tradition of German-Russian business talks in 2013. ■



Large crowds at the collaboration exchange



The HANNOVER MESSE 2012 has proven a successful platform for intensifying cooperation between China and Germany through measures such as a cooperation forum for firms from both countries.

A Trade Fair as a Platform for Intensifying Cooperation with China

In April 2012, an eighth group of Chinese executives completed the BMWi Manager Training Programme in the German Management Academy Lower Saxony (DMAN) in Celle. "I came to Germany to explore new business opportunities for a technical partnership," reported participant Zhu Lanrong. Many programme participants had similar goals – but this group had the opportunity to meet personally with a great many firms when they visited the world's largest industrial trade fair in Hannover.



Zhu Lanrong

In the 40th year since diplomatic relations commenced with Germany, China was named partner country for the HANNOVER MESSE 2012. To celebrate this occasion, China organised a series of events to expand its strategic partnership with Germany.



Luo Zhen

The 18 programme participants from the cities of Wuhan, Xi'an, Dalian and Beijing explored the trade fair, exchanging business cards and gathering information to pave the way for future business meetings. Ms Zhu was impressed by some highly-developed fans she discovered. She felt

the skilfully-designed, welded and coated fans might be a good product for future cooperation. And then, a new business opportunity took her by surprise: "At the buffet, I met a representative of a German research institute quite by accident. She took me to her booth to demonstrate the application of a new carbon fibre composite material. If this new material were used in fan vanes, a fan could be light, yet very rigid, energy efficient and noise reducing." This fortuitous encounter resulted in a company visit and both sides are now discussing the possibility of a partnership. Luo Zhen was most impressed by the service German companies offer. He compared marketing strategies in both countries: "Sometimes Chinese firms ignore offering good service to their customers. But this is an important part of the mar-

keting strategy in Germany." The expansion of services could be a way for a company to extend their product range, win over new customers and consolidate their market position. Luo intends to improve his own company's service. He concluded that "the secret of German companies is to not just sell machines but also solutions."

Cooperation Forum a highlight of the fair

One trade fair "highlight" was a clear demonstration of the level of cooperation between the Chinese and German partners: the Cooperation Forum for Chinese and German firms. The forum was held on April 24th and organised by both sides. In the run-up to the forum, the Chinese Ministry for Industry and Information Technology (MIIT) as co-host ensured the event would run smoothly and worked in close coordination with the "China Centre for Promotion of Small and Medium-sized Enterprises Development" (ProSME), the Chinese organiser of the forum.

Guests to the forum were welcomed by Liu Lihua, Vice Minister of the MIIT, and Dr Karl-Ernst Brauner, Division Head for Foreign Economic Policy at the BMWi. "99 per cent of Chinese firms are small and medium-sized enterprises (SME) that are increasingly intensively

pursuing global exchange. In future there will be a wide range of opportunities for cooperation between SMEs in China and in Germany", Lihua said in his speech. He suggested four approaches:

- create a platform for SME cooperation
- expand partnerships, particularly in energy efficient and environmentally-friendly technologies and biochemistry
- increase the level of cooperation, e.g. the possible construction of an industrial park for SME cooperation
- improve the conditions for SME cooperation, e.g. both countries could offer each other fair conditions for trade and investment

Dr Brauner was confident about the future of trade between Germany and China. He was convinced that the forum made an important contribution to intensifying and expanding cooperation. Lihua and Brauner signed an agreement on the "Fit for Business with China" programme (see the article in this journal). A total of over 200 people participated in the event. The following topics were intensively discussed:

- experience and perspectives from successful partnerships between Chinese and German firms
- cooperation between banks and companies to develop SMEs

The secret of German companies is to not just sell machines but also solutions

- protecting intellectual property to strengthen China-Germany SME cooperation

Just a few days after the successful Cooperation Forum, the fourth meeting of the German-Chinese Executive Committee of the Manager Training Programme was held in Celle under the leadership of Tian Chuan, Deputy General Director of the MIIT's SME Division, and Karl Wendling, Ministerial Director at the BMWi. ■

Hanna Bätz



Presentation of certificate to a Chinese participant



International Partner Conference in Berlin

In June, the Federal Ministry of Economics and Technology (BMWi) sent out invitations to the 8th Partner Conference in Berlin as part of the Manager Training Programme. Representatives of governments and partner organisations from 14 partner countries and Germany attended the two-day event.

In his welcoming speech, Hartmut Röben, Division Head at the BMWi, said: "The Partner Conferences have become an important platform for the exchange of experience among all partner countries. The Manager Training Programme is still dynamic and developing further. The latest partner country is Egypt, and additional countries will follow in the near future." He went on to say that in the case of Russia and China, the Programme had already become a mutual exchange. This was a future-oriented development, and expanding additional programmes in the same way would be a very welcome step forward. Partnership programmes give all participants an opportunity to gain insight into the respective other country. The BMWi places great importance on evaluations of the Programme, and the

results so far fully justify the effort involved. Dialogue with partners would be an excellent way to develop the Programme even further and adapt it to better serve current economic policy requirements. Röben ended his welcoming speech with the words: "The participants experience what Germany feels like and how Germany works with regard to business. The Programme builds bridges for medium-sized enterprises that would not take the step into foreign markets on their own."

It was the last partner conference for Prof. Dr Gerd Schimansky-Geier in his role as Head of the Manager Training Programme at the GIZ – a position he has held for many years. He said: "The last International Partner Conference was just this last November, when the status quo

and prospects for technical preparation in the Programme's home country, Germany, were discussed, along with the results and lessons learnt regarding the evaluation of economic results from the Manager Training Programme. These topics are extremely important for the further development of the Programme and require continuous effort from all participating parties." He mentioned that the Programme offered benefits for commissioning parties, participating companies and countries. It would, however, need to be adapted further to meet the challenges of globalisation and the second decade of the new millennium. Important focal points included:

- The internationalisation of the Programme through the inclusion of new

countries and the expansion of exchange programmes

- Strengthening of the sustainability and efficiency of the Programme and of quality and quantity
- The evaluation and redefinition of success criteria
- The consideration of the partners' priorities for the further development of the Programme
- The further development of the Competency Model – not only with respect to the levels of competency at the outset, but also those competencies participants gain in Germany.

Professor Schimansky-Geier stressed the close cooperation with the BMWi, professional associations throughout Germany, and regional partners in Germany. He noted that while international groups were received and offered added value, national groups were and would remain the primary emphasis. In the industry, topic and country groups, the focus has increasingly been on green-tech, food, health, raw material partnerships and technology transfer.

Increasing the flexibility of the Programme and its instruments is scheduled for 2013. In pilot projects, standards are being developed further through such measures as modularisation and add-on systems. The individual requirements of the participants and the sustainability of the Programme through alumni work will be taken into account in the process. The

alumni clubs are independent national associations, and cooperation with alumni is an area of the Programme where specialist support is offered. The GIZ is there to provide advice and suggestions and to ensure alumni also benefit from the structures of German business abroad, such as the Chambers of Commerce Abroad. Partners should be encouraged to express their interests more clearly, and the working groups at the Partner Conference should contribute here.

Over the two-day conference, the working groups dealt with the following topics:

- Evaluating the economic results from the Manager Training Programme
- Success criteria for the Programme

– Sustainability of the Programme through alumni work

The closing discussion in the Eichensaal (Oak Room) at the BMWi was moderated by Reimut Düring, the designated new Head of the Management Training Programme. In the evening, Dr Karl-Ernst Brauner, Head of External Economic Policy at the BMWi, hosted a reception in honour of Professor Dr Gerd Schimansky-Geier. The reception on the roof terrace of the BMWi was the highlight of the Partner Conference. The Conference closed with final bilateral talks the following day. Numerous bilateral talks had already been held over the previous days. ■



Prof. Dr Gerd Schimansky-Geier (left) and Dr Karl-Ernst Brauner greet each other.

Alumni from 11 Countries Participate in Study Tour to Germany

Success as a team: alumni associations from 11 partner countries develop their expertise during a study tour to Germany on association management and sign a declaration of co-operation.



Berlin. The participants in the Manager Training Programme are primarily bound by a high degree of interest in Germany as a business location. Not only new business and personal contacts but also bonds and friendships are established during the programme in Germany. True to the motto of “Together we are strong”, individual programme graduates have founded alumni associations in countless countries on their own initiative. These platforms help graduates to keep in touch after the training and to reinforce their bond with Germany as a business location. Some associations have already been active at a high professional level for many years now. In contrast, others are still in a very early stage or have only just been founded. Given that alumni associations also require structure and professional management, they are actively supported and promoted.

The GIZ consequently invited particularly active representatives of alumni organisations from 11 Manager Training Programme partner countries on a study tour to Berlin in December 2011. “Association management” formed the core focus for the representatives from Azerbaijan, Belarus, China, India, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Turkmenistan, Uzbekistan and Vietnam. At the same time, they were also able to exchange with German associations on a whole host of questions, as well as to establish important contacts. The aim was to enhance the conditions for sustainable economic co-operation between the various countries and Germany. As the unofficial champion of association founding, Germany was the ideal location for the event. According to statistics provided by the v+m Verlag, 580,298 associations were registered in Germany in 2011.

Meeting with German expert associations particularly positive

During their five-day study tour, participants were able to develop their expertise in fundamental areas of association management in a series of workshops: on member relationship management, public relations, finance and services management, and strategic development. The group also met with representatives from German industry from whom they obtained invaluable information about the function and activities of German business associations. During the member relationship management workshop, Karen Konopka – an expert for association management and long-standing trainer at the GIZ – outlined the basics of professional and structured relationship management. According to Konopka, key factors for an association’s success are a high degree of satisfaction and members’ emo-



tional bond with the association. Member segmentation allows the advantage of being able to take a target group-orientated approach, for not all members are the same in terms of their requirements, and they are not all equally important to an association. This point proved decisive for active associations with a larger number of members (e.g. the association of German-Chinese SMEs, which counts some 300 members).

“Orientate services more strongly to regional needs”

Professional communication with members was deemed extremely important by all participants and could be further improved everywhere. The same applied to the services offered by the associations and well as to marketing these services. Using practical examples, a series of possible services were presented and developed further by participants within the scope of the services workshop.

“In general, it is important to orientate services more strongly towards fundamental regional needs and the benefits to members rather than to abstract, international project plans,” advises association expert, Konopka. With regard to the financing of associations, the organisations

Professional communication with members was deemed extremely important by all participants.

rely on membership fees or a combination of membership, event participation and service fees, donations and sponsorship. Analysis showed that the alumni associations should optimise their financing concepts to render them sustainable in the long term. This particularly applied to associations, who decided against charging membership fees, as was the case with half of all the participating associations. Following the theoretical part of the event, the participants prepared a draft for an overall strategy. Strategic components with the according implementation plans were developed on the basis of the expertise acquired in the workshops.

International networking, international cooperation

The trip allowed for development of a group identity, which was expressed in the signing of a “Memorandum of Understanding” in support of international networking among the Manager Training Programme alumni associations. The aim of the declaration is to:

- promote international cooperation,
- develop joint projects and activities,
- exchange information and experiences.

In addition to the international participants, a member of the German-Russian Management Network’s (DRMN) board – the programme’s German alumni association – also signed the declaration, thus promoting networking with the Germany economy.

Overall, the discussions’ outcomes were positive – not least because interest was great on both sides. Thus, personal contacts could be established with German association representatives, which in part led to concrete offers and agreements. The participants from the Mongolian alumni association agreed to support the Asia-Pacific Committee of German Business (APA) in the organisation of study trips to Mongolia, for example. For its part, the APA proposed to use its contacts to support the planned trips to China by German entrepreneurs as part of the Manager Training Programme. The President of the European Managers Association (CEC), Ludger Felix Ramme, offered participants free membership to the association and expressed his interest in the launch of cooperations with the management associations in the partner countries. And Managing Director of the German Federal Association for Economic Development and Foreign Trade (BWA), Stefan Schmitz, offered to initiate bilateral relations. Given that the BWA in principle only has one official partner per country, this represents an exclusive opportunity for participants. ■

Karin Weber, David Fuchs



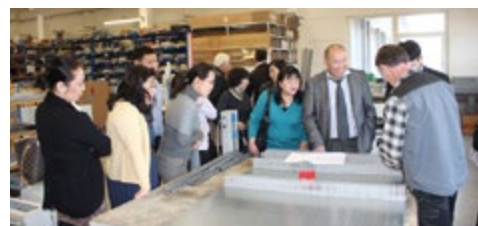
Mongolian Executives Establish Economic Contacts in Germany



Celle. 21 Mongolian executives visited Celle in March 2012. They were visibly content in the small historical city. They were received by the German Management Academy of Lower Saxony (DMAN). Some had studied in Germany and were extremely well versed in the cultural characteristics of Germany. Their knowledge of the German language was once again impressive. Their group visits to German construction, tourism and logistics companies, as well as technology manufacturers, were characterised by a lively exchange of experiences. The participants often referred to the extreme need for training in their country and were therefore interested in German training models.

Major German Interest in Mongolia

The Mongolian managers' packed schedule demonstrated the interest that Mongolia is generating among German companies. A collaboration exchange organised by IHK Hanover was very well received. Follow-up meetings at the window manufacture trade fair in Nuremberg and in Celle Castle focused particularly on projects in the fields of thermal engineering, civil engineering and mining. One Mongolian programme participant was even invited to give a lecture at a German mining conference.



Mongolian participants on a company visit

The visit to the commercial and consulting firm SIS Seaport Industry Services facilitated intensive discussions about international business cooperation. The CEO of SIS Seaport Industry Services subsequently advised the Mongolian guests on German products from the construction and car industries and travelled to Mongolia himself for further talks in August 2012. Participants from the beverage industry also had promising business discussions. Finally, the biggest brewery in Mongolia commissioned German research institutes to develop new varieties of beer.

At the Mongolian Embassy in Berlin on 31 March 2012, the group met the President of Mongolia, Tsakhiagiin Elbegdorj, who was in Germany on a state visit to the German Federal President, Joachim Gauck. A follow-up to the Manager Training Programme took place in the Mongolian capital Ulaanbaatar in September 2012. The programme participants had the opportunity to discuss among themselves, as well as with GIZ and DMAN representatives, the economic outcomes and their lasting impressions of their trip to Germany. ■

Inga Markwart

Strengthening Cooperation in and with Asia



Berlin/Stuttgart. An international mix of groups is no longer unusual in the context of the BMWi Manager Training Programme. International cooperation is, of course, a declared objective of the programme. All kinds of cooperation between partner countries are expressly welcomed. Therefore it's also no surprise that they have built on the success of the first Kyrgyz-Uzbek group (2009). Since then, GIZ has invited several international groups from the Central Asian region to Germany. From 6 May to 3 June 2012, a group from Kyrgyzstan and Uzbekistan stayed at the Stuttgart Advanced Training Centre Baden-Württemberg International(bw-i). The programme content and bi-national get-together went down very well with participants.

Promoting and Requesting Cooperation

Before the training in Germany, there were no economic ties worth mentioning between the participating companies from Kyrgyzstan and Uzbekistan. During the training, executives had the opportunity to exchange views and to get to know the fields of activity of the companies from their neighbouring country. In some cases, this laid the foundation for bilateral cooperation. It was made clear to all participants how much potential regional networks in Central Asia hold.

The Uzbek businessman Radhad Pirmatov, and Almaz Davletov from Kyrgyzstan, spoke about concrete cooperative actions in the production of raw pastry pieces that can be used when frozen. Myrzabek Ozubekov from Kyrgyzstan and Michael Shamshidov from Uzbekistan, both of whom are representatives of the tourism sector, sounded out future opportunities for cooperation. The two businessmen got to know each other during training in Germany. The result of the training in Stuttgart: strengthened economic relations within Central Asia. Participating countries will benefit from this. ■

Karina Gabrielyan

Intercultural Management: How to Do Business with Germans



The GIZ publishes a new handbook for participants of the Manager Training Programme.



Cultural differences in business relations with international partners can stimulate cooperation, but they can also create problems and conflict. This is why the GIZ is releasing the "Cross-Cultural Management: How to Do Business with Germans" guidebook in Russian and English.

The author is Dr Aksana Kavalchuk, a trainer in intercultural communication who has often been a guest contributor to this journal on the topic. The author has drawn on her years of experience in providing intercultural training to managers

who come to Germany for training. She has also accompanied numerous German executives while they carried out activities in Russia, Ukraine and Kazakhstan.

The guide offers an overview of the German code of conduct and values, and presents schemes for interpreting them, which can be helpful in recognising and assessing the behaviour of international partners. Some of the topics covered include specifics for business communication, conducting negotiations and joint project work, tips on how to behave in conflict situations and ideas about the term professionalism.

The guidebook is aimed at a wide readership, but particularly targets participants of the Manager Training Programme and businesspeople who are developing, expanding or optimising cooperation with German firms, or who already work for a German company. ■

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Events calendar



20th October

■ Ukraine, Kiev: International Alumni Conference (Ukraine, Belarus, Moldova)

21st October

■ Russia, Volga Region: "Fit for Business with Russia" (21.10 - 03.11)
■ Germany, Berlin: World Health Summit 2012 (21.10 - 24.10)

24th Oktober

■ Belarus, Minsk: MP Applicant Interviews (24-25.10)

26th Oktober

■ China, Wuhan: First Alumni Conference (26.10 - 27.10)
■ Belarus, Minsk: Alumni Association Meeting

1st November

■ India, Delhi: Extension of MoU
■ Russia, Moscow: 10 Years of Alumni work in Russia

2nd November

■ Russia, Moscow: International Conference "15 Years of the Presidential Programme on training managers"

9th November

■ Kazakhstan, Almaty: International MP Alumni Conference (09.11 - 11.11)

13th November

■ Germany, Berlin: Eastern European Business Forum

14th November

■ Moldova, Chisinau: MP Alumni Event

18th November

■ Egypt, Cairo: MP Applicant Interviews (18.11 - 23.11)

19th November

■ Germany, Frankfurt a.M.: Russian Business Forum

22nd November

■ Germany, Berlin: 13th Solarpraxis Forum (22.11 - 23.11)

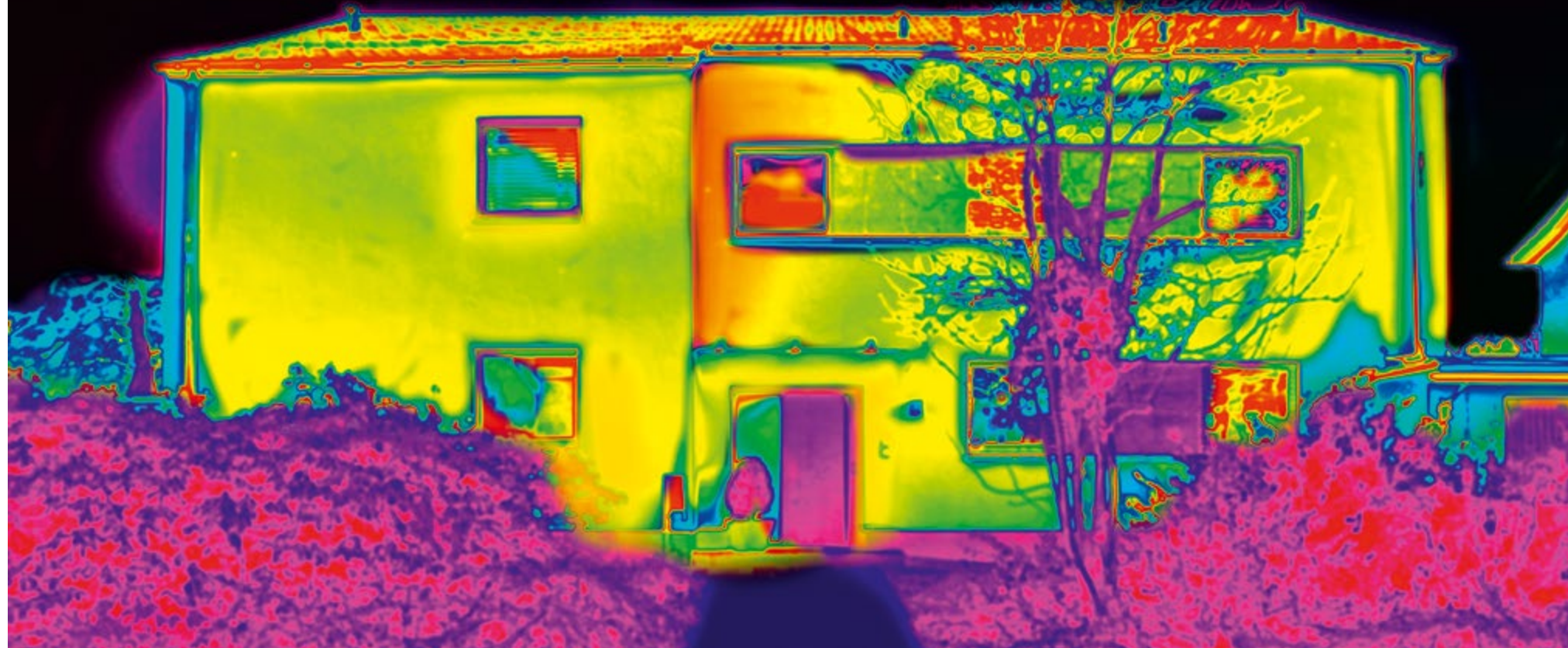
27th November

■ Germany, Hamburg: Health Care Cooperation Forum

3rd Dezember

■ Russia, Moscow: Zdravookhraneniye 2012 - International Exhibition for Health Care, Medical Engineering and Pharmaceuticals (3.12 - 7.12)

In Russia, there is an enormous need for action with regard to the energy-efficient refurbishment of multiple-family dwellings. Together with its Russian partners, GIZ therefore organised a seminar with the emphasis on “Project Management”.



Energy-Efficient Refurbishment of Prefab Buildings

Omsk. According to the latest figures supplied by the Housing Initiative for Eastern Europe (IWO e.V.), more than half of the three billion square metres of residential space in Russia is urgently in need of refurbishment. The savings potential in the Russian building sector is enormous. A survey carried out by McKinsey shows that about 36 per cent of energy consumption is for real estate – half of it for residential buildings. Since the government ordered that properties must have an energy performance certificate and reduce their energy consumption by 40 per cent by 2020, the need for action in the area of energy-efficient refurbishment is even greater in Russia.



Thus, on the initiative of GIZ, a three-day seminar was held in March 2012 on the energy-efficient refurbishment of multiple-family dwellings. The emphasis of the seminar was on the conveyance of know-how in project management. On the Russian side, the measure was supported by a large number of partners: by the Ministry of Construction of the Omsk Region, the government's President's Programme, the Omsk agency for promoting medium-sized enterprises and the Omsk Alumni Association from the Manager Training Programme.

Interest in Innovations

Besides graduates, participants and lecturers from the training programme in Russia, the roughly one hundred registered participants also included representatives from regional resource centres and urban building authorities. Flat managers, manufacturers of technical building equipment, heat suppliers, service providers, energy auditors, as well as planning and building companies were also among the participants. In contrast to other Siberian centres, Omsk no longer has state or municipal housing enterprises. All companies have the legal status of private companies. Housing management companies are sometimes established by building companies, which acquire building contracts this way. This group showed keen interest in innovative technical solutions for structural engineering and building services engineering. Basically, they can imagine acting as contractees for refurbishment projects. However, in practice, the terms of their management contracts are much too short, often only one year. Another hindrance is the problem of financing.

The seminar was organised as interactive training. The participants completed the individual programme points through group work and role play. Different solutions were worked out for difficult situations in the course of various project stages. Using the refurbishment of a building constructed with prefabricated concrete slabs in Berlin, the course of a project in Germany was presented. Then a case study was developed on the refurbishment of a property owned by a community of flat owners in Omsk.

Crucial Point Financing

The unwillingness of the flat owners to bear a portion of the costs of refurbishment is a major obstacle in the financing of a refurbishment property. In Russia, there is little experience of project managing the comprehensive, energy-efficient refurbishment of multiple-family dwellings under market economy conditions. Mainly minor measures are financed through public funding. The maintenance of common property is a problem in Russia and the entire former Soviet Union, as the owners limit maintenance and renovations to their individual housing units. In contrast to the situation in Germany,

there is no obligation in Russia to carry out certain energy-saving refurbishment measures.

Flat owners in Russia have difficulties obtaining loans from banks. “Due to a lack of framework conditions, the group did not even consider the option of obtaining refurbishment loans with low interest rates and adequate terms,” explains Bernhard Schwarz from IWO, who conducted the seminar. The participants suggested a cost-allocation system. In their view, the burden of the cost of housing after refurbishment should not exceed 22 per cent of the household's income.

Integrating the Key Players

On the last day of the seminar, participants determined the key players in the refurbishment of multiple-family dwellings in Russia. Besides the flat owners, they are project managers, flat managers, politicians and officials at the local, regional and federal level, and – in future – also banks. For the future, the programme participants find it essential to integrate them into the projects; for this purpose, personal plans for action have already been drawn up.

The training was followed by a round table discussion with representatives from German companies already successfully involved in developing refurbishment projects in Russia.

- Viessmann GmbH (heating technology)
- Caparol (paints, heat insulation) and
- profine GmbH (plastic profiles for windows and doors; PVC sheets)

On the participants' special request, the company representatives described how they apply Russian GOST standards under the specific basic conditions in Siberia. Among other things, they presented typical building defects and how they can be avoided. ■

Karin Weber



GlZ Visit to a Moscow Bakery Business

Moscow. “Bread is at the head of everything:” in contrast to this beloved Russian saying, the conference table in Cheryomushki conference hall is covered with a diverse array of cakes and other pastries. It goes without saying that they all come from the Cheryomushki factory. In March 2010, the owner and CEO Sergey Shedrin welcomed a GIZ delegation, led by the heads of the department Dr Gerd Schimansky-Geier and Reimut Düring.



Corporate management for GIZ employees

Cheryomushki is an expanding pastry company and the owner is an example of best practice for the Manager Training Programme in Russia. GIZ employees visited the modern production facility in Moscow.

Shedrin is a graduate of the BMWi Manager Training Programme, class of 2000. He is absolutely convinced of the programme's success. Two other employees have since taken part in the Manager Training Programme in Germany. “The most important outcome of the training was that I recognised what was desirable for my company. I learned to visualise my ideas,” says Shedrin. “This applies to factory equipment as well as corporate culture, production processes, cooperation with unions and the relationship with infrastructure.”

During the factory tour, he led the delegation through the huge factory buildings, in which various different baked goods are produced for the most populous city in Russia, but also for Europe. With its production capacity, the company can meet half of the daily demand for baked goods in Moscow. That's 700 tonnes for an estimated fifteen million people.

From a State Holding Company to a Public Limited Company

Cheryomushki became a public limited company in 1994, at a time when Russia was changing and developing at a rapid pace. Cheryomushki also changed its strategy. Today, almost all of the production facilities' stock comes from abroad – truly international. The dough is produced in French facilities, and the sourdough in German facilities. The company bakes Russian sponges in Italian ovens. In this process, Russian delicacies really stand out from European ones. Anyone who has ever tasted the melodiously-named tarts “Medovik” or “Bird's Milk” will confirm this.

Innovative and Healthy

The foreign plant manufacturer had to implement production lines not only to produce Russian products, but also to take into account the characteristics of

their components and ingredients. In order to carry out trials and calibration of such lines, Shedrin had Russian flour transported abroad by the sackful. Even this basic product has specific national characteristics.

Life in Russia is changing forever. Cheryomushki's range of products has also changed. New products were developed that are appropriate to the new market conditions in Russia. Bread consumption is declining. On the other hand, the manufacture of tarts and baked goods with a longer shelf life, of pastry goods and cereal products that are produced using cooling and deep-freeze processes, as well as “health-food products” is increasing. Particular characteristics of today's factory are new technological lines, cleanliness and hygiene in the company that convince customers through modernity and innovation. All in all, an exciting, impressive visit – and a culinary delight. ■

Elisabeth Harms



Entrepreneurs from Southern Germany in Central Asia

In June 2012 Baden-Württemberg entrepreneurs visited Uzbekistan and Kazakhstan to meet successful graduates of the Manager Training Programme.

Almaty, Tashkent. Two Central Asian countries in five days: the entrepreneur delegation visits to Almaty and Tashkent were intense and followed an ambitious programme organised by the Stuttgart Chamber of Industry and Commerce (IHK). Over the course of their six-day trip (June 24-29, 2012) entrepreneurs from the “Ländle”, as Baden-Württemberg's residents affectionately refer to their state, saw proof positive of the success of graduates of the Manager Training Programme in Central Asia. The Manager Training Programme's long-time partner in Central Asia, the Delegation of German Business in Central Asia, played a key role here. This was also the organisation that prepared cooperation forums in Almaty and Tashkent for the eleven Swabian entrepreneurs from a wide range of industries like construction, finance and agriculture. A great deal of time was invested in laying the groundwork and finding potential partner companies in Central Asia whose profile best suited the German entrepreneurs' needs. The forums were well attended with up to fifteen potential contacts per company and representatives were kept very busy managing the crush with the help of the simultaneous translators on hand.

Success stories from Uzbekistan and Kazakhstan

A number of company tours demonstrated quite vividly how the state of development and productivity in the countries can be assessed. In Kazakhstan the Belkamit company was one stop on the tour. It managed the transformation from an armament factory in Soviet times to a company that now successfully produces for the global market.

Cotton is Uzbekistan's most important agricultural product and the country occupies 6th place among the exporters of this raw material. The processing tex-



tile industry also plays an increasingly important role. Here the Swabian entrepreneur delegation met Bachodir Sultanov. He completed the BMWi Manager Training Programme in 2009 and has built up the “TURANTEX” firm with modern textile machines manufactured in Baden-Württemberg. Today the company is a successful textile producer and

employs more than 250 people. The firm's employees and management were trained on site by German experts to ensure the new production lines could be optimally used. Technology from Germany enabled Sultanov to increase the productivity and quality of his company – and of course his employees' income, according to the Uzbek entrepreneur. ■

Barbara Effenberger, Tobias Knubben

The right content at the right time



Participants were impressed with the degree of professionalism and the practical nature of the follow-up seminar held in Turkmenistan entitled “Core competencies in personnel management”.



Discussion among Turkmen Alumni

Ashgabat. “The advanced training in Germany was a great help to me,” reports Hallyyev Pirguly, a 2011 Manager Training Programme graduate. “I was provided with the right content at the right time – as was also the case at today's seminar. My heartfelt thanks for this!” The graduate was referring to the follow-up seminar for Turkmen groups from 2010 and 2011 hosted by the GIZ in the capital of Turkmenistan on 7-8 September, 2012. The BZM – Bildungszentrum am Müggelsee in Berlin and ARGE Konsortium NBL in Dresden were involved in its organisation.

On the first day of the seminar, the focus was on the evaluation and analysis of business outcomes. On the second, participants were provided with useful information on the topic of “core competencies in personnel management”. The trainers hired by the GIZ from MCT Agency Business Development Solutions a Turkmen consulting firm, impressed with their professional and practical methods. Other participants responded as positively to the follow-up seminar as Programme alumnus Pirguly quoted above. ■

Tobias Knubben



***Baku.** Azerbaijan's capital is home to 111 young, active managers who have at least one thing in common: they have all successfully completed the BMWi Manager Training Programme in Germany. But how did it all start? On October 12, 2009 the "Memorandum of Understanding" between the BMWi and the Minister of Economic Development of the Republic of Azerbaijan was signed in Baku. The goal was to organise the Manager Training Programme for executives from the Azerbaijani business community.*

Production at Embawood



Technology and Design in Harmony

This land in the Caucasus region, on the shores of the Caspian Sea, has large oil and gas resources, a financial basis it is using to expand its industry beyond the energy sector. The country's economy therefore depends on modern technology. Germany is Azerbaijan's third most important supplier. In 2010, German exports in machine-building technology, electrotechnology, and chemistry rose by over 70 percent to a total of EUR 736 million. But technology alone is not enough to manage this economic transformation. An understanding of modern management techniques is indispensable to a rapidly growing economy marked by upheaval.

"True German quality"

Thanks to the Business Training Centre Baku, an effective partner, representatives from the Azerbaijani business world quickly developed an interest in the programme. The Embawood firm, for example, has been sending its best employees to Germany for advanced training every year since 2009. Founded in 1996, the

company can look back over 15 successful years of operation. Their principal activity is making and selling furniture. Nahid Hasanov was one of the first representatives the company sent to Stuttgart in 2009. There, he completed training at Baden-Württemberg International (bw-i). Based on the experience he gathered in Germany, he founded the first laboratory in a former Soviet state that runs quality assurance in accordance with European Standards (EN). EN are ratified in a public standardization process by one of the three European Standards Organisations (CEN, CENELEC and ETSI). The involvement of a German consulting firm helped raise the level of quality controls, which now ensures "true German quality" according to Embawood.

Seven plants in four countries

What began with a factory in Azerbaijan has now achieved international status: today Embawood operates seven plants and offices in four countries. Its products are exported into the countries of Central Asia, the Southern Caucasus and Eastern

Europe. The company has also expanded into Turkey, where programme alumni Hasanov heads up the office. The spirit of globalisation is palpable in every workshop in the company's furniture plants. Successful innovation management has ensured that professional, skilled workers from Azerbaijan, and first-class technologies from Germany, work in perfect harmony. Production lines from the HOMAG AG, components from the Hettig company, and fabrics and fittings from Krönig GmbH are all part of the standard infrastructure. Krönig GmbH was the first supplier. Contact was established during the training programme and the respective contract was signed in 2009.

Fast, free and service-oriented

In March of this year, a BMWi delegation travelled to Baku to see some of the results of the Manager Training Programme for themselves. Alumni who work at Embawood proudly showed their guests around the most important production sites and shops in Sumgait, Hyrdalan and Baku. The reception hosted by Embawood CEO Ed'shad Abbasov was the epitome of the hospitality the Caucasus region is known for. Here, he presented his plans for the future, such as the kick-off of the "Homeland" project in June 2012. It was inspired by the Kraft GmbH

The Azerbaijani furniture manufacturer Embawood regularly sends employees to Germany, then skilfully integrates the experience they bring back: the efficiency and competence of their ultra-modern workshops and professional personnel are impressive.

firm and initiated by Meded Rustamov, who consults with the CEO on issues of strategy and quality and completed the training programme in 2011. The experience gathered from the programme and a desire to drive development gave rise to a customer service hotline and an after-sales service system that implements free delivery and assembly of the furniture 24 hours after purchase.

Expanding, improving and perfecting skills

In the summer of 2010, the Executive Board sent Jamila Omarova to Cologne for advanced training. A solid strategic move, for, as Director of Human Resources she is responsible for human resources development and training and needed to per-

The company's other plans are equally ambitious, and modernising design is one of Embawood's key objectives. Improvements in this area are important to Abbasov. He notes that "the reason for investment in our design is linked to the goal of making Embawood the representative of furniture of international standing in Azerbaijan." This goes well with plans to open another plant soon. And you can be sure that technology and Azerbaijani furniture will come together in perfect harmony there too. ■

Ljudmila Metzendorf

The Partner Countries of the Manager Training Programme



Belarus



Ukraine



Germany



Moldova



Egypt



Turkmenistan



Uzbekistan



Azerbaijan



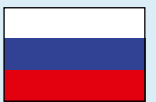
Kazakhstan



Kyrgyzstan



India



Russia



Mongolia



China



Vietnam



German Minister Rösler Meets Vietnamese Alumni

In Vietnam, the German Federal Minister of Economics and Technology, Dr Philipp Rösler, met Prime Minister Nguyen Tan Dung, politicians, company representatives and alumni from the BMWi Manager Training Programme.

Dr Philipp Rösler (3rd from the right) with Vietnamese alumni in Hanoi



Hanoi. The Federal Minister of Economics and Technology, Dr Philipp Rösler, visited the Socialist Republic of Vietnam from 17 to 19 September 2012. The Minister was accompanied by members of the German Bundestag as well as an approximately 50-person business delegation. At an evening reception in the German Ambassador's residence, the Head of External Economic Policy at the BMWi, Dr Karl-Ernst Brauner, introduced five alumni from the BMWi Manager Training Programme to the minister. These managers gave an account of the results of their participation. The Programme prepared them specifically for initiating business and economic cooperation with German companies.

In his speech at the reception, Philipp Rösler mentioned the importance of personal contacts for economic cooperation. The Manager Training Programme implemented by the GIZ already fosters personal contact between German and Vietnamese companies during participants' four-week stay in Germany, which is normally a prelude to and a prerequisite for cooperation based on trust. The Programme, in which 180 Vietnamese executives have participated since 2008, opens opportunities for entering the markets in both in Germany and Vietnam.

After the meeting, Le Minh Hai from Hai Phong Port said: "The minister has made a strong impression on me. He asked me about my business relations with Germa-



ny and whether I had difficulty in gaining access to German business partners." The Programme alumnus of 2009 was able to reply that this was not the case for his company. With the aid of German equipment, Hai Phong is developing into one of the most modern ports in Southeast Asia. In Ho Chi Minh City, Philipp Rösler attended a German-Vietnamese economic conference. All the Vietnamese alumni of the BMWi Manager Training Programme were also invited to the conference, which was organised by the Chamber of Commerce Abroad.

During his visit, Dr Rösler described Vietnam as "a future market for the German export industry". Together with Colombia, Mexico, Nigeria, Indonesia and Malaysia, Vietnam is one of the "new target markets" for German external economic policy. Germany is already Vietnam's most important trade partner inside the European Union, and bilateral trade increased by 28 percent to 5.7 billion euros in 2011. Since last year, the two countries have enjoyed a strategic partnership aimed at strengthening economic, political and cultural cooperation, and a rule of law dialogue. In conclusion Philipp Rösler said: "The ASEAN countries are up and coming. Their economic significance will increase further when the ASEAN Internal Market with a total population of about 600 million is opened in 2015. German companies will also benefit from it. Thus it is all the more important to send out a clear signal now that Germany is very interested in expanding our economic cooperation." ■

Katrin Trushevskyy



German Executives in Jiangsu and Shandong

Fit for business with China: the Chinese government has invited German companies to the country, creating ideal conditions for initiating business and establishing contacts in the provinces of Jiangsu and Shandong.

Beijing. For the first time ever, the Chinese government has invited a group of German company representatives to China from 3 to 17 November 2012 with the aim of providing advanced training and establishing contacts. Participants will gain in-depth insight into the opportunities and challenges of the Chinese market through a combination of specialist seminars and company visits. Advanced training will form the basis for independent projects with Chinese partners. Individual contacts will additionally provide an opportunity to make market launches and other business intentions a reality. The programme will take place within the scope of the Federal Ministry of Economics and Technology

(BMWi) Manager Training Programme in cooperation with the Chinese Ministry of Industry and Information Technology (MIIT). It is being realised by the GIZ and, on behalf of the Chinese government, the China Centre for the Promotion of Small and Medium-Sized Enterprises (ProSME).

Intensive preparation and talks

In August, Ronald Schulz, the responsible project manager at the GIZ, was provided with an impression of the planned procedure in China. He held talks with the regional authorities responsible for investment and SME funding on German executives' expectations. The latter are particularly interested in specialist topics such as the intercultural, legal and tax aspects of a commitment in China.

During company visits, it was also possible to clarify that insights into the Chinese corporate culture and current personnel, logistical and environmental challenges in production are particularly important. German companies with a presence in China expressed their willingness to share their own experiences and processes with programme participants.



Business, culture and a football match

Once the participants have been briefed in Germany, the programme will officially be launched in Beijing. Countless international companies have already set up subsidiaries during the three ensuing stops in the coastal provinces of Jiangsu and Shandong. However, conditions vary from location to location, and different potential along with different challenges exist in each. The Chinese hosts have prepared the programme well and look forward to welcoming the first group from Germany. While they are excited about the business prospects, they have also included cultural elements in the programme along with a football match. ■

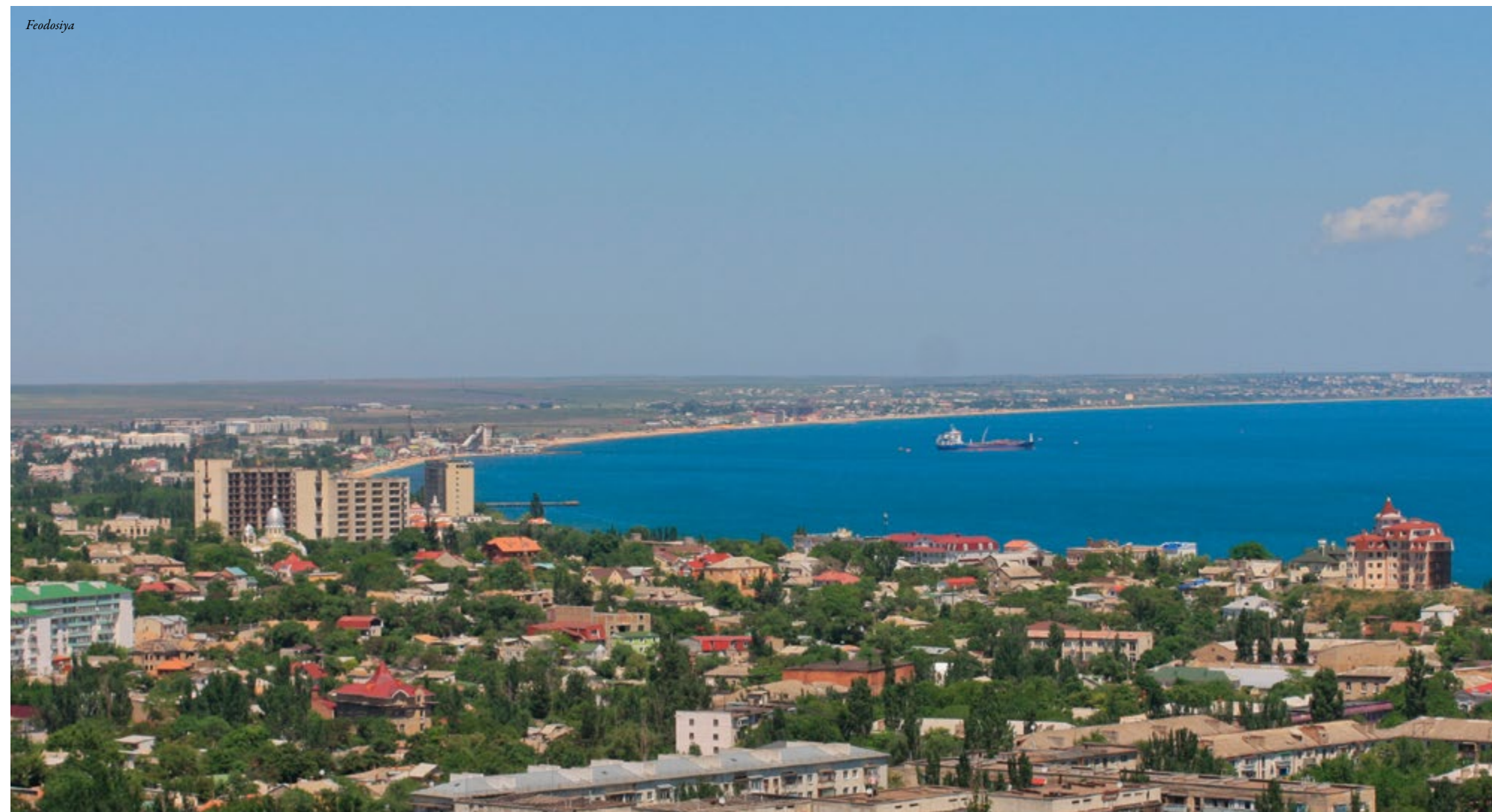
Michael Emmrich





International Wine Festival in Crimea

The city of Feodosiya welcomed inhabitants, tourists and wine producers from Ukraine and abroad for the second time under the motto “Enjoy life – discover the WineFeoFest”.



Feodosiya is located in a picturesque bay directly on the Black Sea in south-east Crimea, an area characterised by winegrowing and national tourism. According to the organisers, the number of visitors to this year's wine festival exceeded 45,000 – over 50 per cent more than in the previous year. Fourteen wine producers from eight countries including Italy, Greece, France and Moldova presented their wines and journalists from 30 informational and specialist publications attended the “WineFeoFest” to report on the wines. The wine festival is the largest marketing event for wines and wine products in Crimea and is financed entirely by sponsors.



In light of the event's success, the Ministry of Agricultural Policy and Food of the Autonomous Republic of Crimea has plans to expand the wine festival beyond Feodosiya to other cities in the area in keeping with the “German Wine Route” model. After all, with around 30,000 ha of vines, the Crimean peninsula is the second largest winegrowing region in Ukraine. Due to the grapes' high sugar content, sweet

of new quality grape varieties and subsidising the procurement of equipment to boost efficiency in the wine production process. There will be plenty of opportunities for German companies looking for Ukrainian partners or customers in these fields in future.

Opportunities for German companies

Moreover, the wine festival events programme could offer German companies good opportunities for entering into conversation with winegrowing decision-makers and producers from Crimea. A conference on the prospects for the winegrowing industry in Crimea and on questions of quality enhancement was held in parallel to the wine festival this year.

Participating at the wine festival in Feodosiya is undoubtedly an interesting experience for German companies, though it can hardly be compared to the wine festivals in the Ahr and Moselle winegrowing regions of Germany. Still mid-September 2013 should be reserved. The idea for a wine festival was born during a pilot project that offered executives from regional administrative authorities advanced training. The programme was organised by the German Society for International Cooperation (GIZ) in conjunction with the Ministry of Economic Development and Trade of Ukraine and received funding from the German Federal Ministry of Economics and Technology (BMWi). Various tools to enhance the region's competitiveness were put into practice with the support of experienced specialists from Germany and Ukraine. Following a SWOT analysis, the key aspects of economic development were



Championing the Abr wine region in Feodosiya: Abr wine queen Julia Migend speaking to Alexander Bartenev, Mayor of Feodosiya

defined and included in the city's strategic planning.

New plans after successful wine festival

For Feodosiya the focus was primarily on measures for extending the tourist season, which comes to an end in mid-September in Crimea. Organising a wine festival is just one practical example. City employees were given training in event management – with great success, as they proved by extending the tourist season in Feodosiya.

Feodosiya meanwhile markets itself nationally as a centre for wine and tourism. And the city authorities are already making further plans: the city's events calendar is to be expanded by a beer festival as well. After all, the city authorities already have the expertise they need to organise major events. ■

Isolde Heinz, Eugenia Strube

dessert wines and fortified wines similar to Madeira and Port are traditionally produced here. However, a growing number of Ukrainians are also discovering dry wines, as a spokesman from local wine producer “Koktebel” confirmed. Particularly in the upmarket price segment, there are therefore good prospects in Ukraine for foreign producers of quality wines. Ukrainians are willing to pay more for foreign wines, as they promise higher levels of quality. To enable Ukrainian wine producers to benefit from this trend as well, the Ukrainian government is supporting the planting



Valeriy Kravets (right), Minister for Agricultural Policy and Food Production for the Autonomous Republic of Crimea

Focus: Mining and Raw Materials Industry



Mongolian programme participants

In this issue of the GIZ Journal, we will focus on the mining and raw materials industry and its significance for Germany and its partner countries. Numerous measures have been initiated here as part of the BMWi Manager Training Programme.

Raw materials account for more than a third of all goods involved in global trade. Mining has again become an industry with a future due to the increasing prices for raw materials on the world market. This rise can be attributed to both growing consumption and increasingly difficult extraction. A reliable and affordable raw material supply is of fundamental importance, particularly for Germany as an industrialised country. According to an assessment by the Federal Ministry of Economics and Technology (BMWi), medium-sized companies in particular have difficulty gaining access to markets for raw materials. At the same time, countries rich in raw materials, e.g. Russia, Kazakhstan or Mongolia, are looking for

industrial partners in extracting and processing their mineral resources. German manufacturers of machinery and plants with their modern capital goods/equipment are well-suited to be those partners. In 2011, Sukhbaatar Batbold, head of the Mongolian government at the time, advocated increasing the participation of the German mining industry in his country: "We have the raw materials; Germany has the technology and the know-how."

Within the framework of the BMWi Manager Training Programme, this potential win-win constellation offers excellent conditions for programmes for companies from the mining and raw materials industry. Through its training programme cus-

tom-tailored for this segment, the BMWi is supporting the more effective extraction of raw materials in our partner countries. Since 2010, executives from mining companies in Kazakhstan, Kyrgyzstan, Russia, Uzbekistan and Mongolia have been invited to four-week manager training courses in mining locations in Germany. In May

as a priority industry in Germany. The first mining groups with international members resulted in a great number of business transactions, clear support for this positive assessment. Hartmut Röben, Division Head at BMWi, was pleased to see that numerous contacts with German suppliers of mining equipment and engineering services were established over the course of training. He views this fact as a strong argument for the industry-related and cross-border orientation of the Training Programme towards the mining and raw materials industry in the future as well.

The concept of success for the national and international programme for the mining and raw materials industry has been taken as the „blueprint“ for priority programmes in further industries. These will aim at increasing industry-related and cross-border orientation. In 2012 the Manager Training Programme began offering priority programmes for water and waste management, environmental technologies and energy efficiency. Co-operation with the specialist divisions of the BMWi and German industrial associations is particularly close for these industry-related programmes. The German VDMA Mining Equipment Association, the Federation of International Mining and Mineral Resources (FAB) and the BMWi Division for hard and brown coal are participating in the mining priority area.

"We have never seen such well-engineered technology"

To date, participants in the Mining Programme have had ample opportunities for

dialogue with German companies during their visits to companies in North Rhine-Westphalia and Saxony as part of their four-week stay in Germany. They also talked to each other about technology, exchanging views and experience. "The German colleagues were glad to share their experience with us," reported Igor Isavnin, director of a Russian open-pit mine for hard coal, who participated in the first pilot group. The executives gained insight into the operational methods of German companies and went home with ideas on how they could improve structures and processes in their companies at home.

Many of them also expect an increase in labour productivity through the modernisation of their equipment and the introduction of high-tech *Made in Germany* products. Amangeldy Minigulov, general director of the Balchaschzvedmet large-scale operation in Kazakhstan with about 17,000 employees, was full of praise after visiting Kraft and Farm, a company that supplies special equipment. "[They] strongly impressed us as we have never seen such well-engineered technology before".

A first follow-up event for participants from the pilot programme took place in June 2011. Together with the BMWi specialist division and the Regional Resource Centre for the Kemerovo region, the GIZ invited participants to Novokusnetz for the "Ugol Rossii" specialised fair. Many of the participants reported that business cooperation had developed with German manufacturers and service providers in the mining machinery industry, but also between participants after returning home from Germany. ■ Omar Scharifi

2012, the third group of executives was welcomed to Dresden. The objective: to establish contact to German plant manufacturers and experience modern equipment on site. During visits to German companies, the topics of occupational safety, environmental standards and recultivating areas damaged by mining activity are also part of the discussion.

Contact to German suppliers of mining equipment

The BMWi sees strong opportunities for foreign trade cooperation in the mining and raw materials segment. Representatives of the German Engineering Federation (VDMA) support preserving mining



On site at an open-pit mine in North Rhine-Westphalia



Concrete Progress for the Coal Industry

Top managers from the Kuzbass coal industry can take advantage of practical advanced training in Germany. The multi-million euro results are more than just presentable.

Kemerovo. Mining and its optimisation are very important issues in the Siberian region of Kemerovo, also known worldwide as Kuzbass. With 118 underground and open pit mines and 35 processing plants, the Kuznetsk Basin (Kuzbass) is Russia's second largest coal region. 56% of Russian coal and 78% of coking coal are mined here. The percentage of Kuzbass coal makes up a steady roughly 80% of all Russian exports, making Russia one of the market leaders in coal production.

Over the last decade 53 new mining operations – outfitted with the very latest safety measures – opened in Kuzbass, which has resulted in over 20,000 new jobs. Since 2002 a total of around ten million euros have been invested in the industry. Over the next fifteen years 38 new companies will come online, five of them in this year alone.

The BMWi Manager Training Programme in Germany is very popular

among executives from Kuzbass, particularly for the concrete results and content it offers. It is custom-tailored for the mining industry and executives from the coal sector. Most programme participants are top managers and decision-makers with the authority to hold partnership negotiations with German partners and conclude contracts while abroad. During their stay in Germany, representatives of the Russian coal industry get to know the latest equipment from German manufacturers, conclude sales contracts and learn all about new technologies.

Contracts worth millions of euros

The results of training abroad with the "Economic Cooperation with the Mining Industry" Programme in 2010/2011 are more than respectable. Contracts with German firms such as Liebherr, KomatsuMiningGermany, Bucyrus International, IKA, Schenck Process, H+E Logistik and Andritz, worth many millions together, have already been signed. Additional contract negotiations are currently on-going with German companies regarding the purchase of equipment.

The mining companies in Kuzbass value the results of cooperation with German business partners and are very interested in specialised training and exchange programmes, as clearly indicated by their numbers and evident success. In future the partnership will be expanded to include additional areas such as ecology and work safety. ■

Anzhelika Veremeenko



Turning Enthusiasm for Reform into a Career



Sergei Burcev, Managing Director at the Chernigovec open pit mine, participated in the Manager Training Programme in 2010, and has climbed straight up the career ladder ever since – resulting in positive effects on the mining industry in Russia.

Kemerovo. When Burcev applied for the Russian President's Programme over a decade ago, he was working as Deputy Section Head at the Kedrovsky open pit mine run by the Kuzbassrazrezugol Coal Company, one of the largest in the Siberian Kuzbass coal region. For his fi-

nal project in the programme, he chose a topic still hotly debated by experts today: the restructuring of the coal industry. In the 1990s, the Russian mining industry split into two irreconcilable camps: proponents of restructuring and their opponents, who felt this would be the death

knell for the industry. Burcev was one of the reformers, though at the time he could not have imagined that his career would be indicative of the successful restructuring of mining in Kuzbass. Inside Kuzbassrazrezugol, Burcev moved to the Krasnobrodski open pit mine where he rose to the position of Technical Director (CTO). He then climbed another rung higher on the career ladder, moving to SDS-Ugol Holding as Director of the Kisilevsky open pit mine. Currently Burcev heads up the Chernigovec open pit mine as Managing Director where he continues to push restructuring of the coal industry forward.

"It's high time to study ecology"

In 2010 Burcev was offered another opportunity to participate in practical training in Germany. As part of the BMWi Manager Training Programme, he joined the International Mining and Raw Materials Group coordinated by the Carl Duisberg Centres (Cologne) from 12 September to 10 October 2010. The group brought together top managers from the mining industry in Russia, Kazakhstan and Mongolia. The goal of their time in Germany: to initiate new business contacts with the German manufacturers of mining technology. Burcev was very successful. By the end of the programme, the Chernigovec Company had concluded supply agreements with German firms for equipment worth around 17 million euros.

The training programme helped him view his company's problems in a different light and look for new solutions. He also gained new impulses for improving his management skills, got to know new production technologies and was able to build lasting partnerships with German firms. "We didn't just learn about the complete production chain; we also analysed additional relationships: the interplay of our industry with the needs of human beings, the law and nature," Burcev recalls. "Since this trip, an inner voice has kept urging me: it's high time to study ecology!" ■

Vera Karsova

Lasting Success

The contact with alumni, maintained after the training in Germany, is increasingly important for the Manager Training Programme. Numerous measures help ensure lasting support for the alumni associations.

More than 7,500 participants from 14 countries have completed the BMWi Manager Training Programme in Germany to date. Each of them visited countless German companies and familiarised themselves with management and production methods locally. Business partnerships with German companies have arisen from many contacts – some of which last several years.

A long-term project

Experience has shown, however, that reliability and a long-term outlook are decisive factors for success to be achieved in international relations. To successfully be active on the German market, a “long-term approach” must often be adopted. Hence the GIZ pursues a long-term strategy with the Manager Training Programme during which the participants are supported long after their stay in Germany. The alumni

concept is committed to the sustainable achievement of the programme’s aims. Within this, the focus is on the positive relationship with Germany as a business location.

Cooperation platforms, conferences, competencies

Countless activities aim to support the alumni in reinforcing existing contacts and developing new cooperations with German companies. These include co-operation platforms, in addition to the involvement of alumni in official delegation trips, round tables and forums. The mediation of new specialist knowledge and competencies also assumes a central role: the event formats (conferences, training sessions, workshops, etc.) are as varied as the topics offered. They range from specialist topics such as energy efficiency, to the promotion of export ac-

tivities, to the mediation of soft skills, whereby management skills are improved and the companies involved are better positioned in international business.

Self-initiative and a country-specific approach

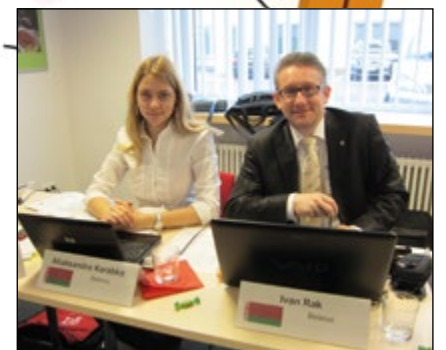
Alumni networking among themselves is also increasingly important. This extends from informal exchanges to regular meetings to (national) alumni conferences. In most partner countries, organisations have been formed by alumni themselves – self-initiative that GIZ readily welcomes and supports. It is important to adopt a country-specific approach in alumni activities, which takes the economic and cultural conditions in the respective partner country into account. The following articles reflect the diversity of alumni activities in the different countries. ■

David Fuchs



First Belarusian Alumni Network Established

Graduates of the Manager Training Programme establish the first Belarusian alumni network and strive to foster and strengthen economic cooperation.



Aliaksandra Karabko, Ivan Rak

Minsk. Developing and strengthening economic cooperation will be the key task of the “Association for Economic Cooperation” in Belarus. The Manager Training Programme’s first Belarusian alumni network was registered as a non-profit association at the Republic of Belarus Justice Ministry in June 2012. The network received the support of the Republic of Belarus Ministry of Economics and the “Institute of Business and Management of Technology” at Belarusian State University (IBMT BGU).

The association came about thanks to the initiative of twelve graduates from different age groups. They dealt with all the issues pertaining to the association’s registration, drafting articles of association and completing other formalities. Ivan

Rak was elected chair of the association, Aliaksandra Korobko second chair. The other board members are Dmitriy Sokolov, Maxim Judin and Viktor Kozlov.

An impressive interim result

The results of the network to date are clear to see: in the short time since it came into being, the association has already conducted a training seminar with a coach from Germany, organised by the GIZ and to which the IBMT BGU also contributed. On June 7 and 8 2012, the network took part in the GIZ International Conference in Kislovodsk and in bilateral working meetings with representatives of networks from Kazakhstan, Uzbekistan and Moldova. The network has also concluded international cooperation

agreements with eleven alumni networks from the programme partner countries of China, Vietnam, India, Uzbekistan, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Azerbaijan and Mongolia.

And the association has many plans for the near future. It will offer advanced training seminars and work on joint projects within the framework of international tenders. The most important goal though remains consolidating and fostering economic cooperation among network members, as well as with partners abroad. The association offers a platform where network members can find partners for business expansion in Belarus, Germany, the CIS and Asia. Enrolment in the alumni network will start this autumn. ■

Aliaksandra Karabko



Visions for the North Caucasus

A successful get-together: the international conference “Today’s Challenges – The Management Community’s Answer” in Kislovodsk, organised by GIZ and the North Caucasus Consortium of President’s Programme Alumni Associations

Kislovodsk. “Challenges of Today – The Management Community’s Answer”: an international conference was held in Kislovodsk under this title on 7 and 8 June 2012. Organisers of the event were GIZ and the newly founded North Caucasus Consortium of President’s Programme Alumni Associations, which came into being – with GIZ support – as a result of the alumni conference in Astrakhan in 2011. The set-up of the new consortium as well as establishment and labour issues were developed during the practice-orientated seminar in Stavropol (October 2011) and at the trans-regional conference in Nalchik (December 2011). The international conference in Kislovodsk consequently became one of the consortium’s biggest collaborative creations. In addition, in March 2012, there was upstreaming of specific training covering: “The Basic Principles of Event Management: The Planning, Organisation, Promotion and Funding of Events”. At this event, GIZ representatives and representatives of the

North Caucasus Consortium discussed issues relating to the content and organisation of the upcoming conference, distribution of tasks and the existing preparatory phases.

A Great Reception for the International Conference

More than 120 alumni took part in the conference in Kislovodsk, including representatives of all of the BMWi Manager Training Programme’s partner countries at the time. The conference was very well received in the North Caucasus itself, both among participants in the President’s Programme, as well as among the authorities. Participants included some ministers and deputy ministers from the North Caucasian regions. The meeting of representatives from the German Federal Ministry of Economics and Technology (BMWi), the Russian Federation’s Ministry for Economic Development, the People of the Stavropol Area’s Ministry for

Social Development and the Employment Situation, the German Embassy in Russia and the Federal Resource Centre (FRC) was opened.

Overcoming the Challenges

What challenges are facing managers? Alumni of the BMWi Manager Training Programme from Azerbaijan, Germany, Kazakhstan, Kyrgyzstan, Uzbekistan, Ukraine and Belarus were given the opportunity to give their opinion on this and many other issues. A possible solution: to have a constructive exchange of opinion and experiences with the help of advanced training and cooperation with Germany and other countries in order to come up with appropriate answers to the challenges.

Ralf Behmer and Ralph Wollmann, graduates of the “Fit for Russia” programme presented the economic cooperation between Russia and Germany at the BMWi Manager Training Programme level, and analysed the Russian market from the point of view of German alumni. Serik Kapenov from the Kazakh alumni association acquainted the participants with the Kazakh economy, the state industrialisation programme and the current economic challenges in his country.

Something Unique from the North Caucasus

The North Caucasus Consortium of the President’s Programme Alumni Associations introduced itself at the beginning of the conference with an extensive presentation. The leader of the regional North Caucasian associations Svetlana Sasina,



Svetlana Sasina, Prof. Dr. Gerd Schimansky-Geier



Dates and Facts: North-Caucasus Consortium of President’s Programme Alumni Associations

Established: 29/3/2012

Location: Pyatigorsk

Members: Alumni associations from the Stavropol area, Dagestan, Kabardino-Balkaria, Karachay-Cherkessia and North Ossetia-Alania

Management: Zalina Shadova

News:

- + 3000 President’s Programme graduates
- + 50 partners in Russia and abroad
- + four alumni associations
- + two resource centres

Further information and contact:
www.avppskfo.ru

Alan Gasanov, Zalina Shadova, Alim Temirbulatov and Kerim Hubiev reported on the consortium members’ work plans and projects. They showed videos of places of interest, famous people and unique landscapes in the North Caucasus. Folk dances from the Dagestan mountains and Kabardino-Balkaria, as well as a Cossack choir from the Stavropol area, rounded off the successful presentation.

In the evening, the guests had the opportunity to enjoy national Caucasian dishes at a reception organised by BMWi and the North Caucasus Consortium. Not only their physical well-being was well looked after, folk music and dance ensembles, performances and famous Caucasian toasts made the night an unforgettable experience. And to round off the reception, there was a gigantic, festive cake.

Tourism and Nature Conservation

The section “Development of the Tourism Cluster and Nature Conservation” was primarily covered on the second day by lecturers and spectators who have an interest in the development of tourism and environmental protection in their regions. After presentations by representatives from Germany, Russia and Ukraine,

discussions were conducted on the international experience in the field of tourism cluster development, the position of the regions and the promotion of the regional economy through tourism.

Energy Efficiency, Wind Energy and Resource Conservation

The section “Energy Efficiency: Onerous Duty or Profit-Making Strategy?” sparked a lot of interest. Jörg Kirsch, Deputy Head of Unit for International Energy Policy at the BMWi, covered the experience of the Federal Republic of Germany in changing the way it produces energy. Furthermore, issues pertaining to energy efficiency in the housing sector and municipal economy as well as in industry were discussed, and development prospects for renewable energy resources were illustrated. Dmitri Samatov, Minister for Industry, Energy and Transport for the Stavropol area, and graduate of the President’s Programme, reported on his experiences in this field. Alumni from Kabardino-Balkaria also followed his example. A representative from Azerbaijan presented development prospects for wind energy. Finally, participants in this section compiled several recommendations on the issues discussed. There was a specific focus on educating

the youth on sustainable energy consumption.

Business and the Internet

In the section “Business and the Internet: Benefits and Failings of the Networks” opportunities were discussed that are opened up to the businessmen thanks to the use of internet technology. The optimisation of financial expenditure for the development and maintenance of internet sites was also on the agenda. In addition, the problem of proportionality between online cost and offline business processes in a company was applied. Online security and protection against virtual fraud held the interest of everyone alike.

The summary of the results from the sections and the presentation of the platform for cooperation Global Campus (GC21) made for the conclusion of the conference. GC21, as an important database, is also expected to help the alumni associations and the Russian Federation’s resource centres to sustainably strengthen cooperation links between the Russian regions and German business. ■

Tatjana Phovorova



Synergies at the Alumni Seminar "Global Marketing: Trading Successfully on International Markets" in the Ukrainian Capital.



Global Marketing: Trading Successfully on International Markets

Kiev. Global marketing and opening up new markets is an important subject for graduates of the BMWi Manager Training Programme. Knowledge of modern global marketing methods constitutes the first step towards understanding the new conditions for corporate activity on international markets.

Working group



For this reason, they invited GIZ to the alumni seminar "Global Marketing: Trading Successfully on International Markets" in Kiev on 21 and 22 July. The objective of the training was to better acquaint alumni with the characteristics of global marketing and to pass on relevant skills:

- analysing the marketing situation on global markets
- recognising current market trends
- planning, strategies and implementation when entering international markets.

There was an interested and lively response to the seminar. At the same time, there were also uncertainties that were discussed openly during talks and during an exchange of experiences. However, a lot of concerns and fears could be put to rest. At the same time, internal and external risks were analysed, and appropriate marketing strategies for different business concepts were discussed, particularly for entry into the European market. Participants were introduced to the modern concept of global marketing and they learned many important details about the current marketing situation. Thorough market research and the characteristics of product and price policy on international markets had equal status to marketing communication on the agenda.

Practical Considerations for Expansion

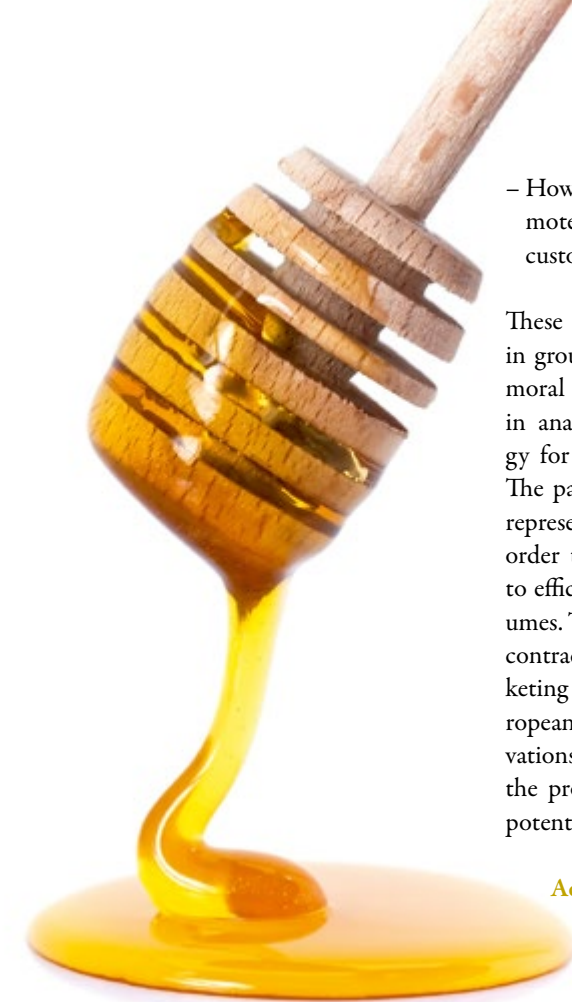
The first day of the seminar opened with the topic "global marketing and globalisation". This included an introduction to the objectives and tasks of marketing, to the development of the global market and the characteristics of competition on a global level.

Following general statements, the practical aspects of the following issues were discussed:

- How do you make the decision whether it makes sense to expand into international markets?
- How are potential markets evaluated and selected?
- What is the best strategy for opening up a new market?
- How is marketing planning shaped on a global level?

Participants were given answers to these questions based on business cases that were discussed and analysed. At the end of the first day of the seminar, the subject of global competition was addressed: analysis, strategies, international competitive advantages and efficient implementation of strategies were discussed in groups.

The following day, participants focused on the global product concept. Business cases were also presented clearly in this context: alternatives for product strategies in global marketing, aspects of international product policy, priorities and influencing pricing and global distribution strategies.



- How can the Ukrainian brand be promoted successfully without German customers thinking of Chernobyl?

These and other issues were addressed in groups. Zaharchuk was on hand with moral and practical support for alumni in analysing and developing the strategy for future foreign economic activity. The participants and trainers noted that representation is needed in Europe in order to manage business processes and to efficiently market smaller product volumes. They developed the mechanism of a contracting society for logistics and marketing of the Ukrainian product on European markets and made systemic observations on distribution networks. Finally, the project was analysed for investment potential.

Advice from Successful Executives

The recommendations given by the graduate Vadim Korchynskyi from Ivano-Frankivsk, CEO of Krok GmbH, proved to be particularly useful. He was able to answer many of the seminar participants' questions from his own experience. For over fifteen years, his company has been working with farms, granaries and oil mills. The agricultural products are exported to Germany, Russia, the US and to other EU countries, among others. The professional exchange with the graduate of the Ukrainian government's training programme for management trainees, Anatoliy Kutsevol, who today works in the economics department of the Ukrainian president's administration was a real eye-opener for many participating entrepreneurs.

Split into smaller groups, participants discussed interaction between marketing and logistics in operating the sales market. They also discussed service and logistics standards, global companies' customer policy and basic logistical solutions. A role-play on integrated marketing communication, promotion, advertisement, marketing and PR made up the conclusion of the seminar.

Ukrainian Honey for the Global Market

The truth doesn't only lie in the theory. Many businessmen came to the event so as to receive help, practical tips and tricks, or recommendations from a kindred spirit. The CEO of the honey manufacturer "Med Podolja" from Kiev, Dmitry Zaharchuk, exports honey to Poland, Russia and the US among others. He wants to intensify trade relations with the German market soon and brought this concrete desire along with him to the seminar.

The young entrepreneur had several questions:

- How can foreign trade be optimised?
- How do I develop good business relations with partners?

All in all, the active graduates, and their willingness to debate, together with trainers Natalia Chornopyska and Ula-na Terletska, made for an atmosphere characterised by openness and trust. The synergies were positively palpable. This is also confirmed by positive feedback from alumni. Roman Furman from Khmelnytskyi, Marketing Director of the telecommunications firm Nitel said: "The seminar was brilliantly organised and was top class. Although subjects like global marketing, corporate governance etc. are pretty wide-ranging for a two-day event, we covered them very well." ■

Dr Svetlana Stepashchenko

Active Alumni Work in Vietnam



Bui Thi Thuy Nga



Nguyen Thanh Doan

many. That meeting was characterised by the good memories of our stay.

Doan: I will never forget our meeting on 26 October 2011, where the participants from all the training courses to date met for the first time. I organised that event and had to take care of everything: choosing the venue and the date, dealing with the logistics and the agenda. At the same time, I was supposed to work on ideas and proposals for our first alumni club. I was anxious and nervous and asked myself how many

helping them develop their businesses and contacts.

Doan: There are several reasons. First, as a businessman, I was able to recognise the benefit the Programme offers participants: the transfer of knowledge, experiences and skills. Second, training in Germany has given us many positive, lasting impressions of the country and the people. We wanted to share them in Vietnam. Third, alumni work gives us the opportunity to create a network for all former and future

trade between the two countries and the companies involved.

What do you remember most vividly from your stay in Germany during the Programme?

Nga: In my opinion, the Programme leaves participants with unforgettable memories of Germany: hospitality, warm-heartedness, service orientation and flexibility.

culture and structures. The Programme also provided me with an appropriate time frame and financial support for meeting potential partners in Germany and making new contacts. Through participation in the Programme, our company was able to strengthen its negotiating position and even take over the sole agency for Vietnam for a large German technology company. Sales doubled in the first year after participation in the Manager Programme, and were even two and a half times higher in the following year. We were also able to attract new suppliers.

Doan: The Programme enabled us to gain deep insight behind the scenes of German companies. It helped us to better understand the German way of living and working and the unfamiliar culture, and made establishing contacts and conducting business negotiations much easier.

What would your advice be to a Vietnamese person interested in the MP?

Nga: Take enough time to concentrate on preparation! Set yourself a definite goal for your stay!

Doan: The Programme imparts the principles of management to participants, which all managers should learn and apply in their daily work.

Do you have any advice for German managers on what they should avoid in Vietnam?

Nga: Costs for personnel and machines should be very carefully weighed against each other. Often the use of more employees is less expensive and makes more sense.

Doan: German managers should try to familiarise themselves with the Vietnamese culture and mentality. In the event of cooperation agreements, the general methods for proceeding should be exactly coordinated between the parties and documented in writing. ■

Katrin Trushevskyy



participants would come and support the project? Would I be able to win them over? Half of the 60 Northern Vietnamese participants from the Training Programme actually came! This result motivated me to continue organising alumni activities.

What motivates you to stay involved in active alumni work?

Nga: I feel a responsibility towards Germany and my home country to promote the Programme and business relationships between the two countries. I enjoy working with interesting people and

participants for exchanging knowledge and initiating business relationships. And, last but not least, as members of the alumni network, we receive strong support from the GIZ and the VCCI (Vietnam Chamber of Commerce and Industry).

If you had one wish for the Alumni Club, what would it be?

Nga: I would wish our members more time and fervour for alumni work.

Doan: I would wish for more official support for the alumni work to better promote

Doan: The wonderful atmosphere within our group. Not only during the joint visits to companies that introduced us to German corporate culture and business life, but also in our leisure time, when together we were able to get to know the country and its people.

How did the MP help you to initiate and/or intensify business with German companies?

Nga: Particularly the seminars and visits to companies in Germany helped me to get a better impression of German corporate



The Manager Training Programme began in 2008, and since 2010 joint alumni work has been establishing itself in Vietnam. In an interview, the two alumni coordinators for Vietnam draw a positive balance. Bui Thi Thuy Nga is the coordinator for the southern part of the country; Nguyen Thanh Doan is responsible for the north.

Ms Nga, Mr Doan, you yourselves were in Germany in 2010 and 2009 respectively. You have been participating actively in the Alumni Club since 2011. What is the work like?

Nga: Alumni work presents us with different challenges: there is strong competition from other, already established associations. All the same, we are really moving things along. We offer seminars twice a year. Business meetings or cultural events take place every quarter; small groups even meet on a weekly basis. The fact remains that our members' interests are too diverse for us to be able to equally satisfy all of their needs.

Looking back, what event was particularly good?

Nga: I like looking back on our first alumni meeting after we arrived home from Ger-



Alumni conference in Quy Nhon, March 2012



First Alumni Conference in Delhi

The first alumni conference in Delhi confirms keen interest in Indo-German partnership and future cooperation.



Delhi. What can be expected from the Indo-German partnership? A lot! Because more than 90 company representatives attended the First Alumni Conference of the Indo-German Manager Training Programme of the Federal Ministry of Economics and Technology, in which 128 Indian participants have taken part so far. The meeting was held in Delhi on 7 and 8 August 2012 under the motto "Indo-German Partnership – The Way Ahead". The objective of the meeting was to explore future business opportunities and to expand networks. The event was part of the celebrations "Germany and India 2011-2012: Infinite Opportunities" for the 60th anniversary of diplomatic relations between the two countries.

Fit for Partnership

The strong demand among participants and their active cooperation confirmed the significant demand for continued cooperation with German companies. On the two previous days, the follow-up seminar, which also took place in Delhi, had already been very well received. The Alumni Conference provided the opportunity to extend and strengthen the basis

for future joint activities. The executives participated with enthusiasm in meetings on energy efficiency, strategy and cooperation management. The workshops were planned to intensify the contact between German and Indian companies.

Numerous Guests from the Business Sector

Representatives of the Federal Ministry of Economics and Technology (BMWi),

the German Embassy and GIZ, as well as Guido Christ as the representative of the German business sector, and Deputy Director General of the Indo-German Chamber of Commerce, participated in the Conference. On the Indian side, the implementing organisation, Federation of Indian Chambers of Commerce and Industry (FICCI), the Confederation of Indian Industry (CII), and Rajesh Nath, Managing Director of the Indian Liaison Office of the German Engineering Federation (VDMA) participated. Numerous Indian executives and representatives of the Indian Ministry of Commerce and Industry rounded off the guest list.

Thirty further representatives of German companies accepted the invitation from the BMWi and the German Embassy New Delhi to attend a conference-reception held at the Embassy. BMWi representative Wolfgang Hombrecher and the acting Ambassador Cord Meier-Klodt opened the reception. To fit the start of the conference, the Alumni Association announced its official registration as the Indo-German Business Development Association. ■

Michael Emmrich



Reception at the German Embassy



Energy Projects for German-Belarusian Business Relations

Valeria Sudilovskaya loves her career. This is immediately apparent when she begins speaking with great passion about the development of bioenergetics or the use of biogas. Sudilovskaya works in Minsk at the Effektive Energiewirtschaft GmbH, a scientific-industrial centre for commercial energy management and automation based at Belarusian State University.



The Belarusian energy specialist participated in training at the Schleswig-Holstein Academy of Economic Studies in Kiel in June 2009. She arrived in Germany with high expectations, looking to establish ties with German companies in the energy sector. Her goal was to organise sales and distribution for German energy suppliers in Belarus, or even to take on sole representation, and identify business partners for joint projects in the energy sector.

The German Centre for Qualification Enhancement, which Sudilovskaya visited during her stay in Germany, organised several meetings for her with interested

German firms, including MAN Diesel, and with representatives from the German Association for Combined Heat and Power. She also met with company representatives at the Biogas Innovation Congress and Exhibition.

These meetings resulted in initial negotiations with German suppliers to equip various projects in Belarus. These ranged from regular exchanges of information and consultations right up to concrete preliminary contract negotiations.

Sudilovskaya attributes her successful meetings with German business partners

in part to the practical modules offered by the Manager Training Programme. They taught her about German business culture and gave her a chance to practice in simulated negotiations, which she was then able to implement in practice.

Now she knows how to establish ties with German companies and can conduct partnership negotiations at a high level. The Belarusian manager advises future participants: "Don't miss out on the opportunities you are offered!" ■



Ingenuity and a Desire for Change

In 2011, Yelena Svechnikova, founder and CEO of KazSPO-N in Kazakhstan, successfully completed the BMWi Manager Training Programme. She continues to impress with her ingenuity and desire for change.

Almaty. Quality and innovation, trendy and progressive: these are just some of the factors that have contributed to the success of the KazSPO-N clothing firm. The name means “modern, professional and new materials from Kazakhstan.” It also stands for the firm’s philosophy because the business, established by Jelena Svechnikova as a sewing workshop in 1996, is now a state-of-the-art fashion and clothing company that has successfully expanded and is ISO certified. The Zibroo sports clothing brand is an important part of the company. At the beginning, however, the greatest challenge was compliance with quality standards – not a given in Kazakhstan at the time. Consequently, Svechnikova and her team set about introducing steady improvements and modern technology (like machines and equipment from ASS-Einrichtungssysteme GmbH and Pfaff AG) and they have enjoyed great success. These conditions facilitated the development of their sports clothing line which complies with international standards.

Collections for athletes, recreational athletes and young people

Since 2009, the Zibroo range has included a collection dedicated to snowboarders and skiers. Kazakh footballers, basketball players and fitness athletes wear Zibroo clothes. According to Svechnikova, young sporty Kazakhs are particularly demand-



ing and critical. But she has succeeded in winning them over with her Zibroo collection. At the

TEXTIL-LEG-PROM, the trade fair for clothing and textiles in Moscow, her firm was honoured with an award for modern design and high quality. Her fashion show sparked a lot of enthusiasm and was greeted with much applause. In 2010, KazSPO-N took part in the ISPO in Munich, the leading international trade fair for the sports business. At the fair, over 2,300 international exhibitors present the full range of sports articles, shoes and fashion to more than 80,000 visitors from over 100 countries.

KazSPO-N also kitted out the Kazakh national team for the Asian Winter Games in 2011. Svechnikova has shaped these developments and obviously made the right strategic decisions.

Expertise, openness and learning ability as factors for success

Yelena Svechnikova applied for the BMWi Manager Training Programme in October 2011 in the “Bildungszentrum am Müggelsee GmbH” in Berlin with the aim of participating in the most recent international developments and establishing business contacts. From the very beginning, the initial interview stage, she impressed the committee with her expertise and business success. During the programme in Berlin, she explored issues like temporary employment and staff qualifications in particular – topics given little attention in her country at the moment. She also developed international contacts. During the programme in Düsseldorf, she attended the A+A, the biggest and most important trade fair worldwide for all aspects of health and safety at work. While there, she conducted talks with representatives of the US W.L. Gore & Associates, a giant in the field, and explored a possible collaboration.

New collections: trendy and surprising

After her stay in Germany, she put what she had learned into practice immediately, introducing the assessment centre method for hiring staff, setting longer probationary periods for new employees and moving away from an authoritarian management style. Her time in German also drew her attention to some differences between the two countries: in Kazakhstan more importance is placed on experienced employees, whereas in Germany the emphasis is on new ideas from staff. Perhaps this was also the impetus for her idea to begin working on a jeans collection in 2012. An analysis showed that the company had the available capacity for the project. Svechnikova will put on a fashion show during the next Central Asian Alumni Conference at the beginning of November in Almaty. In all likelihood her show will be like her firm: trendy, surprising and innovative. ■

Dr Angela Leeke



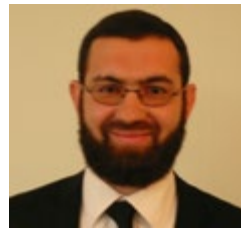
Yelena Svechnikova



Becoming a Role Model in Record Time



Germany's trade with Turkmenistan is growing. The BMWi Manager Training Programme and active alumni such as Safar Tagiyev are contributing to this development. Here is one example from the electrical industry.



Safar Tagiyev

Ashgabat. As an investment target for German companies, the Turkmen economy is currently still way down on the list in an international comparison. However, growth rates for German exports to Turkmenistan allow for optimism. Compared to the previous year, German exports increased by a remarkable 18 percent in 2011. Expressed in absolute figures: German goods with a value of over 300 million euros were delivered to the Central Asian country, which is rich in raw materials. The BMWi Germany-Turkmenistan Manager Training Programme is contributing to this growth. Since 2008, 80 Turkmen executives have already completed training in Germany and concluded transactions amounting to millions with German companies.

Successful, exemplary, possibly record-breaking

The example of Turkmen entrepreneur Safar Tagiyev shows how business success can be achieved through participation in the Manager Training Programme – and the Programme's potential benefits for bilateral trade. Tagiyev is the managing director of a Turkmen company that specialises in selling electrical parts and other equipment for the electricity supply grid on the Turkmen mar-

ket. The businessman's objective for participating in training in Germany in 2011 was to intensify his management skills in all relevant corporate areas. He was particularly interested in the backbone of the Germany economy: medium-sized enterprises. Safar Tagiyev learnt that the federal government and the governments of the federal states take medium-sized enterprises into particular consideration in their economic policy, offering special support programmes. At the same time, he internalised two basic principles of the market economy:

1. Competition is good for business and
2. Entrepreneurs create jobs for themselves and others.

During his four-week training course at the "Bildungszentrum am Müggelsee GmbH" in Berlin, he was set to break some records by visiting twelve German companies and quickly achieving actual results. He concluded a firm cooperation agreement with Metallwarenfabrik Gemmingen in Baden-Württemberg. As a successful participant, Safar Tagiyev sets a good example for his Central Asian colleagues and competitors. And his achievements provide motivation for the project organisers to continue the bilateral programme. ■

New partners found



Ravindra Mahadeokar is the Managing Director of Summit Engineers and Consultants Pvt. Ltd. The company develops machines for mechatronic components and pipes and other specialist machines.

Mr Mahadeokar completed the Manager Training Programme at the advanced training centre of the Chamber of Commerce and Industry (IHK) for Munich and Upper Bavaria in November 2011. His central focus here was on identifying new partners in the fields of automation, mechatronics, and pick and place systems. During his stay in Germany, he met with Strama MPS Maschinenbau for the first time at the German-Indian Round Table (GIRT) and has subsequently established a business partnership with the firm in recent months. Mr Mahadeokar's company is now the Indian sales and services partner for Strama, and has already succeeded in winning a multi-million euro contract. He is also planning the production of parts for the German company. Four employees from STRAMA in Straubing participated in "on-the-job training" in September 2012 to this end.



Ravindra Mahadeokar

Mr Mahadeokar is now also a sales partner for Zuwa-Zumpe, another company he visited during his stay. His training in Germany has allowed him to improve his ability to communicate with German business partners. Upon his return, he made several adjustments at his company to allow it to work more efficiently on an international level. Reorganising export marketing was the most important of these changes. ■

The Secret to a Sustainable Family Business



As the founder's daughter, Ying Xu is officially the Deputy CEO, but effectively she is the real boss of her family's business: Haini Pharmaceutical Company. The company is a member of the Yangtze River Pharmaceutical Group in the East Chinese province of Jiangsu, located at the mouth of the famous Yangtze Kiang River, which gives the firm its name. Founded in 1971, today the Yangtze River Pharmaceutical Group employs over 5,000 people and is one of China's pharmaceuticals giants. Their product range includes over a hundred categories that cover traditional Chinese medicine as well as Western medicinal compounds. Their range of pharmaceuticals includes antibiotics, remedies for gastro-intestinal infections, antipyretics, painkillers and many others.



When Xu took over the firm, she was confronted with a large problem: Haini had invested several million euros in three production lines from Germany but couldn't take them online properly. At that time, the businesswoman was given the opportunity to take part in the BMWi Manager

operating for 40 years, Xu realised there was an urgent need for reform.

During her training, Xu noticed that many employees stay with the same firm for decades. They identify closely with the company because they were trained there, because they know that the business' success is closely linked to their own achievements, and because their company looks after them and their families. Conversely the firm also benefits hugely from such staff loyalty: it has a stable and professional core workforce that works in an innovative and future-orientated way. Additionally, this sense of belonging among employees gives rise to a sense of responsibility and a corporate culture based on team spirit that promotes efficiency and productivity. "In Germany, an employee can operate three devices at once, while in China, six people are needed for one machine. The reason for this is the difference in training, experience and responsibility."

After returning to China, Xu dedicated herself entirely to reforming human resource management. She developed a training system, introduced bonuses to promote responsibility and efficiency, and began providing better care for employees and their families. "Focusing on people is the key to sustainable development, for both German and Chinese companies," believes the manager. ■

Training Programme, which she successfully completed at the German Management Academy in Celle in November 2009. In Germany she contacted the machine manufacturer who had sold Haini the facilities, and received the support she had hoped for. After returning home, Xu managed to put all three production lines into operation with the help of a German expert. "Productivity grew by 300%!" she explains with pride.

What makes Xu even prouder is the knowledge she gained in Germany of how to run a family business sustainably. She was quite surprised to see that all of the private companies she visited in Germany were over 80 years old; the oldest had even been around for 200 years. In contrast Chinese family businesses rarely last longer than 20 years. Because Haini had been



Compliance

For Success – Invest in Compliance



A lecture at German-Russian executives' talks

Falk Tischendorf, attorney and managing partner at Beiten Burkhardt's Moscow office, talks about compliance and risk management as part of doing business in Russia.

What does "compliance" mean?

It is a specialised term taken from medicine where it refers to how well a patient complies with treatment. In Russia, compliance is increasing in importance not just because of the applicability of foreign laws to the actions of investors in Russia. In medicine, the question is whether a patient is following the instructions of a physician. In jurisprudence, the question is whether a firm is consistently following the existing normative directives.

You have worked in Russia as an attorney for ten years now: what have you experienced?

When German entrepreneurs approach me about planned investments in Russia, issues like "compliance", "legal certainty", "dealing with corruption" and "investment security" are clearly foremost in their minds. It has been interesting to note that the question today is often no longer whether they can invest in Russia with legal certainty, but rather how an

investment needs to be designed to enjoy legal certainty. Compliance in Russia is inextricably linked to the issue of corruption. Although compliance is about much more than simply fighting corruption, it is impossible to avoid dealing with the issue of corruption in Russia.

What is the Russian government doing to battle corruption?

The President and the Prime Minister have both severely criticised corruption in Russia and announced additional measures to counteract it. However, new anti-corruption laws and directives have not yet been able to improve Russia's standing on the Corruption Perception Index published every year by Transparency International. The key question we have to ask here is whether the roots of an illness like corruption can be treated using the "law" as a medication or whether that simply remedies the effects. Russia is also using other medications, one of which is transparency. Judicial proceedings are recorded, for example. Video cameras have been installed in some courts to make an audio-visual recording of proceedings. In this context, it is worth mentioning that Russia landed a very respectable 13th place out of 183 countries listed in the OECD Doing Business Index 2012 in "Enforcing Contracts" – just five places behind Germany.

How much compliance does an individual company need?

For companies, the simple and practical question is: is it possible to briefly name the fields to which their company needs to pay attention "compliance-relevant aspects" and if so, how this can be accomplished? It is also important to define what situations or actions might even result in liability for the company or members of the management board and existing supervisory bodies. Representatives of small and medium-sized firms, in particular, often ask about a cost-benefit analysis. Can I afford "compliance" as an SME? If a company with over 400,000 employees hires over 500 compliance officers that is obviously very impressive. However, that translates into just one compliance officer for around every 800 employees. Mathematically-speaking, very few SMEs would

even have one officer at the same ratio.

How can someone ensure that a company is conforming to the applicable laws and internal guidelines?

Both Russian firms and foreign investors in Russia have to obey the laws. Illegal acts or omissions may result in liability. In Russia, companies also have to:

1. follow normative directives
2. ensure that such directives are being complied with, and therefore
3. be aware of circumstances that would result in particular risk exposure, and in this context ask
4. what real possibilities there are to limit exposure to such risks.

To understand which compliance-relevant policies must be considered, and to complete a risk analysis, the company's financial and business situation has to be assessed. It therefore makes sense to review a specific firm in specific areas and to determine their area of operations. Then, you can open up a "security umbrella" to shield these and define what acts or omissions are necessary to ensure corporate activities conform to the law, so as to avoid legal violations or even liability. The following aspects must be considered when designing a "security umbrella": corporate (legal), tax, regulatory, IT, accounting, health, safety, environmental and insolvency.

What are the possible consequences of not observing compliance directives?

In addition to the threat of material and immaterial damage to the firm, the possible consequences for natural people in managerial or advisory positions must be considered. These can go as far as to threaten their professional existence. In practice, people often underestimate the amount of time and, as such, the cost involved in defending a firm against charges that have already been filed. Additionally, having documents, computers etc. seized can bring business to an absolute standstill in practical terms.

How can you prevent exposure to such risks?

Achieving effective risk protection in a Russian firm involves implementing com-

pliance correctly. Effective compliance requires a clear organisational structure in the firm. That means information and communication must be clearly structured. This can be set out in the by-laws. They define the responsibilities of the members of different institutions and divisions, whereby the horizontal and vertical allocation of responsibilities and the authority to make decisions or grant approval must be considered. Ultimately, the size of the firm is key. Here, the individual company divisions are responsible and accountable for their remit. The heads of selected corporate areas can be granted basically unlimited authority to give directives in their areas. A company can define content here in its internal guidelines, along with possible control and coordination responsibilities. These guidelines can be set out in the articles, the advisory board's by-laws and the board of directors' by-laws, but also in other in-house documents. Guidelines for how documents are to be signed in the company could be considered here, for example.

Your advice for investing in Russia?

Well over 6,000 German firms are registered in Russia. This number does not even include all the German companies who deliver their products directly to Russia. At the same time, you cannot count on German legal certainty standards when investing in Russia. Nonetheless: observing and complying with legal and other normative directives in Russia is – as in almost all other countries – a basic requirement for investing successfully. To simply blame Russia for problems that might occur might be easiest from an in-house point of view, but it often does not accurately reflect the facts. More often than not, incomplete and superficial project preparation is to blame. In general terms though, anyone who invests time in compliance, and therefore also in legal certainty, and seriously explores these issues will be able to very successfully realise investments in Russia. ■

Benchmarking

Benchmarking as a Basis for a Goal-Oriented Performance Indicator System

Prof. Rolf Pfeiffer, Export-Akademie Baden-Württemberg GmbH
Dr Bertram Lohmüller, Steinbeis Global Institute Tübingen, Steinbeis Hochschule Berlin SHB



Dr Bertram Lohmüller, Director of the Steinbeis Global Institute Tübingen, Steinbeis Hochschule Berlin SHB



Prof. Dr Rolf Pfeiffer, CEO and partner of the Export-Akademie Baden-Württemberg GmbH

Rapid changes in markets and pressure on corporate organisations to adjust force firms and organisations to continually reposition themselves in the market. Information from the market environment is the most important foundation for taking decisions that send a company in the right strategic direction. This information is then evaluated against the company's strengths and weaknesses and translated into a corporate strategy based on in-house core competencies. For effective implementation, a powerful performance indicator system has to be developed to regularly assess goal achievement. This is where benchmarking comes in.

The benchmarking approach was developed in the 1970s by Robert C. Camp at Rank Xerox in the USA. The initial impulse came from intense competitive pressure from Japanese companies / Japan. The objective was to compare in-house products and processes with those of Japanese companies to learn how they man-

aged to manufacture copy machines of equally high quality at lower prices. As a management tool, benchmarking refers to a process of organisational and corporate learning based on best practices, and the adjusted transfer of these best practices to a company. The goal here is to improve in individual corporate areas or as a whole. This requires defined improvement objectives that can be measured.

The original meaning of "benchmark" comes from surveying and refers to an immobile point of reference in the landscape, making the benchmark a standard by which something can be measured or judged.

Benchmarking as a tool has gained exceptional popularity because it is helpful in better assessing the strengths and weaknesses of a firm and as such achieving a comprehensive understanding of a company's strategic positioning. It aids in identifying the best firms in the indus-

try, deriving potential for improvement and transferring the appropriate key data to another company. The challenges involved in benchmarking and the development of a goal-oriented performance indicator system are often underestimated, as an analysis of cases of mismanagement completed by the Export-Akademie and the Steinbeis Global Institute Tübingen has shown. The result: companies run into trouble when they are managed using the "wrong" key data. Since benchmarking delivers well-founded analyses, the method is an integral part of additional management concepts like the balanced scorecard, the Export-Akademie's IMLead® Concept, quality management, *kaizen* or lean management.

The process and advantages of benchmarking

Two essentially different forms of benchmarking have developed – internal and external. Internal benchmarking is un-

derstood as the comparison of processes within a company or group. Since this process involves no exchange with external processes and techniques, the potential for innovation is limited. External and inter-branch benchmarking offers more advantages. Comparing in-house processes with the best techniques from the industry offers exceptionally high potential for new impulses and innovations.

A benchmarking project begins with the goal of improving a strategic business process. The foundation involves preparing this process and defining a systematic data collection method. One approach that has proven effective here is the creation of a questionnaire with suitable key performance indicators (KPIs). KPIs are key data used to measure business processes and strategic goals. Once a questionnaire has been developed, suitable firms can be precisely identified and sent a benchmarking project request.

Experience from many years of benchmarking activities has shown that it is almost impossible to compare a company with its direct competitors. Firms with similar production and/or business processes are better suited. As a rule, the first step is an analysis of strengths and weaknesses based on a comparison of the quantitative key data from the questionnaire. The next step then involves a qualitative comparison of the business processes with the greatest potential for improvement. This includes organising workshops and comparing and analysing business processes in reciprocal on-site company visits. This exchange of experience creates clarity about the processes, identifies innovation potential and allows best practices to be developed. The improvements thus identified can then quickly be adjusted to suit a specific firm and suitable key data implemented precisely.

One good example of inter-industry benchmarking is between a computer manufacturer and a mail order company. The computer manufacturer had been experiencing difficulties with commissioning processes and in shipping, which was the point of departure for the benchmarking project. These were linked to high costs in order processing and only 70% delivery accuracy. A large household goods mail

order company serving private consumers agreed to come on board as a benchmarking partner. The company was known for its efficient order processing and punctual deliveries. The project resulted in a very successful learning process. The optimisation potential and defined key data identified allowed the improvement goals to be achieved within six months. This resulted in cost savings of 10% and an increase in delivery accuracy to 95%.

Summary

Benchmarking is a method for the continual assessment and optimisation of a company's processes. This requires a strategic foundation and the openness to discuss internal company processes and key data with "competitors". The goal-oriented performance indicator system developed out of this process allows a long-term

course to be set and problems to be recognised early on. If a firm is not doing well and needs a turnaround, however, benchmarking is the wrong management tool.

Together with the Steinbeis Global Institute Tübingen, the Export-Akademie Baden-Württemberg has developed online checks and a standardised catalogue of KPI questions and created a benchmarking database with data from over 750 firms as an introduction to the "benchmarking" management tool. In 2009 the Manager Training Programme also highlighted benchmarking as a method by organising an international benchmarking project with over 100 companies in Central Asia. For more information on benchmarking go to www.benchmarking.de. ■

Our 10 tips for creating a goal-oriented performance indicator system through benchmarking

1. Take a step-by-step approach and divide the benchmarking project into areas. Faster results can be achieved in one defined area than when implementing a complex and inter-divisional project.
2. Corporate management is responsible for defining a performance indicator system (for strategic management). They should also initiate the benchmarking process and monitor the project.
3. Select benchmarking partners carefully. Look in particular for partners with similar or the same processes both inside and outside your own branch/industry, wenn Branche im deutschen Text.
4. Take great care when planning benchmarking process activities and define goals in detail.
5. Ensure that all the company divisions involved understand and approve of the approach. This is important because internal resistance can cause a benchmarking project and a performance indicator system to fail.
6. Thoroughly prepare for meetings with your benchmarking partners and document all the results. You can only ask the "right questions" when you have correctly understood your company's processes and key data.
7. Ensure that the optimisation potential and defined key data are assessed neutrally in the firm. This will ensure that results are accepted and prevent resistance.
8. Be flexible when identifying key data – measurable methods are needed here.
9. Establish an efficient monitoring system based on the key data. Make sure that your performance indicator system is manageable (max. 20 KPI) and includes all important corporate areas.
10. Repeat the benchmarking process regularly and compare the key data to the target values. Only continual comparison with the very best will result in a lasting competitive advantage.

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