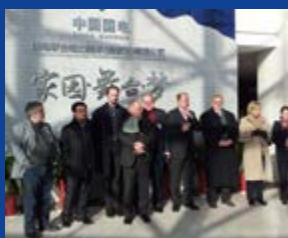


Fit for Partnership with Germany Journal

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ENGLISH

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

In Focus: the Health Sector



'Fit for Business with China'

Programme successfully
launched in Beijing and Jiangsu
Page 5



A Story of Lasting Success

The Russian Presidential
Programme celebrates its
15-year anniversary
Page 28

IN FOCUS: THE HEALTH SECTOR

PAGE 34



EDITORIAL AND PUBLICATION DETAILS 3

NEWS 4-9

Alumna Meets with German Economics Minister Philipp Rösler	4
Honoured in Moscow	4
Successful Launch of the 'Fit for Business with China' Programme	5
Continuing the Programme in a Difficult Environment	6
Manager Training with Azerbaijan to Continue	6
Setting the Stage for Future Business	7
Chair of GIZ's Management Board Meets Alumni and Minister	7
Uzbekistan and Germany Intensify Trade Cooperation	8
Cooperation with Belarus Extended	9

GERMANY 10-23

Russian Farmers in Schleswig-Holstein	10
Modern Mining Technology in Action	12
Raw Materials Partnerships	13
Executives from Azerbaijan in the Capital of Saxony	14
Knowledge Gained from German Experience in Personnel Management	15



Turning Waste into Energy	16
Medium Business Sector goes India	18
German-Indian Round Table (GIRT)	19
Pilot Group: Energy Efficiency in Industrial Companies	20
Working Meeting with GIZ, BMWi and Training Centres	22

PARTNER COUNTRIES 24-33

Strengthening German-Ukrainian Cooperation	24
Opportunities for Growth along the Volga	26
'Recognising the Signs of Change': Interview with Dmitry Ovodenko	27
A Story of Lasting Success	28
'Beneficial for Both Sides': Interview with Andrei Fedorov	29
Day of German Business in Turkmenistan	31
Training Executives from Regional Economic Administrations in Ukraine	32

IN FOCUS 34-45

The Health Sector: Health – An Export Boom	34
Managers from Six Countries with Abundant Team Spirit	36
Healthcare Industry Trade Fairs in Manager Training Programme Partner Countries	38
International Exchange on Health Management	40
Insight into the German Healthcare System	41
Partners with Commitment	42
Health Sector – Vitamins for the Export Business	43
Medical Technology: German Companies Show Off Their Strengths	44



ALUMNI 46-56

'World Café' in Almaty	46
Chinese Alumni Conference in Wuhan	48
The Long-standing Partnership: Germany – Mongolia	50
Annual International Alumni Conference in Kyiv	52

Contact Forum in Minsk – New Opportunities for Cooperation	54
Ten Years of Alumni Work in Russia	55



Contact Forum for Alumni from Moldova	56
---------------------------------------	----

EVENTS 49

May–November 2013	49
-------------------	----

SUCCESSFUL PARTICIPANTS 57-61

Dr Stefan Ivanov: German-Russian Joint Venture Established on the Market	57
Genghong Zhu: Focus on Quality and Innovative Products	58
Total Quality Management	59
Bachodir Ibragimov: Paving the Way to Foreign Markets	60
Ulan Muhamed: Seizing Opportunities	61

SPECIALISED TOPICS 62-63

Forms of International Cooperation	62
Competitive Edge through Innovation Management	63

GIZ CONTACT INFORMATION 64

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Dear Friends of the Manager Training Programme!

You are now looking at the second edition of the international journal on the BMWi Manager Training Programme (MP). The international character of the MP has been particularly evident since the journal's relaunch six months ago. For the first time, it did not just cover activities and achievements in one partner country or region; it covered all partner countries. We are all the more pleased with the warm welcome and positive response received in response to the journal. Along with its content, readers were satisfied with the journal's layout and the fact that it was divided into chapters. I would like to thank all our readers who gave us feedback on the journal; we are happy to receive more. You can help us to make the journal even more reader friendly.



This time, our area of focus is the health sector. The growth potential of this industry of the future can be discerned worldwide: an increasing global population, growing demand for health services in emerging countries and demographic ageing are making medical technology, pharmaceutical and biotechnology into one of the biggest growth sectors around. With its exports-intensive companies, the German health sector holds an advantage in this industry. They offer innovative solutions that are in demand on global markets. Small and medium-sized enterprises often play a prominent role.

We place special emphasis on our partner country Russia. A little over 15 years ago, the 'Presidential Programme' was launched to train executives for the Russian economy. Shortly afterwards, the German-Russian Manager Training Programme was initiated: this was when today's MP was born. This year is also the tenth anniversary of the beginning of our alumni activities in Russia. This is reason enough for us to honour the anniversary in this journal. We look at the awards given to four GIZ colleagues in Moscow last autumn as an acknowledgment of our commitment and also an incentive to continue successful cooperation with all our partners, now spanning fourteen countries.

The chapter on Germany is more extensive this time. Due to your feedback we know that this chapter is of particular interest to our readers. Reports on alumni activities, our partner countries and successful participants make up the rest of this edition.

I hope you enjoy this edition as much as the last and that it is an interesting read!


Reimut Düring

Alumna Meets with German Economics Minister Philipp Rösler



Honoured in Moscow



Russian Minister of Economic Development Honours GIZ Staff.

Moscow. A great privilege for GIZ: At a function celebrating 15 years of the Russian Presidential Programme – Germany contributes to this programme through the Manager Training Programme of the Federal Ministry of Economics and Technology – three current members and one former member of GIZ staff were honoured for their years of hard work in Russia. Dr Gerd Schimansky-Geier, Isolde Heinz, Vladimir Bogdanov and Guido Reinsch received the Russian Minister of Economic Development's Certificate of Appreciation on 2 November 2012. Deputy Minister Sergei Belyakov presented the award at the Russian Academy of Economics.



Guido Reinsch (left), Isolde Heinz and Vladimir Bogdanov (right) are presented the Certificate of Appreciation by the Russian Deputy Economy Minister Sergei Belyakov.

'We are delighted to receive this award. We see it as recognition of the 15 years of German commitment to the Russian Presidential Programme. This award equally acknowledges both our colleagues in Moscow and in Bonn who worked on the Programme,' said Isolde Heinz, GIZ's project manager in Moscow, after the certificate had been awarded. Guido Reinsch, GIZ's project manager in Bonn, added: 'However, the biggest award is the success of the Programme: bilateral trade volume increased by well over a billion – an impressive figure!' ■



Dr Philipp Rösler talking to Inna Khanduja (middle)

Inna Khanduja is the CEO of the personnel management agency Interec IT Global Executive Search in northern India. In 2009 she took part in the Manager Training Programme at COGNOS International in Hamburg. During the 2012 Asia-Pacific Conference of German Business (APK) held in Gurgaon near Delhi, she had the opportunity to speak with the German Federal Minister of Economics and Technology, Dr Philipp Rösler.

GIZ: When did you meet Minister Rösler?

Inna Khanduja: It was last November during a lunch exclusively for female Indian entrepreneurs. Twenty-five women from all across India attended, representing a broad cross section of business life. Guests came from Bangalore, Chennai, Chandigarh and of course Gurgaon, Delhi. The minister came with high-ranking delegates and the Acting German Ambassador to India.

How was your meeting with the minister?

He was extremely interested in learning about the economic conditions for Indian women and the associated cultural context. He asked many questions covering aspects such as family, the government and the support available for female entrepreneurs. During the conversation, we highlighted how we are India's very first generation of female entrepreneurs, and that we receive no support from the

state – this applies essentially for all Indian entrepreneurs, female or male. Overall, the minister was interested in close business relations between Germany and India, and in mutual economic growth.

Were you able to speak with him directly?

I showed him the GIZ Journal and informed him about the Indo-German Manager Training Programme. He expressed his delight in the progress that the alumni have made in India, and wanted to know how the Programme had helped us to enhance our business relations with Germany. I responded that the Programme had had extremely positive outcomes for me, particularly with regard to professionalising my company. He also browsed the journal with great interest.

Ms Khanduja, thank you for the interview!

Successful Launch of the 'Fit for Business with China' Programme



German entrepreneurs spent two weeks as guests in Beijing and the province of Jiangsu networking with Chinese firms.

Beijing/Jiangsu. The Chinese Government invited executives from German firms to attend the first two-week training programme in China organised as part of the German-Chinese Manager Training Programme. The 'Fit for Business with China' pilot programme took place from 3 to 17 November 2012 as a collaborative effort between the Chinese partner, the China Center for Promotion of SME Development (ProSME), and GIZ. The programme is based on a bilateral agreement between the German Federal Ministry of Economics and Technology (BMWi) and China's Ministry for Industry and Information Technology on expanding the German-Chinese Manager Training Programme by adding a component for training executives of German firms in China.

Opportunities in China

A total of eleven executives from German companies in the mechanical engineering, trade and service branches took advantage of the opportunity to spend two weeks in Beijing and the east coast province of Jiangsu learning about the market opportunities, corporate culture and business relationships in the second largest domestic economy in the world. It was also a chance to establish initial contact with potential Chinese partners. A successful combination of specialist seminars and company visits to Chinese and German firms provided participants with extensive insight into business life in China.

The specialist seminars covered topics such as industry clusters in China and the economic development zones in Taicang and Lianyungang, gave German participants the opportunity to obtain first-hand information and discuss pertinent topics with Chinese experts.

Company visits and contact forum

Among the on-site firm visits, Guodian United Power Technology Co. Ltd. stood out. The high-tech company from Lianyungang offers solutions for wind energy systems and focuses on the 'green energy branch'. It offered German participants a comprehensive look at production and marketing. In addition to Chinese firms, German companies with operations in China, such as Trumpf, Schaeffler, Krones and Henkel, also shared their experience with and approaches to starting and expanding business activities in China. German participants enjoyed many opportunities to network, initiating new or

expanding on existing business contacts both during individual firm visits and at contact forums in Beijing and Taicang.

The Chinese organiser ProSME worked with the administrations of the Taicang and Lianyungang development zones to prepare an intensive programme with ambitious content. In addition to the many business activities, the schedule also included time for cultural activities and a football game between a team of German programme participants and the Joe Tuokesi Football Team from Taicang. Here too, our Chinese partners were the perfect hosts, holding their own against the German team, who were weaker in both stamina and technique, until the final penalty shoot-out.

After completing the programme, all the German participants assessed the prospects for future involvement in China very positively. They are planning long-term business activities and will follow up and expand on the individual networking meetings. While in China, one participant from a medium-sized mechanical engineering firm in North Rhine-Westphalia was particularly successful, as he was able to conclude a contract for the delivery of a system during a two-day visit to a Chinese business partner. The pilot group participants will present their individual results at the follow-up seminar planned for June 2013. ■

Ronald Schulz



Executives from German enterprises visit the high-tech company Guodian United Power Technology Co. Ltd in Lianyungang.

Continuing the Programme in a Difficult Environment



In February 2013, the second group of Egyptian executives travelled to Cologne for training.



Cologne. Despite the political turbulence experienced in December of last year, GIZ and its Egyptian partner, the Industrial Training Council (ITC), were determined to carry out selection interviews with candidates for the Programme according to plan from 2013 on. Altogether, 24 Egyptian executives qualified to participate in the Programme in Germany.

The majority of them took part in the training in Cologne and Berlin from 24 February to 23 March 2013. The par-

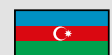
ticipants mainly represented industrial companies, among them suppliers to the automotive industry, manufacturers of furniture and leather goods, and producers of plastic and electronic components. The participants' interests were just as diverse as the industries. Mohamed El Mahallawy, Finance Manager of Hedetal for Metal Industries in the city of Tanta on the Nile delta, established contacts with German suppliers of special types of steel. Amr Hamdy, deputy Managing Director of Egycarbon, a manufacturer of carbon and graphite components, sought

to resume and intensify business relations with German customers. Representatives of the ITC and the Egyptian Commercial Service also participated in the Programme. Both organisations were nominated on the Egyptian side to implement the Programme in Egypt.

The invited executives benefit from ideas that the Egyptian pilot group contributed after their stay in Germany in June last year in the exchange with ITC, GIZ and the German Federal Ministry of Economics and Technology (BMWi). Expert Juliane Bier from the training centre Carl Duisberg Centren (CDC) carried out a preparatory seminar on intercultural competency in Cairo. Parallel to that, the CDC expert locally trained five lecturers from the Egyptian state Foreign Trade Training Centre (FTTC). The goal is to have the contents of the intercultural training included in the preparatory course offered by the Egyptian side. ■

Omar Scharifi

Egyptian Programme participant
Rania Oraby



Manager Training with Azerbaijan to Continue

Baku. The Ministry of Economic Development of the Republic of Azerbaijan and the German Federal Ministry of Economics and Technology (BMWi) have agreed to extend their successful collaboration as part of the Manager Training Programme to the end of 2015. The respective agreement was signed by the Deputy Minister for Economic Development of Azerbaijan Niyazi Safarov and Deputy Director-General at BMWi Andreas Obersteller on 28 February 2013 in Baku. Since the Programme began in 2009, 138 executives from Azerbaijani firms have completed practice-based training in Germany. Programme participants have acquired modern management skills they apply to developing medium-sized companies in particular, and initiated and expanded a wide network of contacts at German firms. ■



After signing: Andreas Obersteller (left) & Niyazi Safarov

Setting the Stage for Future Business

The Manager Training Programme (MP) of the German Ministry of Economics and Technology for executives from German and Chinese companies has been extended to 2016.



Parliamentary State Secretary Ernst Burgbacher (left) with the Chinese Vice-Minister for Industry and Information Technology Zhu Hongren

Berlin. Exchanging ideas on current policies regarding small and medium-sized enterprises in China and Germany, international development opportunities for dual vocational training and cooperation through exchanges and training for middle and upper management levels: these and other topics were discussed on 9 January 2013 during consultations on SMEs in Berlin. Ernst Burgbacher, Parliamentary State Secretary in the German Federal Ministry of Economics and Technology (BMWi) and the German Government's representative for SMEs and tourism, met the Vice-Minister for Industry and Information Technology, Zhu Hongren, for the fourth round of German-Chinese consultations on SMEs. These generally take place every year, alternating between Germany and China. On the day, Burgbacher and Zhu signed the extension to 2016 of the agreement on cooperation in relation to training executives of German and Chinese companies. The MP originally provided training for Chinese executives in Germany. Since 2012, it has also been available to managers who want to gain experience and make business contacts in China.

Since 2012, it has also been available to managers who want to gain experience and make business contacts in China.

'Germany is an anchor of stability in Europe, and China is Asia's engine for growth. Both countries' success hinges upon the vitality and innovative capacity of their SMEs. Therefore, close cooperation on SME policy is important for the future of our economic relations,' declares

Burgbacher. He continues: 'The private SME sector in China often has the same interests as German and other foreign companies in China, namely opening the economic structure even further to competition and private initiatives. Contacts at company level play a key role in creating more intensive economic relations. With our cooperation on manager exchanges, we can help set the stage for future business.' ■

Michael Emmrich

'Both countries' success hinges upon the vitality and innovative capacity of their SMEs.'

Chair of GIZ's Management Board Meets Alumni and Minister



Berlin. On 20 January 2013, the Chair of GIZ's Management Board Tanja Gönner attended 'Green Week', the world's biggest agricultural fair (www.gruenewoche.de). While at the fair, she also visited Kyrgyzstan's exhibition stand, where she was greeted by Agriculture Minister Chingisbek Uzakbaev. In 2013, the Kyrgyz exhibitors presented food and consumer goods made of felt, which sparked great interest among the fair's visitors. Former participant in the Manager Training Programme (MP) Baktybek Shamkeyev was responsible for the presentation of Kyrgyzstan's stand. He has also been the chairperson of the local alumni association since 2012.

This year's participants in the MP were also given the opportunity to attend Green Week in Berlin. In January, two groups of executives from the agriculture industry were in Germany. They came from six countries: Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan and Ukraine. ■



Tanja Gönner speaking with Chingisbek Uzakbaev

We are interested in your opinion!

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





Dr Karl-Ernst Brauner (right) presents the Journal to Shavkat Tulyaganov



Bakhodir Sultanov, owner of Turan-Text

Uzbekistan and Germany Intensify Trade Cooperation



Tashkent. After a two-year hiatus, a meeting of the German-Uzbek Intergovernmental Working Group on Trade and Investment was held in Tashkent on 16 November 2012. On the following day, the bilateral steering committee of the Manager Training Programme (MP) of the German Federal Ministry of Economics and Technology (BMWi) met. That these events were held one right after the other was no coincidence. The discussions on economic developments in Germany and Uzbekistan, and particularly on the agreements for the priority areas of future cooperation, constitute valuable stimuli for the strategic orientation of the MP.

The Ministry for Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan, whose acting minister Shavkat Tulyaganov co-chairs the working group and steering committee, identified a series of industries suitable for intensification of the cooperation

that could, from an Uzbek perspective, be attractive for German investments. These include the food, pharmaceutical, automotive, electronic, petrochemistry, and the oil and gas industries, as well as energy generation from alternative sources and finally tourism, especially the necessary infrastructure.

Cooperation with Uzbekistan extended

The highlight of the steering committee meeting was the signing of what is now the third joint declaration on the implementation of the Manager Training Programme. It has been extended until 2015. Dr Karl-Ernst Brauner, Director-General at the German Federal Ministry of Economics and Technology, signed on behalf of Germany, and Shavkat Tulyaganov, Deputy Minister for Foreign Economic Relations, Investments and Trade, signed on behalf of Uzbekistan.

The German co-chair of the two bilateral committees, BMWi Director-General Dr Karl-Ernst Brauner, confirmed that the MP could help in acquiring German investors. Qualified participants are given the opportunity to win the trust of Uzbek companies and assess the soundness of German manufacturers for themselves during their contact with German companies. Participants could thus be selected for the Programme in a targeted manner to acquire new German suppliers for the German-Uzbek joint venture in the field of utility vehicles, MAN AUTO-Uzbekistan. This procedure could also be followed in the other aforementioned industries, as German industry has attractive offers to make in these areas too.

Quality management from the very first step

GIZ and the Chamber of Commerce and Industry of Uzbekistan now face

the interesting task of concretising these ideas and actually implementing them. In this context, the Programme's previous successes, which were highlighted by all sides, constitute optimistic examples. Thus the president of the Chamber of Commerce and Industry of Uzbekistan, Alisher Shaikhov, revealed that 90 per cent of Manager Training Programme graduates were able to confirm positive development.

Manager Training Programme graduate Bakhodir Sultanov, the owner of Turan-Text, is one prime example. He welcomed the German delegation to his company, which manufactures and processes textiles, after the steering committee meeting. The guests from Germany were able to gain a first-hand impression of the progress achieved at Turan-Text since Sultanov returned from Germany. Examples quoted by the graduate includ-

ed realignment of his personnel policy. The outcome of the innovations was a more motivated, better qualified expert workforce. Personnel fluctuations at the company were reduced significantly as a consequence, and the continuity of the work in turn enhanced. These positive developments have also had a positive impact on the quality of the products. Today Sultanov knows that quality management ends with the quality control of the finished product but that it begins with the very first step. Due to this and other measures, Sultanov's company has been able to develop its market share in Uzbekistan and Russia. Circular knitting machines from the global leader Mayer & Cie based in Albstadt (Baden-Württemberg) played a role in this. He pre-negotiated this purchase while participating in the Programme in 2009. ■

Dr Angela Leeke

Cooperation with Belarus Extended

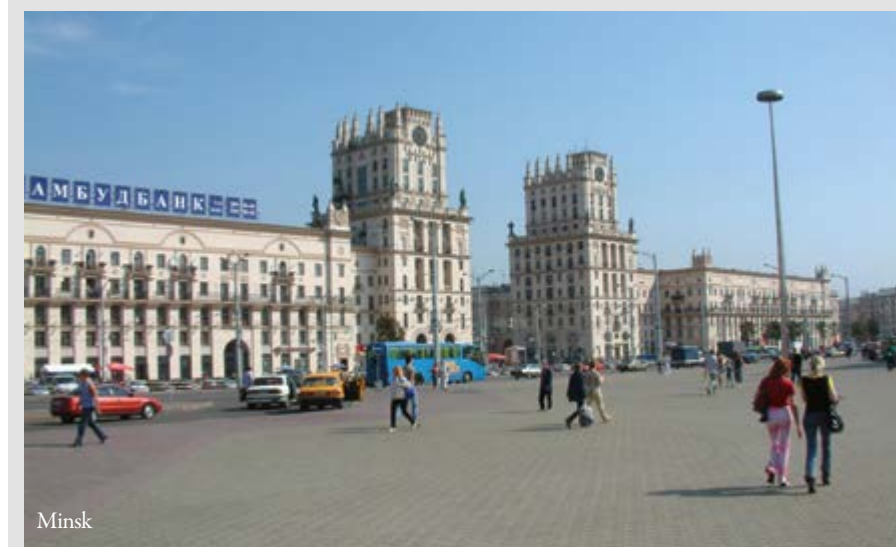


At a meeting in Minsk, cooperation with Belarus through the Manager Training Programme (MP) was extended by three years.

Minsk. On 24 October 2012, representatives from the German Federal Ministry of Economics and Technology (BMWi) and the Belarusian Ministry of Economy met with the respective Programme providers for the fourth time to discuss the results and the future focus of the MP. Both sides gave a positive summary of the past two Programme years. The advances and developments of the participants and alumni are impressive and promising. The Belarusian partner welcomed the further development of the

Programme promoted by BMWi. The joint declaration on the extension of the MP with Belarus until 2015 was signed in parallel with the meeting.

The response and presentations given by some of the participants underlined the positive effect of the Programme on all participants. For example, Pavel Kurilo, deputy director of the company Ludmila, gave an impressive report on his experience and results after his stay in Germany during the Programme. From his position as head of marketing, he went on to become deputy director in the enterprise which mainly produces all types of headgear. The company was restructured, particularly in the sales section, and the manufacturing facilities were modernised with German machinery. Now Ludmila delivers high-quality products to Germany, including for Deutsche Bahn AG – a win-win situation for both sides. Ivan Rak, Chairman of the Belarusian Alumni Association established in June 2012, reported that first steps had been taken for the association, such as attracting members, putting on events and concluding a cooperation agreement with the city of Minsk. ■



Minsk



Russian farmers in Schleswig-Holstein



Agriculture and food processing formed the focus for 21 managers from the Russian Federation, who accepted the invitation to participate in a training event at the Wirtschafts-akademie Schleswig-Holstein GmbH at the end of 2012.

Russian Farmers in Schleswig-Holstein

Kiel. Twenty-one managers from a variety of agricultural companies in the Russian Federation came to the Wirtschafts-akademie Schleswig-Holstein (WAK) GmbH in Kiel as part of the Manager Training Programme. Numerous company visits and meetings filled the agenda of the Russian managers, who visited the north of Germany from 6 November to 1 December 2012.

With a current total of 22 locations, the company network of WAK is present with a modern training portfolio in the federal state that lies between the North Sea and Baltic Sea. WAK's European and international experience also contributes to the successful training, as the tried-and-tested

international expertise is also brought to bear in the 'domestic' offers. Cooperation in national economic and scientific projects and the development of innovative forms of learning within the scope of European projects as well as the reorientation on the labour market – thinking 'outside the box' opens up new horizons, allows for the development of a new take on things, and thus makes new expertise available.

Focus on organic products and the procurement of technology

During the specialist programme, participants were able to gain first-hand experience through a variety of training offers

and events. In addition to interactive training sessions and bilateral discussions with representatives from industry and the political sphere, there were countless opportunities to make contacts for possible partnerships and synergies. The programme offered an extensive range of topics from almost all fields of agriculture such as plant cultivation, animal breeding, agricultural technology and the processing of agricultural products. During 19 company visits with the whole group and a further 30 individual company contacts, participants from 17 regions in Russia confidently presented themselves as business partners on an equal footing.

The EuroTier trade fair in Hanover and the Enterprise Europe Network (EEN) cooperation forum held there offered an excellent platform for expert discussions and preliminary contact with German and international companies. Particular interest was paid to the companies active in the fields of plant cultivation and agricultural technology. Here, the focus was on organic farming, extensive land use systems and the cultivation of high-quality regional organic produce, and the procurement of agricultural machinery and equipment.

The visit to Bio-Westhof GmbH was a highlight of the trip. Participants visited Germany's largest organic greenhouse, which recently launched operations. A total of 70,000 tomato plants are cultivated here on four hectares, with around 1,500 tons of tomatoes produced every year. During the visit, participants became familiar with a new technology: energy-neutral heating for the greenhouse. A combined heat and power unit fuelled by unsold organic vegetables and other organic products supply the energy for this.

Countless contracts concluded

Internationally renowned companies such as Claas KGaA mbH, Riela Trocknungstechnik GmbH and Landmaschinenfabrik Grimme GmbH stood at the top of wish lists of the participants seeking to learn the technical specifications and prices of agricultural machinery and equipment. All three companies are prosperous, long-standing partners in Eastern European business and have a worldwide presence with their own representations. The participants gained an overview of product palettes, obtained extensive advice and made orders. Moreover, they acquired technical expertise on using modern soil tillage and harvesting techniques, which will undoubtedly boost efficiency within their own companies.

The first agreements were already concluded shortly after the Russian entrepreneurs returned home. A contract for the construction of a seed factory in Belgorod was agreed in January 2013 between Petkus GmbH, a seed supplier from Thuringia, and OOO Garant Optima in west Russian

Belgorod, for which Aleksandr Lyalyuk participated in the Programme. The contract volume reaches seven digits. Cooperation agreements have also been drawn up between OOO Shchedrukha from Siberian Kemerovo, which sent Grigoriy Fedorov to Germany, and the companies Reimann Emsdetten GmbH, Renolit SE and Wolf Heiztechnik GmbH. The Vostochny meat processing company from Izhevsk in the Volga region, which was represented by Programme participant Konstantin Sozonov, signed cooperation agreements with ACO Funki, BDW Feedmill Systems GmbH and Big Dutchman International GmbH.

The WAK team will help ensure the sustainability of the business contacts initiated by the participants through to the follow-up seminar. The extremely intensive programme concluded with fascinating final presentations and excellent results from the participants as a further contribution to promoting foreign trade in the food sector. ■

Marlies Riemer-Lange, WAK



Company visit: Westhof Bio-Gemüse in Friedrichsgabekoog



Modern Mining Technology in Action



The first one-month training in Germany has now been completed as part of the raw materials partnership with Kazakhstan.

Cologne/Leipzig. In November 2012, the German Government specially invited executives from Kazakh raw materials firms to participate in training in Germany for the first time. This begins the implementation of the intergovernmental agreement regarding cooperation in the areas of raw materials, industry and technology signed by German Federal Minister of Economics and Technology Dr Philipp Rösler and the Kazakh Minister for Industry and New Technologies Asset Issekeshov at the beginning of 2012. At the signing Rösler explained: 'Access to raw materials depends not only on technological feasibility, but also on the economic and political environment.'

Raw materials partnerships make an important contribution to maintaining the supply of raw materials to the German private sector. This secures growth and jobs in Germany. The agreement signed with Kazakhstan today creates a political framework in which companies can conclude contracts under their own authority.'

Exploration, mining, analysis and processing

The training was organised by the Carl Duisberg Centres, primarily in Cologne and Leipzig. All the participants came from the raw materials industry with a

wide range of specialities such as exploration, mining, analysis and processing. In addition to thirteen executives from Kazakhstan, three managers from Kyrgyzstan and one manager from Uzbekistan joined the group. The combination of specialist seminars and visits to German firms offered comprehensive insight into business life in Germany. A visit to the 'Schüttgut' specialist trade fair in Dortmund in the company of interpreters presented an opportunity to network and exchange ideas and experience. The Kazakh executives visited mining equipment manufacturers such as ThyssenKrupp Fördertechnik GmbH, TAKRAF GmbH, and FAM Magdeburger Förder-

anlagen und Baumaschinen GmbH, as well as analysis technology manufacturers such as SPECTRO Analytical Instruments GmbH and Carl Zeiss AG.

'It is important to see how the technology is employed.'

At an event in the German Federal Ministry of Economics and Technology (BMWi), participants reported on the results they had achieved so far. ENRC (Eurasian Natural Resources PLC) is one of the largest Kazakh raw materials firms. It is involved in mining and the processing of iron ore, coal and aluminium, and is a key player in the mining of chromite, which is used to temper steel, among other things. For more than 30 years ENRC has worked in raw materials mining with equipment from the TAKRAF firm in eastern Germany and has had good experience with German technology. Before travelling to Germany, ENRC representative Dr Dauren Okassov had already initiated negotiations to renew the company's mining technology. He was therefore looking forward to the visit to TAKRAF in particular where he was able to experience modern mining technology in action. 'It is important to see how the technology is employed. Now I know how the firm operates.' TAKRAF manufactures bucket excavators and conveyor bridges for raw materials mining in open cast mines all over the world. Extensive know-how and experience from hundreds of successful projects combined with continual optimisation allow the traditional company to produce custom-tailored systems for use in any type of geological area. Since purchasing machines and equipment in the mining sector generally involves millions of euros, negotiations have not yet been concluded.

'Communication via the internet cannot replace face-to-face contact.'

Elena Saidova's visit to KSL (Kupferschiefer Lausitz GmbH) is evidence that Kazakh know-how is also valued in Germany. Saidova is the leading specialist for mineralogy in deposit reconnaissance at the Kazzinc company. She discussed the possible involvement of Kazzinc in site development at the Lausitz copper deposit, and researched modern laboratory equipment and computer programs for

Raw Materials Partnerships

Raw materials partnerships form part of the German Government's raw materials strategy. To date, partnerships have been agreed with Kazakhstan, Mongolia and Chile.

Berlin. As an industrial nation, Germany is one of the largest consumers of raw materials in the world. The majority of bulk raw materials such as gravel, sand, limestone and clay are obtained from domestic deposits within the country. However, almost all metal raw materials, many imported industrial minerals, rare earth elements and fossil raw materials have to be imported. To maintain our path of success and thus secure growth and jobs in Germany, the German economy requires access to these raw materials. This not only depends on the technological possibilities but also on the economic and political environment.

Therefore, the German Government presented a raw materials strategy at the end of 2010. The centrepiece of this strategy are partnerships with selected countries that are rich in raw materials. This raw materials strategy sees raw materials partnerships as an important instrument to support the German economy in the provision of raw materials. In principle, the safeguarding of raw material supplies is a task for the economy. With its raw materials strategy, the government creates the necessary framework for a sustainable, internationally competitive supply of raw materials. It is making a bundle of measures available which can help improve access to raw materials. Bilateral raw materials partnerships can open up new supply sources for industry. Innovations through research and development programmes in the fields of raw materials research, raw materials and materials efficiency, and recycling reduce dependence on imports. Structural measures such as the establishment of the German Mineral Resources Agency (DERA), the Helmholtz Institute Freiberg for Resource Technology (IHf) and the Interministerial Committee on Raw Materials (IMA) serve to reinforce and advise German industry, particularly small and medium-sized enterprises (SMEs). All measures are closely linked with trade at European level.

To date, government agreements on raw materials partnerships have been concluded with Mongolia (2011), Kazakhstan (2012) and Chile (2013). Under the umbrella of raw materials partnerships, industry concludes private law contracts on its own responsibility, which can be safeguarded and supplemented with foreign policy and foreign trade instruments. These include the participation of Kazakh executives from the raw materials industry in the Manager Training Programme of the German Federal Ministry of Economics and Technology.



From right: Dr Dauren Okassov following the presentation of the certificate by Wolfgang Hombrecher (BMWi) und Reimut Düring (GIZ)



Ursula Horn and Frank Weisig (both BMWi) listen to the statements of Margarita Magauyanova (Topaz)

► the reconnaissance of natural mineral deposits at different firms. In Germany Saidova was also interested in exchanging ideas and experience in mining metallic raw materials, particularly from great depths. Standard solutions are no use here, and individual approaches that German specialised firms can deliver are needed.

The Topaz company from the East Kazakhstan Ust-Kamenogorsk works in geological reconnaissance, the field mapping and evaluation of natural mineral deposits. Margarita Magauyanova, Director of Quality Control and Head of the Development Service, is interested in German technology and in issues of environmental management and work safety in particular. She explains: 'The German companies are very well organised. They were very welcoming and interested in establishing contacts. Every company had Russian-speaking employees for us to talk with.' She visited certified German laboratories to garner ideas for modernising the work of the laboratories at Topaz and for creating a new special laboratory for ecological management. During an on-site company visit, Magauyanova succeeded in intensifying relations established in spring 2012 with the Heidelberg IBL Umwelt and Biotechnik GmbH firm at an environmental conference in Astana. In addition, she gathered information in Beckum at ThyssenKrupp Polysius AG about new technologies for automating laboratory-scale experiments and quality control. Collaborative projects with both IBL and Polysius are now in planning, including one involving environmental management in Ust-Kamenogorsk. She concludes: 'Communication via the internet cannot replace face-to-face contact.'

Wolfgang Hombrecht, responsible for the Manager Training Programme at BMWi, could not agree more: 'The Programme often provides the opportunity to initiate personal contact and stands for working together in partnership.' Ursula Horn from the Division for International Raw Materials Policy at BMWi noted that 'the partnership agreements are based on the companies working closely together in the interests of both countries and the companies themselves.' She invited the group to present the results of

their time in Germany at the next meeting of the government working group on partnership agreements in Kazakhstan in 2013. Frank Weisig, State Referent for Central Asia at BMWi called on participants to 'become ambassadors of German-Kazakh cooperation.' The German private sector provided consistently positive feedback during the company visits. The central Asian executives agreed that they had made efficient use of their time in Germany. ■

Executives from Azerbaijan in the Capital of Saxony



Dresden. The ARGE Konsortium Neue Bundesländer (NBL – Consortium of New Federal States) received young Azerbaijani entrepreneurs and executives for the first time in Dresden at the end of 2012. The objective was to train the group within the framework of the Manager Training Programme (MP) of the German Federal Ministry of Economics and Technology (BMWi). During the group's one-month stay in Germany in the capital of Saxony, Konsortium NBL was able to bring its experience in cooperating with Asian and Eastern European participants to bear in organising extensive contacts for the participants. The 64 company visits have provided the potential to develop lasting economic relationships between Germany and Azerbaijan. The German companies regard the Programme as a good opportunity to gain access to new partner countries.

Since the start of the Manager Training Programme in 2009, the number of alumni from Azerbaijan has reached the impressive number of 129. The majority of the eighteen participants at NBL were from the IT, pharmaceutical, finance, hotel and insurance industries. The Programme was conducted in English.

Although only a few small and medium-sized businesses in Germany consider Azerbaijan as the first country when looking to build up or expand international business relationships, there are already examples of successful cooperation which show that forging the link can work. The company Dresdner Kühlanlagenbau GmbH, which the group visited, has already carried out several projects in Azerbaijan and has had a branch in Baku for some years now. This successful Dresden company hoped to not only gain contacts for further projects as an outcome of the visit, but also to find qualified employees, who are needed for expanding its business activities locally. ■

Roman Bannack, NBL



Azerbaijani executives in Dresden

Knowledge Gained from German Experience in Personnel Management



Vietnamese executives who visited German companies in 2012 gained valuable insights into personnel management and qualification measures, some of which are already being put into practice.



Company visit at the engineering works Berthold Hermle AG

Stuttgart/Dresden/Berlin. During their stay in Germany, which was coordinated by the Baden-Württemberg-International (bw-i) training centre, the Vietnamese managers visited the cities of Stuttgart, Dresden and Berlin, and several companies. Personnel management was an important topic as the shortage of qualified personnel hinders many Vietnamese companies in their business activities. The visits to German companies and institutions gave the guests from South-East Asia an understanding of practices and opportunities with regard to personnel management in Germany.

At the engineering works Berthold Hermle AG based in Gosheim – a company listed on the stock exchange and one of the leading manufacturers of milling machines – the Vietnamese managers were introduced to the traineeship and training programme as well as the remuneration system for employees of long service. The guests were impressed by the high degree of independence and the corresponding sense of responsibility among the employees.

Good training and organisation

'The key to success in German companies is good organisation and (vocational) training. I saw that during our group visit to Berthold Hermle AG, and now I also apply this in my company,' said Nguyen Thanh Sangh. Improving working conditions, offering continuous training programmes and introducing attractive, performance-related remuneration systems – many participants are considering introducing these options after their return to Viet Nam.

For example, Le Cao Minh intends to introduce a vocational training scheme in his company as he is convinced that the lack of qualified personnel is one of Viet Nam's greatest problems – particularly in positioning his country in international competition.

A visit to the savings bank Sparkasse Dresden clearly demonstrated the value of flexible solutions for employees with regard to working hours, part-time em-

ployment and support for persons re-entering the labour market after longer periods of unemployment.

'Understanding the business culture is important'

During her stay in Germany, Nguyen Xuan Anh not only learned a lot about employee motivation, but also established contacts for her company. Berthold Hermle AG already paid a visit to her company in Ho-Chi-Minh City, as the engineering works wants to develop and strengthen its business in Viet Nam. Regarding her stay in Germany, Anh said, 'I have learnt a lot about leadership and project management. Before participating in the Programme, I did things more the Vietnamese way. Now I do them more the German way. Communication with colleagues and customers is particularly important to achieve a balance between our Vietnamese and German customers who work together. For the future, I would like to expand my work with Vietnamese customers to position them on the international market.'

Duong Thuy Huong confirmed that the company visits were the best part of the Programme for her. 'We were able to see and learn how the German companies do business and to talk about their experiences. However, for German companies wanting to establish themselves on the Vietnamese market, it is very important to understand the people and the business culture there. Here the Vietnamese alumni of the Programme can serve as contacts.' ■

Hanna Bätz



Oleg Golovachev

Turning Waste into Energy



The pilot group for waste disposal and water management executives was launched in 2012, resulting in multi-million Euro contracts. The entrepreneurs from Russia, Uzbekistan, Kazakhstan and Kyrgyzstan familiarised themselves with the latest German technologies in the fields of waste disposal and water treatment, and took advantage of the opportunity to initiate mutually-beneficial cooperations.

Berlin. The 22 executives in the first group from the waste disposal and water management industry to come to the EUROPANORAT training centre

in Berlin to participate in the Manager Training Programme in 2012 far exceeded their hosts' expectations. Frank Nichte from the German Federal Ministry of

Economics and Technology (BMWi) already spoke of the 'excellent results' at the group's closing event.

In light of advancing industrialisation and a growing shortage of resources including outside the industrialised countries, the issues of waste disposal and recycling are increasing in importance. Over the past 20 years, the German waste disposal industry with around 160,000 employees has attained an extremely high technical and ecological level, in particular due to the innovative products and technologies offered by German companies. The focus of German companies within the recycling industry is increasingly shifting to markets outside of Europe with a high ecological need for state-of-the-art waste disposal technologies. Thus the 'German RETech Partnership' was established in 2011 to access these markets, following the German Federal Environment Ministry's 'Recycling and Efficiency Technology' (RETech) export initiative. This initiative aimed to establish a network between companies of the German recycling sector, and to advance their co-

operation with relevant research institutions with the aim of strengthening foreign trade. Political measures such as the German Life-Cycle Resource Management Act, and stringent regulations for packaging, end-of-life vehicles, batteries, electrical appliances, etc. fostered the development of more efficient and reliable disposal and recycling technology. This includes separate waste collection and sorting, thermal treatment with energy recovery, mechanical-biological treatment and fermentation processes for organic waste.

These technologies, in addition to the opportunity to apply these in their home countries, were of particular interest to the Programme participants. The German recycling principle made a huge impression on them. It is based on the German Life-Cycle Resource Management Act, which has been in place in Germany for almost 20 years now and aims to feed the raw materials used in production back into the manufacturing process as extensively as possible upon withdrawal of the goods, that is to develop a waste and emissions-free production cycle.

On the road to waste-free industry

The group visited leading German recycling companies in Berlin such as ALBA GmbH where they learned about environmentally-friendly transport methods and treatment technologies for organic and industrial waste, and HACH LANGE GmbH, which specialises in laboratory and online waste analyses, measuring stations for the comprehensive monitoring of surface water, measurement technology for water-based cooling and heating systems, etc. At DAS Environmental GmbH in Dresden, the executives familiarised themselves with innovative technologies for exhaust gas purification and waste water treatment (e.g. biological waste water treatment using TFR technology) and learned about customer-specific point-of-use solutions for process exhaust gas purification based on the latest ESCAPE, STYRAX, UPTIMUM, GIANT and SPRUCE technologies.

The participants reported that in the field of environmental protection, their countries have a great need to catch up. Hence it is important to use state-of-the-art waste recycling methods to fill a niche

and generate a competitive advantage for their own company in their home country, explains Galina Kolmakova, a master brewer from Siberian Tyumen, summarising the overall impression of her colleagues. Yet it is not only about economic benefits for the participants: the group also gained a sense of their responsibility for the environment during their stay in Germany and were sensitised to the previously neglected issue of sustainability.

High-tech solutions for inadequate waste and water systems

Given that most entrepreneurs came to Germany with concrete aims, they were rapidly able to identify suitable German companies and reach preliminary oral or written agreements for bilateral cooperation. Vladimir Sarychev from Kazakhstan, CEO of the waste recycling company Arktur in Uralsk, has already signed his first agreement with the German medium-sized company MeWa Recycling Maschinen und Anlagenbau GmbH for the acquisition of waste treatment equipment. Another deal was sealed for the manufacture and delivery to Uralsk of a waste sorting plant by the German company, Stadler Anlagenbau GmbH. Sarychev also made a successful proposal for a partnership with Avista Oil AG for the establishment of a joint company for

the processing of old engine oil, and to determine further steps. The investment planned by the Kazakh entrepreneur currently lies in the mid-double-digit million euros range. Alexey Shchepelev from the Russian city of Cheboksary, lead engineer at water treatment company Vodokanal AG, also signed preliminary agreements for the project planning and supply of top-quality water treatment systems with the German companies ORPU Pumpenfabrik GmbH, PITT GmbH and WAG Armaturen GmbH.

Team spirit for successful cooperation

All participants found their time in Germany to be extremely enriching and well invested. The new contacts with German companies are to be maintained and transformed into cooperations upon the participants' return to their home countries. The atmosphere characterised by team spirit is reflected in the film shot by the group. And the 'green concept' that electrified the group found expression in Kazakh entrepreneur Nurlan Zhumartov's wish: 'Intensive coverage of the aspects of waste disposal and, most importantly, reuse within industry in all current and future groups, regardless of their specialisation. We are all top managers and capable of reusing information.' ■ <http://www.youtube.com/watch?v=G8tn6ARiqkM>



Company visit at Berliner Stadtwerke (BSR)

Medium Business Sector goes India

Guest contribution by Rajnish Tiwari: Indo-German cooperation forums enable broader market entry and an ideal win-win situation for German medium-sized businesses and Indian consumers.



Rajnish Tiwari (fifth from left) at a cooperation forum

Hamburg. India has observed considerable and continuous economic growth since the start of economic reforms at the beginning of the 1990s. India's gross domestic product (GDP) increased six-fold from approx. USD 300 billion to over USD 1.8 trillion between 1991 and 2011. Measured in terms of purchasing power parity, the Indian economy is already the third largest economy in the world, after the USA and China. The country's future prospects are also very promising: According to the Interna-

tional Monetary Fund's latest estimates, India's GDP is likely to almost double by the end of 2017 and will presumably reach USD 3.2 trillion.

This steady growth has had a positive effect on the per-capita disposable income in India so that considerable consumer purchasing power has been released despite continuing social imbalance. Investments are also being made in infrastructure development, with the result that the demand for capital goods is increasing in

India, too. India's role as an increasingly significant global growth engine will in all probability be strengthened further due to its location advantages, e.g. a favourable demographic situation and a market that is far from saturated.

Making intelligent use of Indian economic potential

Germany and German companies have recognised the enormous economic potential that the Indian subcontinent

holds, as trade and investment figures show. The German medium business sector is increasingly participating in the economic development in India, for example in areas such as the automotive industry, renewable energies and machinery and plant engineering. Nevertheless, there are still numerous unused opportunities for medium-sized German companies in India due to a lack of market knowledge, resource constraints and, in some cases, strong uncertainty avoidance. Two typical examples of 'misjudgement' in connection with the Indian market are described below.

1. The evaluation of market potential on the basis of per-capita income: Consulting the per-capita index when making important product decisions for the Indian market can prove problematic. Despite considerable developments, the average individual income in India is still at a low level (USD 1,600 per year). However, a one-sided focus on this index neglects two significant factors:

- More than 80% of the labour force in India work in the so-called 'informal' economy, which means that the state statistic authorities do not have exact information regarding their income levels.
- With an average of five persons in a typical household, the family's purchasing power could be much higher.

2. Considering India purely as a sales market: Medium-sized businesses are often tempted to introduce their existing products to the Indian market without substantial adaptations. But things often work differently in the Indian market. The up-and-coming middle class wants to buy quality products with a good image and market value, but is not able or not willing to pay the customary international price. Some medium-sized German businesses have recognised this 'demand' and developed market-specific products which are then also offered for sale in other comparable markets – in some cases in the global market, too. Products that are in line with market requirements instead of being purely technology-driven are a critical success factor in India. As several owners of medium-sized businesses have reported at the German-Indian Round Table

German-Indian Round Table (GIRT)



The German-Indian Round Table (GIRT) was founded in 2001 as an association of people with strong economic and personal interest in India. GIRT's objective is to spread information about India and facilitate German-Indian business relations.

Participants at the German-Indian round table meetings also support cultural, business and social activities in India. They get together at regular intervals in a number of German and Indian cities. GIRT has grown to include around 3,000 participants from the German-Indian business community, some who volunteer as directors and speakers for GIRT. Dr Rajnish Tiwari heads up the Hamburg GIRT division.

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(GIRT), the 'made in Germany' brand is only an advantage for being successful beyond niche markets if prices are also in line with the market.

These two typical examples of 'misjudgement' can be most easily avoided through

cooperation with reliable and competent local partners, who often have a sound knowledge of the market as well as their own resources and an extensive business network. Small and medium-sized enterprises (SMEs) in India are often ambitious and want to expand at national and international levels. However, they not only often have too few resources, but also lack a thorough understanding of the German market and work culture in Germany.

Medium-sized German businesses and Indian partners

But striving for expansion can form a good basis for mutually advantageous cooperation ('win-win') with medium-sized German businesses. Within the scope of the Indo-German BMWi Manager Training Programme in June 2012, two cooperation forums for German and Indian SMEs were organised in Hamburg and Leipzig to promote an even more effective use of market potential by the medium business sector. GIRT also participated as a co-organiser. With the aid of these two cooperation forums, a group of 20 decision-makers from eight different branches of industry in India was able to have 63 individually scheduled discussions with representatives of German companies (Hamburg: 49, Leipzig: 14). In preparation for these meetings, the participants received detailed information on the companies involved. Many of these discussions led to follow-up meetings and paved the way for business transactions. Both events were very well received by the participants.

This example shows the importance of personal contacts, particularly for SMEs, which often do not have their own extensive business network in the particular partner country. This way market entry can be achieved for both sides and, at the same time, the market risk reduced. Cooperation forums could be a suitable means for intensifying Indo-German cooperation and forming a broader basis for such cooperation through the participation of SMEs. ■ Rajnish Tiwari (GIRT)

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Pilot Group: Energy Efficiency in Industrial Companies



An international pilot group focusing on 'Energy Efficiency in Industrial Companies' was in Germany in November 2012 at the invitation of the German Federal Ministry of Economics and Technology (BMWi). Alongside the thirteen Russian and six Belarusian executives from small and medium-sized enterprises (SMEs), one manager from Kazakhstan and one from Azerbaijan also completed the training in the German Management Academy of Lower Saxony (DMAN) in Celle. A closing presentation ceremony was held in the Ministry in Berlin and was attended by representatives of BMWi, GIZ and DMAN.

Celle/Berlin. The group mainly consisted of technical directors, managers of engineering departments, chief power engineers and senior inspectors alongside members of their respective management teams. The companies span such diverse sectors as railway and food industries as the railway and food industries, and are either users of technologies with high-energy requirements or make energy-related technologies themselves. Participants in the Programme were given an overview of energy management systems in Germany and current developments in the field of energy efficiency, which means they learned about modern,

energy-efficient technologies. Issues such as energy and environmental management, project management in the field of energy efficiency and alternative energies were covered, as were SME funding, quality and innovation management, service strategies and logistics concepts, some on-site in the German companies themselves. The concrete steps of the energy management system from assessing demand to commissioning and controlling were also demonstrated in the company as a learning environment.

Belarusian entrepreneur Elena Grigoryeva, financial director of the family-run measuring equipment manufacturer Spezsistema, described the participants' opinions perfectly: 'During this month you learn a tremendous amount, which both benefits your own management skills and your cooperation with German business.' Her daughter Anna had already participated in the Programme, so she knew the Programme beforehand. The group seemed impressed by the 'outstandingly expert' training seminars – especially on increasing energy efficiency – and insights into everyday life in German companies. In the beginning, it didn't look easy for the DMAN to accommodate the interests of the heterogeneous group, which ranges from biogas companies to measuring equipment companies. However, it is exactly this combination which was seen as very successful among participants. 'We could always help each other out, give each other good tips, for example at trade fairs or at company visits,' recalls Grigoryeva. The technology enthusiasts taking part in the training were very happy to look beyond their own horizons and learn from one another.

Contact and Intelligent Solutions

'Energy efficiency begins with the right energy metering,' declares Madi Agbayev from Kazakhstan, voicing the conviction shared by those from the group who specialise in measuring equipment. Agbayev is the Commercial Manager at Korporacija Sajman, a manufacturer and wholesaler of electronic and optical products, particularly measuring equipment. The qualified engineer from Kazakhstan sees saving energy as his main priority and reported on a state support programme in Kazakhstan to increase



Elena Grigoryeva on the roof of the BMWi

ed in cooperation with the firm STRABAG Umweltlagen and the municipal enterprise Minsk Wodokanal. The total value of the project is EUR 28 million, and SEC will provide around a quarter of the engineering services. During the Programme, Khilko succeeded in concluding agreements with the German company HEROS Anlagenautomatisierung GmbH and HIK Systeme und Module GmbH for the delivery of technologies for the project. At the event in BMWi, the project manager on the German side said that if the project is a success, more may be set up.

Other participants in the training Programme are now also carrying out talks with German firms. For example, Yuri Tutyshkin from the firm 'Rusgasengineering' in Podolsk near Moscow managed to establish promising contacts with the German firm Chriwa Wasseraufbereitungstechnik GmbH and PSE Engineering GmbH. Viktor Leontyev from Pensa, who works for the regional electricity provider Pensenskaya Gorelektroset, reported on his contacts with the German burner manufacturer Saacke GmbH and the boiler producer Viessmann Werke GmbH & Co. KG. 'The most important thing for me was the company visits, where we learned about the most modern technologies and we could see the facilities that interested us most in action,' summarises Leontyev with regard to his impressions of his training in Germany. The developments in the field of renewable energy technologies in particular caused a real sensation. Ultimately, this issue is still getting off the ground in the participants' home countries, while Germany already has profound knowledge and high-tech equipment to rely on.

'During this month you learn a tremendous amount, which both benefits your own management skills and your cooperation with German business.'

energy efficiency. Along with other energy efficient technologies, Agbayev was particularly interested in intelligent lighting solutions for offices and factory buildings. He managed to develop good contacts with the LED manufacturer Off On new Lighting GmbH from Hamburg. The northern German company's LED lights can be controlled using Wifi and Bluetooth. Agbayev expects his first deliveries for the Kazakh market to be in 2013.

Dmitry Khilko presented his project plans together with his German project partner from STRABAG environmental technology of Dresden. Khilko is the director of the STRABAG Engineering Centre (SEC) in Minsk. Two years ago they agreed to develop a biogas facility in a sewage treatment plant near Minsk. Its aim is to produce electricity and heat from sewage sludge. His firm has taken on the role of general planner on site for this project, which is being implement-

and project management in the energy sector as well as an overview of energy norms and standards. The fear that this training would be a bit dry proved to be unfounded. Participants stated that they would like to hear even more on the issue of norms and standards. The managers learned about modern, energy-efficient



From left: Sergei Kovalev and Evgeny Sobashnikov

► technologies in production and the application of energy management systems. Visits were paid to German producers or operators of energy efficient technologies, but also to energy producers, a research centre from the field, an association of companies aiming to increase energy efficiency and service providers from this field, such as financial institutions and engineering firms.

Well Prepared and Clear Ideas

At the pilot group’s final event in Berlin, BMWi’s representative Ingrid Zilliges declared that she was ‘impressed by the very concrete results,’ which are thanks to ‘the participants’ good level of preparedness and clear ideas.’ She spoke very positively of the international orientation of the group. ‘I felt very comfortable and made lots of friends,’ said Agybayev from Kazakhstan happily. Reinhard Giese introduced the BMWi’s Energy Efficiency Export Initiative that day (see box). A guided tour around the Ministry building was met with great interest. On a trip to the photovoltaic roof terrace, the foreign managers enjoyed a view of Berlin’s city centre. In addition, this example

Energy Efficiency Export Initiative

In these times of scarce fossil fuels and constantly increasing energy prices, the need for innovative technologies that decrease energy consumption is growing worldwide. Germany has an excellent reputation when it comes to energy efficiency.

In this context, the Energy Efficiency Export Initiative under the umbrella brand ‘Energy Efficiency – Made in Germany’ has been set up under the auspices of the German Federal Ministry of Economics and Technology. It supports German providers of products, systems and services in the area of energy efficiency. Under the umbrella brand, it furthermore provides an information infrastructure for a variety of projects and stakeholders as well as comprehensive information on important fields of action for saving energy.

The Energy Efficiency Export Initiative is basically focused on all relevant markets. A particular priority area includes activities in countries with high economic growth, industrial markets of strategic significance for the export economy, and emerging economies. Many countries have recently set themselves ambitious energy savings targets and want to achieve this through targeted measures, which could create great opportunities for German companies.

demonstrated to them once again that, not least thanks to the energy revolution, along with efforts to increase energy efficiency, renewable energies are widely used in all areas of life in Germany. This

and the memory of their time together in Germany with lots of new friends and business contacts will stay with them for a long time to come. ■

Working Together on Continuing Programme Development

The current state and continuing development of the Manager Training Programme (MP) were the topics of a workshop in Bonn on 18 and 19 February 2013.

Bonn. Representatives of the eleven training centres responsible for implementing the Programme accepted the invitation to a workshop issued by GIZ and the German Federal Ministry of Economics and Technology (BMWi). These centres carry out practical training to strengthen the management skills of Programme participants. They also help participants find the right cooperation partners through their regional expertise and exceptional contacts in the German private sector. Hartmut Röben, BMWi Head of Division, opened by thanking GIZ and the training centres for their

dedication and hard work: ‘As an element of foreign trade policy, the Programme extends beyond just the promotion of trade to actually improve economic cooperation with the countries involved. It is in great demand and so successful that it will soon be expanded to additional partner countries.’ Negotiations are currently underway with the Mexican Ministry of Economics.

Programme Manager Reimut Düring pointed out the Programme’s objectives: ‘The goal is to help small and medium-sized enterprises (SME) in particular access new

markets. As objectives, expanding executives’ management skills is as important as promoting international partnerships.’ Project Manager Christina Otto provided a review of the Programme’s implementation at GIZ: Egypt joined the group of partner countries and German executives now have the opportunity to learn about the Chinese market on location. Over 750 executives in 37 groups completed training as part of the MP. There were five international groups and eleven sector groups.

- There are a total of seven priority sectors:
- The mining and extractive sector
 - Health sector
 - Environmental technologies in the water and waste management sector
 - Energy efficiency in industrial enterprises
 - Energy efficiency in construction and the renovation of buildings
 - Renewable energies and
 - Agriculture.

These Programme formats are generally carried out with an international group of



From left: Jörg Kalmbach (CDC), Karina Gabrielyan (GIZ), Dr Ronald Pschierer (DMAN)

participants. Workshop participants also discussed the importance and challenges of implementing the Programme with a focus on a particular branch or topic.

On the second day of the workshop and under the moderation of Dr Angela Leeke (GIZ) and Dr Bertram Lohmüller (Export-Akademie Baden-Württemberg), par-

ticipants examined a competence model for the MP. The goal is to develop common, international minimum requirements that apply to all applicants, which would need to be fulfilled to be accepted to the Programme. A competence monitoring procedure is to be introduced over the entire course of the Programme, and the importance of preparing participants properly in

their home countries was emphasised. From 2010 to 2012 an international working group comprising experts and employees from GIZ and representatives of foreign partner organisations and the German training centres worked on this important issue. A coordinated catalogue of key fields of expertise in the areas of corporate and cooperation management has been developed. It covers a wide spectrum from general business management to innovation and change management, and from intercultural management to presentation techniques and submitting business proposals that comply with German standards. An additional area of competence was added to the catalogue as a result of the discussion: integrated thinking and action as crucial keys to success. The competence model also offers tools for assessing how well the Manager Training Programme training goals are being achieved. This will provide an analytical basis for an ongoing process of adjustment and further development. Finally GIZ employees and representatives of the training centres talked about the practical effects of introducing the competence model. As it now stands, applicants will need to complete online checks and work on case studies after the selection interview. The final presentations on the results of training in Germany have shown great success in the past and will continue.

The working groups also dealt with the topics of Programme formats, international sector groups and the Programme module on training. They presented their results at the end of the meeting. Participants agreed that the workshop was important and useful for coordinating and continuing to improve the MP and should continue to be held every year. ■



Strengthening German-Ukrainian Cooperation

Young executives from the Ukrainian Government took part in a GIZ study and training programme over several months. Marianna Vtorushina is an employee in the Information and Public Relations department at the Cabinet of Ministers Secretariat in Ukraine. She describes her impressions of the programme in this guest contribution.

promise are crucial. The administrative system in Ukraine is complicated, its hierarchy pronounced and its regulations strict. Unconventional decision-making methods are not easy under these conditions. This means that state officials often have to reconsider processes and look at a problem from a new perspective. Therefore, Dr Aksana Kavalchuk, an expert in practical psychology, was invited from Germany to support the programme's participants. With her as their mentor, the young executives acquired creative techniques, learned how to handle intrigue and how to resolve disputes. Participants were shown that the ability to improvise, flexible thinking and willingness to innovate are essential elements of the responsibilities of experts and executives today. It became apparent that it is relatively easy to develop an interesting idea and a creative approach. You just need to know which method to use: mind mapping, brainstorming, 365 method or morphological boxes, etc.

Be Well Prepared for Negotiating

The workshop 'The Art of Negotiations' analysed ways of and strategies for handling negotiations successfully. Participants familiarised themselves with the particular features of the negotiation process with German partners. They also examined the cultural, mental and historical aspects of the different nations and their influence on the development

of the negotiation process. The bottom line is: you must be well prepared for all business negotiations, particularly if they involve partners from abroad because careless words or gestures could ruin a successful project.

The workshop 'Relations between Ukraine and the European Union: Current Challenges and Decision-Making in the EU, its Member States and Ukraine' was a challenge. Lecturer Robert Chorolski still managed to present the complex issue in a vivid and comprehensible way so that participants discovered lots of new things. They also managed to organise their newly acquired knowledge. Other components of the programme included role-plays. This also provided the possibility to get the outsider's perspective: the trainers made video recordings which were evaluated and analysed in relation to conduct and participants' answers.

A Labour-Intensive Programme in Germany

The next section, and the high point of the advanced training as a whole, was the visit of the participants to the German Government offices. All of them had spent a lot of time preparing for the trip: a special seminar was given on Germany's administrative structure, the political system and the special features of the public service. The trip, which was meticulously

planned, had a packed schedule and was labour-intensive; the organisers achieved a great deal. During their one-week stay in Germany, participants spoke to and exchanged views with experts from their respective state authorities. There were several meetings with representatives from a number of Federal Ministries: Economics and Technology, Justice, Interior, Foreign Office, Press and Information Office, Economic Cooperation and Development, Labour and Social Affairs as well as Food, Agriculture and Consumer Protection. The executives were also received by the Federal Chancellery, the Office of the Federal President, the Bundestag and the Bundesrat. It was all rounded off with a discussion with Minister Counsellor Dr Vasyk Khymynets in the Ukrainian embassy on the embassy's activities and the current trends in relations between Ukraine and Germany.

There are, of course, differences between the Ukrainian and German state structures. These experiences were important for participants, also to help them grasp that not everything should simply be copied and reproduced in Ukraine, as what works for Germans could end in a fiasco for Ukrainians.

Transparency and Openness

However, the participants could still learn a lot of useful things, for example

the transparency of the German State, which is both literal and metaphorical in the sense that German officials don't just subscribe to the principle of transparency and openness in decision-making and implementation. Their administrative buildings are actually made of glass to clearly show that the State has nothing to hide from its people! Yet another pattern of behaviour: modesty and proximity to the citizens. The offices are minimalist and they have no expensive furniture. The low number of luxury cars on the streets or beside the government offices is striking. Many officials go to work by bike. This is a norm cultivated in society, a norm for which an appropriate infrastructure was created.

The members of the Ukrainian delegation are certain that the programme was very informative, educational and instructive. Contacts made in meetings are helping establish even closer German-Ukrainian cooperation not only at government level but also at a personal level. ■

Marianna Vtorushina



Kyiv. 'The programme exceeded our expectations!' was the impression of those who participated in the 2012 Fellowship Programme. They took part in an advanced training programme in Ukraine and Germany, an impressive programme at all levels thanks to its diversity and content. The programme has been run every year since 2001. The workshops, lectures and reports cover:

- the establishment of personal relations
- the secret to efficient and productive communication
- presentation techniques and
- the art of negotiating.

In Ukraine, Dr Vladimir Lyskov presented the topics clearly and comprehensibly. He emphasised, for example, that the ability to listen and willingness to com-



Left to right: Lyudmila Shapovalova, Juri Voloshyn, Irina Martynenko



Olga Stolyar



Marianna Vtorushina



Tatyana Pedchenko



Peter Wiest, German Embassy Kyiv

Opportunities for Growth along the Volga



Kazan



Samara

Executives from four countries established business contacts in the Russian boom regions Kazan and Samara.

Kazan/Samara. Two weeks of non-stop business is what awaited the six German managers who kicked off a tour at the end of October to get to know two of Russia's most exciting business regions: Kazan and Samara located along the Volga River. Together with other executives from France, Norway and the United States, they completed the 'Fit for Business with Russia' training programme from 21 October to 3 November 2012, and enjoyed an exciting look at the world of business along the Volga.

The expectations participants had for their trip through Russia were as different as the branches in which they work. They ran the gamut from 'general interest in the regions beyond Moscow and St. Petersburg' to concrete cooperation plans. Stefan Ivanov, for example, used the trip to roll out the German-Russian 'Uralchimplast-Hüttenes Albertus' joint venture (see article on p 57). Dr Steffen Ziesche from the Fraunhofer Institute for Ceramic Technologies and Systems

IKTS in Dresden hoped to acquire a better understanding of the interplay between the private sector and government administrations. The varied programme often lasted well into the early evening. It included specialist seminars, meetings with companies, policy and administration, cooperation forums and individual company visits. This effective blend allowed participants to explore the Russian market in great detail.

In Kazan, the capital and the heart of the Republic of Tatarstan, participants learned all about one of Russia's strongest economic regions. The 'Idea' technology park, the Republic of Tatarstan's IT Park, and the 'Chimgrad' technopolis all provided an impression of the innovative and scientific potential of Tatarstan.



Company visit at aluminium manufacturer Alcoa in Samara

A cooperation forum organised in close cooperation with the CCI of the Republic of Tatarstan rounded off the visit. It provided guests with access to numerous local firms. Programme highlights included a visit to the 'Alabuga' special economic zone in the city of Elabuga and to chemical giant 'Nizhnekamskneftekhim' in Nizhnekamsk.

Kazan. The Republic of Tatarstan's economic prosperity is based on oil and gas reserves. In addition to the raw materials sector, the chemical industry, vehicle manufacturing, food processing and metallurgy are all well developed. The government's very pro-business policies, the 14 'techno parks', the Alabuga special economic zone, highly qualified skilled experts and a well-developed infrastructure all make this an interesting region for foreign companies.

Participants then travelled to the Samara region, which also offered an exciting and varied programme. In addition to meeting with the Head of the Samara Chamber of Commerce, companies from the region interested in international cooperation were also invited to take part in the programme. In the Samara Start-Up Support Centre, young entrepreneurs were available to answer questions. And at a round table with high-ranking representatives from the Samara Region

Economic Administration, roughly the equivalent of the federal states' ministries in Germany, participants learned about important infrastructure projects in the region such as the 'Zhiguly Valley' Technology Park and preparations for the World Cup, which will be held in Russia in 2018. A visit to the French-Russian Electroshield joint venture clearly illustrated the cooperation opportunities the region has to offer. The programme in Samara was rounded off by a visit to international aluminium producer Alcoa, the Technical University and individual meetings for participants with potential business partners from the region.

Samara. Samara is one of Russia's strongest industrial regions and an important hub. The area is also rich in mineral resources such as oil and gas. The automobile sector and Russia's largest automobile manufacturer 'AvtoVAZ-Lada' in Togliatti along with a well-developed supplier industry shape the regional economy. Other key branches include the chemical industry, machine building and the aerospace industry. Pro-industry policies, well-educated specialist experts and a focus on high-tech clusters and technology parks make the region attractive to German companies.

The international group headed home with many new impressions, new and useful contacts to firms from Tatarstan and Samara, and up-to-date information about the management structures and working methods of Russian companies. Norwegian entrepreneur Murshid Ali summed it up nicely: 'Now I know how Russian managers work. And I am surprised that the differences between us are much smaller than I had thought!' Steffen Ziesche's expectations were also more than fulfilled. The contacts he established during the trip will provide an excellent foundation for future cooperation in both Russian regions.

Follow-up activities began once participants arrived home: sorting through contacts, preparing for negotiations and – ideally – rolling out joint ventures. The Kazan and Samara Regional Resource Centres, the organisers on the Russian end, were very pleased with the results and are already looking forward to welcoming the next group of managers. ■

'Recognising the Signs of Change'



In his interview, Dmitry Ovodenko, Director of Samara's Regional Resource Centre, explains how the training programme for German managers in Russian regions developed and the influence globalisation has on his region.



Dmitry Ovodenko

GIZ: The training programme for foreign managers in Russian regions has existed since 2009...

Ovodenko: ... Yes, we also received our first group of German managers in Samara that year. This is how we discovered a new international field of activity because, before that, we only prepared our Russian graduates from the Presidential Programme (see also the article on page 28) for their practical training in foreign companies in Europe, Japan or the US.

Since then you have received several German entrepreneurs along with many interesting meetings.

This makes me think of a funny story: we had our second group from Germany with us at the time and some participants invited me to a meeting with three others to discuss an offer. I followed them immediately into my office and, because this is where I work, the telephones ring constantly, the door is open and someone is always looking in. Then came the moment when I answered my first phone call, my second, third – and at some stage I heard a hearty guffaw. When I put down the receiver I asked: 'Did I say something wrong?'. The answer was: 'If we hadn't attended an intercultural preparatory course we would definitely be annoyed,

but we knew that we had to expect Russian partners to make phone calls now and again during contract negotiations, and that they may sometimes conduct two or even three phone conversations at the same time. Here we got to see that this example isn't by any means an exaggeration.'

In your opinion, to what does the programme owe its success?

Apart from Moscow and Saint Petersburg, most foreign managers know hardly any Russian cities. When they visit us here they see that there is production here too and they have the opportunity to put their various business projects into practice.

What do the Russian regions get out of it?

Nowadays, the only entrepreneurs who can be successful are those who best adapt to the rules of globalisation and gain international partnerships the fastest. This is where the programme offers excellent opportunities – especially for Russian SMEs. You simply have to recognise and accept the signs of change, how quickly the world and economic circumstances can transform.

Mr Ovodenko, thank you for the interview!

A Story of Lasting Success

The Russian Presidential Programme (PP) has contributed to modernising the country's private sector by training a new generation of Russian executives. Over 73,000 young executives have participated in the programme to date. In 2012 the PP celebrated 15 years of success.



Moscow. In 1997 the new 'Presidential Programme' was launched, which was designed to help modernise Russia's economy. Its goal: to teach junior and senior executives from the formerly state-owned firms throughout the country about modern business management techniques and to translate the economic reforms to the company level. It was also intended to promote small and medium-sized companies and support the economic upswing throughout Russia. The programme helped open firms from Russia's regions to the global market by offering internships abroad for the best participants.

Fifteen years down the road, Russia has come a great deal closer to realising these

objectives. Today the Russian economy is much more diversified and competitive than it was in the mid-1990s, and the Presidential Programme played a role in this. The numbers speak for themselves:

Around 73,000 young executives from Russia have participated in the Presidential Programme to date.

to date around 73,000 young Russian executives have been trained at over 100 leading business schools all over Russia. The programme covers almost every region in the country – from Kaliningrad to Vladivostok – and tens of thousands of companies have participated. It is making a tangible contribution to the

development of the Russian economy.

The Russian Government founded the Federal Commission for the Organisation of Training of Executives to implement the PP. Regional commissions in

individual parts of the country select candidates to participate in the programme. The selection process involves the testing of candidates' motivation, language skills and specialised expertise. Training takes place at universities and institutes in the participants' region or in other regions. Many executives have the opportunity to combine the study programme with their work. Others come back from training with new ideas and projects for their companies.

Positive interim results after 15 years

The fifteen year mark for the Presidential Programme is an excellent opportunity to assess its success so far. Conferences and commemorative events were held in many regions in 2012. The highlight of the celebrations was an international conference in honour of the 15-year anniversary of the PP in Moscow at the Russian Academy for Economics on 2 November 2012. More than 700 guests participated in the Moscow event, including representatives of the regions, universities and institutions, regional resource centres, alumni organisations and alumni of the Presidential Programme; in short everyone with close ties to the programme.

At the conference, the Russian Government particularly emphasised the impact the PP has had. Ivan Lobanov, Deputy Director of the Executive Branch of the Russian Government, called the PP an important tool in the development of entrepreneurship in Russia and the creation of new jobs. Every year the programme helps create up to ten thousand new jobs.



Sergey Belyakov, Deputy Minister for Economic Development in Russia, emphasised that the PP promoted a change in mentality in the private sector and civil service.

Germany, an important foreign Presidential Programme partner

Representatives of the programme's ten foreign partners were also invited to attend. Hartmut Röben, Head of Division at the Federal Ministry of Economics and Technology (BMWi) was invited to represent Germany. In his speech he called the Presidential Programme a model project for promoting bilateral business relations. The 'German contribution to the PP', implemented in Germany as the BMWi Manager Training Programme, is seamlessly linked to the training programme in Russia. Russian alumni can apply for practical training abroad, and so far one of every two applicants who have decided to continue training abroad has chosen to come to Germany. In total over 5,000 executives have completed training in the German private sector. After returning to Russia, they have succeeded in making their companies more competitive, established business relations with German partners and founded their own firms.

Since 2006 the Russian Government has also invited representatives of German companies to participate in training at Russian economic centres under the 'Fit for Business with Russia' motto. Around 275 German executives have taken ad-



'Beneficial for Both Sides'



In an interview on the occasion of the 15th anniversary of the Russian Presidential Programme for the training of executives, Andrey Fedorov, Chairman of the Federal Resource Center, explains how Russia's economy has changed in the meantime – and with it, the programme and its significance for the country's business culture.

GIZ: Mr Fedorov, 2012 marks the 15th year of the Presidential Programme. What were the goals and tasks in mind at the time of its establishment, and what importance was attached to the programme in the course of the years since then?

Andrey Fedorov: Since the start of the programme in 1997, Russia has taken huge steps away from a socialist planned economy to a market economy. Correspondingly, we were faced with the considerable problem of qualifying personnel to meet the requirements. That was the reason why Boris Yeltsin, at that time President of the Russian Federation, established a state programme for training

executives in order to organise domestic industry. The programme was primarily directed at managers from the middle and upper management levels working in existing companies. They needed to acquire management knowledge and competencies in order to steer their companies through turbulent times and increase efficiency, first in their own enterprises and then also in the entire Russian economy.

What significance does the Programme have in the Russian Federation?

It is undoubtedly one of the most comprehensive programmes, perhaps even



► vantage of this opportunity and established business contacts with companies, administrations and political entities. The programme has thus become a true exchange programme. Hartmut Röben viewed this as proof of an equal bilateral partnership. The years of close cooperation with alumni organisations in many regions of the country are also an important element of the programme. Germany is the largest and most important foreign Presidential Programme partner. Additional foreign partners that offer training for PP alumni include Japan, the Netherlands, Finland, France, Norway and the USA.

At the conference Sergey Belyakov underlined Germany's role in the PP: 'I am grateful for our work together. Germany is our most important partner in Europe.' Galina Mahakova, Head of Department at the Russian Ministry for Economic Development and responsible for implementing the PP, emphasised that the PP is the only Russia-wide programme that has been around for 15 years. At the conference she announced that, thanks to the exceptional results regarding development in the regions, the Presidential Programme would continue in the future. ■



► the most comprehensive programme, for training executives. This is reflected in the interest shown by the regions, the regional governments and the respective local business enterprises.

Looking back, what role did the Presidential Programme play in the development of the economy and business culture in Russia?

Our annual meetings with representatives of the regions, the universities and business show that the level of competencies among skilled experts has been raised and economic development as a whole accelerated through the Presidential Programme. With the aid of the Programme, we have trained a large number of executives who possess the knowledge and competencies needed to lead a company and who are able to communicate with business partners at home and abroad. Feedback from our foreign colleagues who offer our alumni practical training abroad confirms this. During the past five years, the level of the management style and business culture in Russia has been raised considerably.

Germany is one of the partner countries of the Presidential Programme that offers practical training abroad for Russian executives. What is your opinion on the cooperation?

Germany is the most important partner of the Presidential Programme with regard to the number of practical training opportunities for executives: more than 4,500 Russian alumni have already been to Germany! In return, over 275 German managers have visited the Russian Federation. This year, we are celebrating the 15th anniversary of the cooperation with Germany within the framework of the programme. I think the success is due to the strong political support and the pragmatic approach on the German side. And, naturally, individuals also play an important role: for instance, Dr Gerd Schimansky-Geier, who led the Programme on the German side for many years, was very committed to the development of our partnership. Regular consultations within the scope of the German-Russian Steering Committee are a further success factor. Here opinions can be exchanged, questions discussed con-

cerning modernisation, and plans made for the future.

Has the cooperation between German and Russian companies within the framework of the Presidential Programme changed during the years of its existence?

During the first ten to twelve years, Germany supported us with humanitarian aid with an emphasis on goods and education. At that time, Russia was seen more as a recipient of goods and services. The economy was poorly developed, and there were fewer opportunities for extensive cooperation. Since 2010, the emphasis has moved to economic cooperation. This process is beneficial for both sides. Now, companies in both countries are cooperating more closely and even conduct joint research. In this way, we have generally reached a higher level of cooperation.

What is your assessment of the prospects of the Presidential Programme for the coming years?

At the celebrations for the 15th anniversary of the Presidential Programme, the Ministry of Economic Development of the Russian Federation as the state supporter emphasised the necessity of the programme, which meets with support in all regions of the country. All are of the opinion that the programme is necessary and should be continued. At the same time, it is clear that it needs to be modernised. The priorities for the next two years were announced at the committee meeting in April 2012: more project-oriented formats and modern methods for conveying content. In addition, we want to involve entrepreneurs and executives with practical experience more intensely in the programme. Besides that, our aim is to expand practical training abroad according to the priorities of the partners both in the Russian Federation and in the other countries. We are grateful to our colleagues abroad, and particularly those in Germany, for their active participation in these processes.

Mr Fedorov, thank you for the interview!



Day of German Business in Turkmenistan

The Day of German Business in Turkmenistan attracted German representatives and numerous local businesspeople.



Ashgabat. The Day of German Business in Turkmenistan took place in Ashgabat on 21 November 2012. It was already the second event of this kind and the organisers, the German Federal Ministry of Economics and Technology (BMWi) and the German Business Association for Central Asia intend it to become one of several business days regularly taking place in the region.

The event had several main themes. They included experience reports on business and investment opportunities in Turkmenistan, matters concerning financing possibilities for German exports and investments, energy and education and training measures as the key to economic development. These contributions were met with interest, not only from the representatives of the ministries and associations. German companies already in Turkmenistan took the opportunity to draw attention to their offers. Other German manufacturers and service providers sent employees to Turkmenistan for this event with the aim of sounding out their chances on the market there. The range of industries represented was relatively broad, with companies from the mechanical engineering sector in-

cluding manufacturers of agricultural machinery, the transport and logistics sector, medical diagnostics and from trade and services. Besides the exchange of opinions and information on the mentioned subjects, the Business Day provided an opportunity for making contacts. A number of German companies had set up stands for that purpose.

The Manager Training Programme of the BMWi was also included in the Business Day. Dr Angela Leeke, project manager at GIZ, introduced the Programme in her speech, and 20 alumni from the Programme took the opportunity to establish contacts with German companies. Among them was the scaffolding company Wilhelm Layher GmbH & Co.



KG represented by Viktor Klein. This manufacturer of high-quality scaffolding systems has a market share of over 60 per cent in Germany. In Ashgabat, Klein conducted negotiations with the building contractor Ishanguly Faysullaev, who has already participated in various GIZ after-contact events in and outside Turkmenistan.

Two further events took place close to the date of the Day of German Business. The agricultural machinery manufacturer CLAAS opened a training centre in Ashgabat to offer Turkmen farmers comprehensive information on the optimal use of the machinery. For example, the export of machinery is accompanied by the training of technical employees.

The consulting company COMMITT organised a trip for 21 German company representatives on behalf of the BMWi. In addition to the Day of German Business in the capital Ashgabat, the programme for this group included a visit to the port and industrial hub Turkmenbashi on the Caspian Sea and a meeting with Basimmyrat Hojamammedov, the Turkmen Minister of Economy and Development. ■

Training Executives from Regional Economic Administrations in Ukraine



In contrast to the other partner countries, the Manager Training Programme (MP) in Ukraine is supported with two partial programmes for special target groups. One of these programmes trains management trainees from the Ukrainian Government (see article on page 24). The other programme is directed at the regional economic administrations in Ukraine, which are comparable with the ministries of economic affairs in Germany's federal states. About 200 participants from almost all Ukrainian regions completed this programme for 'the training of executives from economic administrations in the Ukrainian regions'.

At the end of last year, the programme successfully came to a close with a conference in Kyiv. The programme was co-ordinated by GIZ in cooperation with the German Federal Ministry of Economics and Technology (BMWi) and

the Ministry of Economic Development and Trade of Ukraine. The conference in Kyiv served to document the results in the pilot regions. Besides the programme participants from ten Ukrainian regions, the conference was also attended by Elena Nizhnik, Director of the Department for Regional Policy and International Cooperation within the Ministry of Economic Development and Trade of Ukraine, and GIZ project manager Isolde Heinz. The successful cooperation is documented in numerous projects within the framework of the programme.

Particularly in the past two years, the executives from regional economic administrations were supported in carrying out important activities in their respective regions. In the course of the decentralisation of the administration, the government requested the Ukrainian regions to develop and implement their own strat-

egies for gaining investors. The objective is to position them among national and global competition through professionalised location marketing/branding. Based on this, pilot projects were started with the aid of the programme in selected regions of the country and implemented with experienced experts from Germany and Ukraine in cooperation with the representatives of the regional economic administrations. The common denominator in all projects was the development of a strategy for marketing the region and increasing its competitiveness. Three example projects are described in detail below:

Poltava

The project participants from the region of Poltava determined two focus industries: The automotive industry and agriculture. Dmitry Leta has been actively involved in the project since 2008. He helped to build up the 'Regional Centre for Investment and Development', the agency for the economic promotion of the region of Poltava, and took over its management in 2010. Both the strategy for gaining investors and the presentation materials for the marketing of the region were drawn up through the programme. The reward: two investment agreements signed in 2012. His vision is for Poltava to become a key player in the automotive industry. GIZ helped establish contact with N-Global, the foreign-trade support institution in Lower Saxony, and WOB AG (Wolfsburg). Sights are set on a business trip to Poltava for component suppliers for the automotive industry.

Furthermore, the economic administration of Pyriatyn (region of Poltava) started an image campaign in 2011 to make the producers of foodstuffs in the region better known nationally and internationally and to establish them as a mark of quality. The campaign is titled 'Pyriatyn Basket' and goes back to a similar marketing tool from Lower Saxony, the so-called 'Niedersächsische Genussbox' (an assortment of regional quality products). The 'Pyriatyn Basket' gives potential business partners, including those abroad, an exact idea of the economic possibilities and resources in the region. The pilot phase was successfully completed. As a second step, the working group 'Pyriatyn Invest' was established and entrusted with the expansion of



the campaign. Irina Soldatova, head of the department for economy and infrastructure in the district administration of Pyriatyn in the region of Poltava sums up the programme: 'The application of new control and planning tools was a challenge for us. We had to break out of familiar thinking patterns. The project participants can well remember how strange they found the procedure in the beginning: the objective strengths/weaknesses analysis of the region's resources, value



creation chains and the identification of unique features that distinguish us from other regions. We overcame all of these difficulties and eventually were able to create a basis for investment projects and adapt to modern methods of communicating with our investors. We organised a series of presentations on the location as well as business meetings.'

Khmelnyskyi

To learn from the experience and the knowledge of professionals and use it to create modern tools for increasing the competitiveness of their region – that was what the executives from the economic administration in the region of Khmelnyskyi wanted to achieve. 'The comprehensive European approach to location marketing is reflected in the strategy paper on the regional development of the Oblast Khmelnyskyi for the years 2011–2020 and the implementation plan for the years 2011–2014. There are special projects for creating a positive image for the region, both for investors and consumers. The image campaign includes the development of a trademark. In this respect, the participation in the GIZ project came just at the right time and was extremely productive,' stresses Mariya Khomenko, first deputy head of the economic administration of the region of Khmelnyskyi.

The concept of a trademark for the region was worked on within the scope of the project. An initiative group with 20 participants presented a concept for the regional trademark for the Oblast Khmelnyskyi and drew up a suggestion for visualisation and a logo. Further steps

were set out on this basis to establish the region of Khmelnyskyi as a trademark throughout the country.

'The participation in the programme was a special addition to the professional careers of all the participants. The project participants experienced the wisdom of the old business saying that 'good relations are everything' first-hand. Thanks to the GIZ project, they have really become like-minded and have established a Facebook group. This circle of people who found each other through the project is a unique social group; all members have a common interest and are following a common goal: to help their home regions flourish. 'Without a doubt: the completion of the project does not mean we will lose touch; we have learned to appreciate it even more,' project participants Viktoriya Parkhomec, Tatyana Pshedzyl and Aleksandr Kryzhanovsky from the region of Khmelnyskyi stress.

Feodosia

For the city council of Feodosia, situated on the picturesque Black Sea coast, the most important aspect was developing measures to extend the tourist season. The idea of having a wine festival was developed as a practical example within the scope of a pilot project. The event was intended as a tool for promoting regional economy. The city council of Feodosia has already invited citizens, tourists and wine producers from Ukraine and abroad for the second year running and has been successful in marketing itself as a wine and tourist location. In the Crimean competition 'Success of the Year' in April 2012, the 'WineFeoFest' in Feodosia was awarded the second prize in the category 'Best Image Project'. A handbook on the subject of 'event management as a tool for marketing and regional economic promotion' will be published this year. The processed results of the pilot project are recorded in it in order to share its success story with other interested regions. ■

Eugenia Strube

www.facebook.com/groups/122292944597716/



In Focus:

The Health Sector

The German Government is increasing the efficiency of the German health sector – with the aim of ensuring domestic supply and contributing to the development of global healthcare provision.

Health – An Export Boom



Berlin. Germany has one of the world's best healthcare systems. Those covered by health insurance in Germany benefit in that they can freely choose the doctor, the hospital and the health insurance scheme that they trust. They know that everything that is medically necessary is undertaken for the sake of their health. Patients appreciate the German healthcare system, as do many foreign governments. The latter rely on German know-how to help with the creation and development of their healthcare systems because it has been proven time and again that a functioning healthcare system provides social security and satisfaction.

Despite all this praise for healthcare in Germany, challenges are also easy to spot. Its ageing population and progress in medical technology require a more efficient use of medical resources. For the good of the patients and those insured, the healthcare system is therefore moving towards more competitive systems. Germany is gaining experience from further developing its healthcare system and other countries that intend to carry out the same developments will benefit from this in the future.

International Recognition for the German Healthcare Industry

The German health sector is granted a key function in this process. With their high levels of innovation and excellent quality, the manufacturers of healthcare products and providers of healthcare services are making a significant contribution to maintaining a financially feasible and efficient healthcare system in Germany. The German health sector is a success story. It doesn't just prove its efficiency at home; it has also been doing so abroad for decades. It has therefore been a driver of growth and employment for the German economy. The health sector contributes more than ten per cent of Germany's annual gross value added. Every seventh member of the working

population is employed in the industry. In this way, the healthcare industry also makes a significant contribution to economic prosperity.

In addition to approximately 2,000 hospitals, practitioners and health insurance firms, the health sector also includes companies. Their innovations from medical technology, as well as pharmaceutical and biotechnology, play an important role. All three sectors are recording annual increases in turnover, not least as a result of their product development. What is impressive is the pace of innovation; products that are less than three years old generate about a third of the turnover in medical technology.

Another driving force behind the success of medical technology is the many small and medium-sized enterprises (SMEs), which, along with some large-scale enterprises, form the innovative backbone of the sector. Thanks to their ingenuity, diligence and reliability, they create extremely innovative products that

are in huge demand worldwide. With an export share of almost 70 per cent, German medical technology manufacturers are often at the top of the international market. These champions played a decisive role in the creation of German engineering's excellent reputation. Therefore the German Federal Ministry of Economics and Technology (BMWi) made 'Health- Made in Germany' the umbrella brand for its health sector export initiative. The objective of this export initiative is to use transparent information to bring German exporters of health sector products and services closer to their customers and potential customers around the world.

Last year approx. one in every six euros in the health sector was generated abroad, and global demand remains high. This is why the health sector export initiative is closely linked to Germany Trade & Invest's network of correspondents, as



Health
made in Germany

► well as the German Chambers of Commerce abroad. It also adds to the support measures, which have been successfully implemented for years by BMWi to promote foreign trade. These include, for example, programmes to open up markets as well as participation in trade fairs abroad.

An important part of foreign trade promotion is the Manager Training Programme (MP). It serves to specifically familiarise foreign managers with the economy and culture of Germany through a sponsored trip. The contacts made in the Programme often develop into deep ties, which benefit both sides. For two years, special training programmes have been provided for managers in the health sector within the framework of the MP, and these programmes visit German clinics, medical technology manufacturers and other companies in the German health sector. Demand for these special programmes is so high that they are constantly being expanded.

Sharing Success with Other Countries

Innovations from Germany are not brought about by strokes of luck or coincidences but by strategy. The three main factors for success in boosting innovation in Germany are improving competition in the economy, increasing the efficiency of the health system and developing innovativeness in research, as the national strategy process 'Innovation in Medical Technology' has shown. A favourable national environment for innovation also requires extensive cooperation from the political administration.

Therefore, the different Federal Ministries in Germany work closely together, including the Federal Ministry of Economics and Technology, the Federal Ministry of Health, the Federal Ministry

of Education and Research and the Federal Foreign Office. This enables the co-ordination of work aiming to boost the health sector to make the performance levels of participating companies as efficient as possible.

With an export share of almost 70 per cent, German medical technology manufacturers are often at the top of the international market.

The health sector's role is to provide a service. Lots of people around the world want to be protected from illness and – in the event of illness – they want a cure or at least to have their suffering eased. Germany has managed to create an excellent, innovative health-care system for the whole population. The German health sector can, and should, share a piece of this success with other countries through its products and services. ■

Christian Lipicki / Dr Hilda Joffe, BMWi

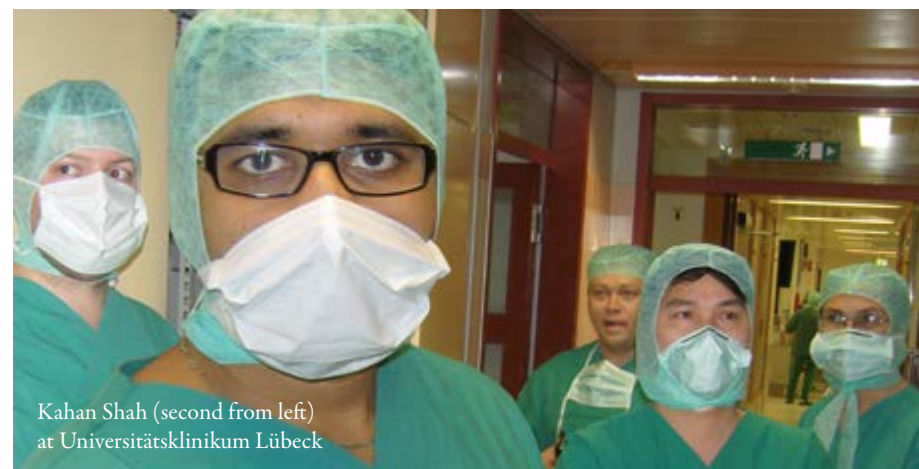
More on the BMWi Export Initiative's umbrella brand at: www.health-made-in-germany.com

Managers from Six Countries with Abundant Team Spirit



In November, COGNOS International played host in Hamburg to a multinational group from the health care industry within the scope of the Manager Training Programme (MP) for the first time. The 20 participants were from Belarus, India, Kyrgyzstan, Russia, Uzbekistan and Viet Nam.

Hamburg. In addition to doctors and specialists from hospitals and clinic management, the group also included representatives from production companies from the fields of biotechnology and medical technology along with medical technology wholesalers and IT service providers. The industry-specific international approach is a further development of the existing cross-industry national groups. 'The participants motivated one another and hit it off from the outset. The fact that we conducted intercultural training at the start of the Programme helped them to focus on the common attributes rather than the differences among the participating nations. This social and intercultural learning within the group is an important new component that will greatly enrich the Programme,' explains COGNOS project manager Dr Julia Moritz.



Kahan Shah (second from left) at Universitätsklinikum Lübeck



Please DO touch! – Medical equipment in Otto Bock Science Center in Berlin

Medical technology at Otto Bock in Berlin and Dräger in Lübeck

At the Otto Bock Science Center in Berlin, participants experienced either a virtual tour of the town centre or real-life basketball game in a wheelchair. The bionics company focuses on practical high-tech mobility: experimentation is explicitly encouraged. The Science Centre draws attention to the issues of people with restricted mobility while at the same time showcasing the possibilities of modern-day medical technology. The building, which has a view of the Brandenburg Gate, catches the eye with its façade that was inspired by muscle fibres. Otto Bock was established in Berlin in 1919 and today coordinates its business relations with customers from around the globe from Duderstadt in southern Lower Saxony. During their visit, it became clear to the health care managers that despite all the technology, the focus remains firmly on the people.

According to the motto 'Technology for life,' Dräger from Lübeck in north Germany focuses on medical and safety technology, whereby two thirds of company turnover is generated with medical technology. The portfolio includes everything from firefighting equipment to incubators for premature babies. During their visit, the group learned about the history of the 120-year-old company as well as about its current production. The health care managers inspected the quality control system for anaesthetic equipment, which includes a test centre. They were

amazed at just how many of the ultra-modern pieces of equipment are still assembled by hand. They subsequently saw the anaesthetic equipment in use at the university clinic, and learned how closely the doctors work with Dräger – always aiming to enhance the equipment. One intercultural highlight was the trip to the traditional Christmas market in Lübeck's old town, where the participants sampled Lübeck's famous marzipan.

Meet and network with colleagues at cooperation exchanges and at Medeca

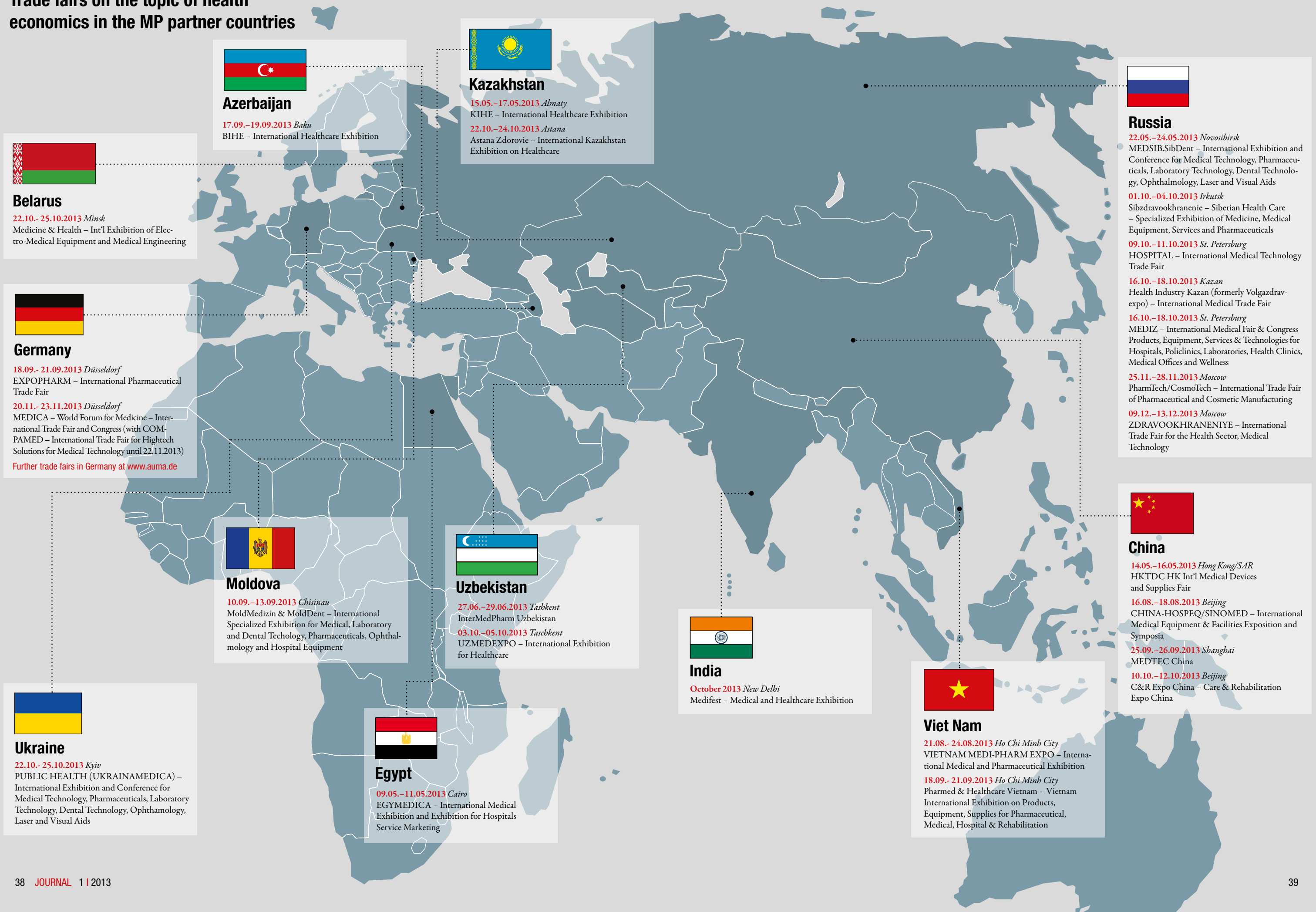
In addition to group visits to manufacturers of medical equipment and clinics in which day-to-day usage could be observed, the itinerary also included individual company visits. Particularly the contact with German small and medium-sized enterprises (SMEs) proved interesting for the participants, as they often are not represented in their home countries. Some had already researched their desired contacts online in advance, and the individual visits were arranged by COGNOS. In Hamburg and Berlin, cooperation exchanges with German companies from the health care industry were arranged specifically for this group. One advantage of the cooperation exchanges with international groups is that the German companies not only meet participants from one single country but are able to cover several different markets at once in an afternoon. This is particularly interesting for SMEs, which do not have the capacity to attend many different networking events. For ex-

ample, DST Diagnostische Systeme & Technologien GmbH, a manufacturer of in-vitro diagnostics for food intolerances from Schwerin, was able to speak with potential sales partners from Viet Nam, India and Belarus during the cooperation exchange in Hamburg.

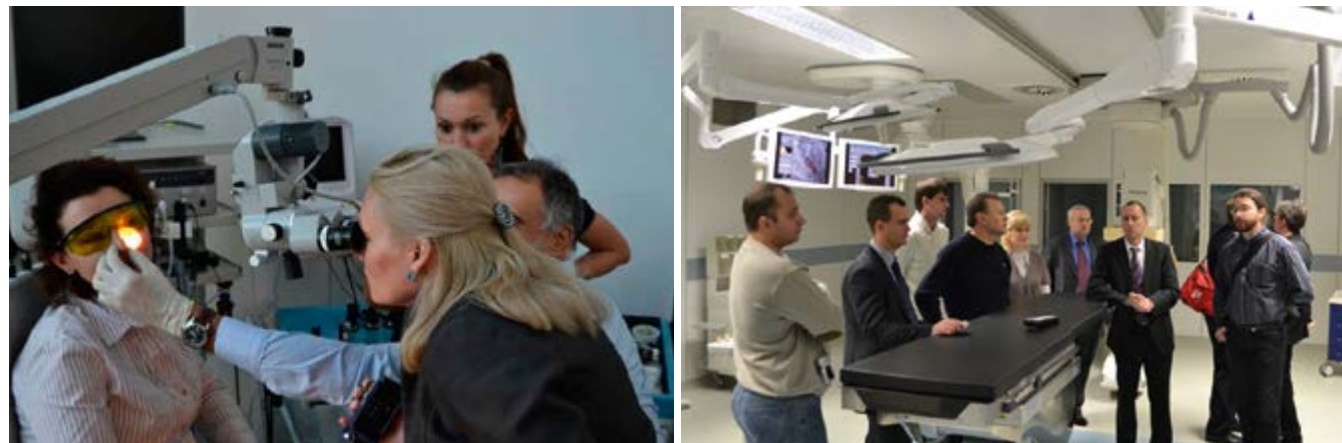
The health care managers were able to establish myriad new contacts during the two-day Medica international trade fair in Düsseldorf, which is the largest event in the world for the medical industry. Kahan Shah from Ahmedabad in western India found that good preparation was particularly crucial for such business contacts. He is the Marketing Director at Kensure Healthcare, a provider of medical technology for laboratories and blood banks that focuses on quality and service. To prepare for the events, he delivered a short presentation about his company, which was extremely well received by the German companies present. He said, 'When you are successful in your home country, it certainly does not mean that this will also be the case in another country. The German approach to business is very different to that in India. Thanks to the preparation provided in the Programme, I did not encounter any intercultural difficulties.' Sheenu Jhawar, who runs several hospitals in Jaipur in western India, advocated for the training of Indian doctors in Germany. 'The education is first-class and the students familiarise themselves with German equipment, which is then often used in India as well.'

Despite all the differences, the atmosphere and team spirit within the international group was excellent. During an evaluation, the participants emphasised just how much they had learned from one another. Another positive side-effect was the establishment of business contacts among the participants from different countries. Shah reported of business plans with Programme participants from Russia and Viet Nam, for example. The group grew so close during the four-week stay in Germany that they plan to meet up again in India at their own expense at the end of 2013. Until this time, they will remain in contact via their own Facebook group, '1st-International-health-care-group-for-Cognos'. ■

Trade fairs on the topic of health economics in the MP partner countries



International Exchange on Health Management



Executives from Russia and Kyrgyzstan attended training in Germany with a focus on the health sector from 6 November to 1 December 2012, where they learned a great deal about health management in Germany and innovations in healthcare. Valuable contacts and business initiatives rounded off the experts' trip.



Stuttgart/Berlin. 'It's a rare occasion for doctors and economists to have such lengthy, productive discussions,' remarked a Russian participant with a wink at the end of the seminar entitled 'The Health Sector in Germany', which took place at Baden-Württemberg International (bw-i) in Stuttgart on 12 November. Speaker Heiko Schellhorn returned the compliment and was impressed by the great interest shown by the participating executives from Russian and Kyrgyz hospitals and other medico-social establishments. The economist, who focuses on the health sector, and who, among other activities, advises international medical technology and pharmaceutical firms, rarely gave seminars lasting a whole day where the audience remained so engaged right till the very end. There were several questions and discussions, which

brought the numbers and statistics to life. The seminar gave an overview of the German healthcare system and served as preparation for later visits to clinics and medical technology companies. Altogether, the group comprised 21 executives, 18 of whom came from different regions of Russia, and three from Kyrgyzstan. On the German side, 80 companies and hospitals from eight German regions were involved in the Programme.

Similarities in the Healthcare Systems – with Significant Limitations

It was essential to carry out a comparison of healthcare data at the very beginning. In some areas, the structures of the Russian and German healthcare systems are similar. The number of doctors per 100,000 residents is 36 in Germany; in

Russia it is a little higher at 43. The number of hospital beds per 10,000 residents is also not remarkably different: in Germany it is 82, in Russia 97. However, concrete figures on healthcare expenditure show wild fluctuations: Germans pay USD 4,219 per person, a Russian patient only pays USD 1,043 – in Kyrgyzstan only USD 148. Schellhorn explained these figures extensively and discussed them with the international guests, as well as the complicated network of health insurance schemes, associations of statutory health insurance physicians and state regulators as the most important players in the German authorities.

As the participants from the industry group 'Health Sector' mainly consisted of chief physicians and clinic heads from Russia and Kyrgyzstan, German experi-

ences in the field of funding healthcare services were of interest:

- How is the price for treatment in hospitals calculated?
- In general, how is the duration of stay worked out?
- How are patients treated who have no insurance and therefore cannot pay for the required treatment?



SMEs as the Backbone of German Medical Technology

During the one-month trip, the whole group visited twelve of these SMEs. The number of individual meetings was much higher. Giants of the industry like Drägerwerk, Erbe Elektromedizin and Karl Storz GmbH were also part of the programme and impressed participants with their technologies. Then there were new discoveries like the firm Optimed with products for minimally-invasive therapies.

A highlight of the Programme was the one-day visit to the trade fair MEDICA in Düsseldorf, the biggest event in the world for the medical industry. The Programme participants were not only satisfied with the high number of business contacts they made; they were especially pleased with the high quality of these contacts. During their stay in Germany, several trade negotiations were initiated, invitations were issued, pre-contracts drawn up and concrete follow-up meetings were planned with German companies. In the opinion of both partners, the future cooperation holds significant potential. From technical amendments and medical exchange to joint scientific projects, the opportunities for cooperation are highly varied. ■ Verena Freynik

Insight into the German Healthcare System



Olga Gilyova, Editor-in-Chief of the magazine 'Rossijskij Lider', came to Germany with an international group of 21 doctors who were in Baden-Württemberg at the end of 2012 for training focused on the healthcare industry. In her guest article, she outlines the participants' impressions.

Stuttgart/Berlin. During our training, we had the opportunity to get to know German companies from the healthcare industry and we also gained insight into the history, economy and living conditions in Baden-Württemberg, one of best-performing regions in Germany. In clinics in Southern Germany, as well as in Berlin, Brandenburg, Bernau, etc., the executives from Russia and Kyrgyzstan learned about logistics, rehabilitation structures, IT and image management. The intensive work done during our stay and the results of this work are a clear indication of the need for continuing cooperation between the countries. 'Issues concerning the healthcare system in Germany are not all that interest us,' said Olga Beryosikova, Chief Physician at the Kemerovo region's state-run hospice. 'For example, we learned about intercultural relations in another country. The expertise and experience we acquired in Russia can be compared tangibly to this new knowledge. This allows us to use new technologies and management tools in our own field of work.' According to Igor Patshgin, Director of the Compulsory Medical Insurance Fund in Kemerovo: 'This trip is the perfect culmination of the Presidential Programme. Firstly, we acquired knowledge, then, we saw how this is implemented in practice. In addition, thanks to our management experience, we can gauge what we could take on from abroad and how we can develop what we already have.'

Participants also benefited from the international nature of the group. 'This trip gave me a valuable opportunity to exchange ideas and experiences with my colleagues from Russia,' reports Zhyldyz



Abdubaliyeva, Deputy Director of the children's clinic in Osh in Kyrgyzstan. 'On comparing our healthcare programmes, I discovered many similarities. However, the healthcare system in Germany is completely different. Not everything could be introduced in Kyrgyzstan but there are interesting elements.'

The value of such cooperation cannot simply be measured in newly-acquired knowledge, initiated contacts or economic factors. Each of us got to know Germany and its people better during our trip and we learned how to better understand them. The friendliness and openness of the organisers, the host entrepreneurs, the trainers, and even the people on the streets and in hotels and shops touched our hearts. ■ Olga Gilyova

Emil Samedov brings cutting-edge medical technology and German business culture to Azerbaijan by conducting business with German specialised medical companies.



Emil Samedov (second from left) with employees from Medisis LLC in Baku

Baku. 'The German medical technology market is the biggest in Europe and the third biggest worldwide. Alongside large corporations, there are also a huge number of small and medium-sized enterprises whose products we find particularly interesting. I wanted to establish contact with them,' explains Emil Samedov, Executive Director of the Azerbaijani

with German companies,' reports Samedov on his experience.

Exclusive Contracts with Leading Firms

He managed to achieve his goal of signing exclusive contracts straight away with three German firms. He established partnerships with Endo-Flex GmbH, a

W. Söhngen GmbH has also intensified and stabilised. 'By taking part in the Programme I managed to increase the share of German products in the product range from 0 to up to 20 per cent in parts. This also had a positive effect on sales figures, which have risen by some 10 per cent since 2010,' Samedov says proudly.

Integrating Elements of German Corporate Culture

A successful entrepreneur thinks globally. 'We don't want to only import German medical technologies to Azerbaijan, we also want to find out how we can integrate elements of German business culture into our company'. The MP's practice-based advanced training modules helped him to achieve this. Samedov is happy to share the secrets to his success with future participants: 'Write down your actual goals beforehand. Research the German companies that interest you online, contact them in advance and draw up a plan for the month to make the most of your time in Germany. Every minute can be as valuable as a diamond.'

At the end of 2012, Samedov attended the international MP alumni conference

Partners with Commitment

Medisis LLC. The company was founded in Baku in 2005 and sells medical products required by hospitals, laboratories and doctors' practices. In doing so, Medisis depends on quality products from abroad, which up until 2010 they obtained from Turkey, the EU and other countries. As they intended to add high-quality products from Germany to their portfolio, the managing director of the small firm participated in the Manager Training Programme (MP) run by the German Federal Ministry of Economics and Technology (BMWi) in the summer of 2010 in Germany. The month-long training course was conducted by the Cologne Training Centre Carl Duisberg Centren GmbH. 'I was delighted to be able to speak English everywhere in Germany and be understood. Complemented by interactive and practice-based training events, the Programme helped me to create reliable and strong contacts

producer of endoscopy instruments from Voerde in the Lower Rhine area, Zimmer MedizinSysteme GmbH, a manufacturer of innovative diagnostic and therapy technology from Neu-Ulm, and AAP Implantate AG, which produces biomaterials and orthopaedic implants in Berlin. Samedov landed W. Söhngen GmbH from Taunusstein-Wehen in Hesse as a supplier of first-aid products.

Cooperation with partners in Berlin developed at a particularly intense pace. A few months after the training, Samedov came to Germany once again and took part in the Berlin firm's training programme for production. In September 2010, Medisis presented selected products by its new partners at the international medical trade fair in Baku. Cooperation has grown in recent years and Medisis is now an exclusive partner for the distribution of biomaterials in Azerbaijan. Cooperation with

in Kazakhstan along with nine other graduates of the Programme from Azerbaijan (see article on page 46). Making contact and exchanging with other alumni was particularly useful for him. Just as important were his newly-acquired know-how and ideas developed at the conference. He maintains the contacts he established in Almaty through a group on a social media network.

In the coming years, the manager intends to continue developing his company, to increase its number of employees and to expand the product portfolio. Features of German business culture such as punctuality, time management and promoting employee qualification are important to him in this work. ■

Karin Weber

www.facebook.com/groups/548211598538616/

Health Sector



Vitamins for the Export Business



In its role as a central point of contact, the Health Sector Export Initiative supports German entrepreneurs in tapping new markets in the growing healthcare market.

The prognosis looks good: If current trends continue, the worldwide healthcare market will grow from almost USD 6 trillion today to USD 20 trillion by 2030. More and more people are spending more and more money on their health, which means that this market is developing more than other industries. Demographic changes and technological advances also play a role. In the ageing societies of the Western industrial nations, the need for medical products and services is growing. At the same time, lifestyle diseases and chronic diseases are becoming more frequent in emerging countries and German companies have been specialising in these diseases for decades.

As one of Germany's most important industries, companies in the health sector account for ten per cent of the gross domestic product. It is one of the biggest employers, accounting for 13 per cent of employment. There is still a lot of untapped potential in exports. In 2008, the share of the health sector in all German exports was just six per cent.

This is where the German Federal Ministry of Economics and Technology's Health Sector Export Initiative comes in. Firstly, all German foreign trade promotion activities are centrally integrated and pooled (see box on the right). The export initiative markets Germany as a location for quality and innovation under the slogan 'Health – Made in Germany'. In addition, it initiates and coordinates flanking political measures to improve basic conditions on the mar-

kets. Germany Trade & Invest is responsible for its implementation. The focal point of the initiative is the bilingual internet portal www.exportinitiative-gesundheitswirtschaft.de, which provides a broad range of information and services. Market studies on target markets worldwide examine political and economic conditions. An event calendar, as well as points of contact in ministries, Bundesländer and associations, offer additional assistance. ▶



Dilraba Kasimova (left) from Uzbekistan at Universitätsklinikum Leipzig

► On the English language internet portal www.health-made-in-germany.com, foreign customers, partners and opinion leaders learn why it's worth cooperating with suppliers from Germany. Four working groups implement an array of individual projects, which involve 14 associations from the pharmaceutical industry and medical technology, medical biotechnology, telemedicine and healthcare services.

For example, the working group sets up medicine projects for the growth markets of the Russian Federation and India. The Russian healthcare market holds great opportunities for the German pharmaceutical industry. In the past, the Russian

administration often surprised German companies with orders at short notice, which weren't always easy for them to manage. With support from a Russian market research company, an early warning system has been successfully established. A newsletter in Russian and German informs German pharmaceutical companies about legal changes. It promptly explains new regulations in the Russian medicine wholesale trade, as well as accreditation and refund procedures.

In India, preferential treatment for domestic producers, as well as issues regarding patent law present a problem. Therefore, the initiative has set up a German-Indian

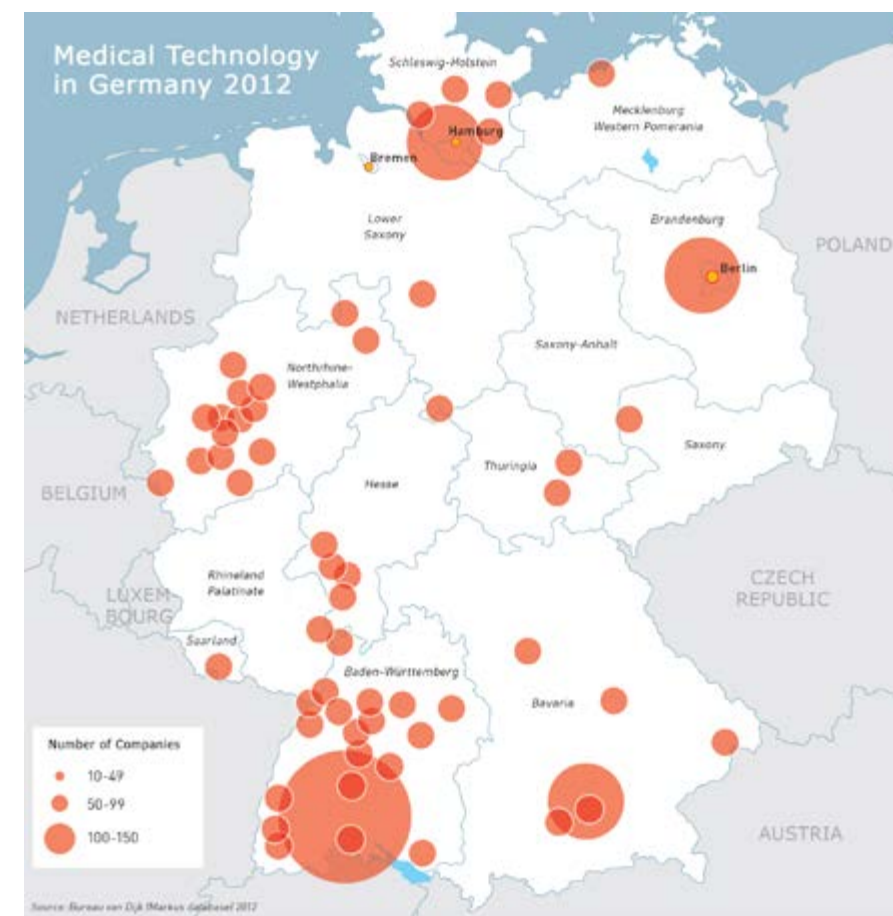
dialogue on pharmaceuticals. Industry representatives from both nations discuss the opportunities and difficulties in the Indian market with local government representatives. Examples of best practice should pave the way towards successful cooperation. One of the focuses of the working group on medical biotechnology is the contract manufacturing of biopharmaceuticals. Germany, with a fermentation capacity of 675,000 litres, is its most significant manufacturer in Europe. In order to first present all German bio-manufacturers and their fermentation capacities, the export initiative has compiled a company directory and marketed it internationally at trade fairs. ■ Jürg Beutler, GTAI

Medical Technology: Germany Companies Show Off their Strengths



Germany is a leader in the industrial health sector in Europe and globally the second most important producer of medical technology after the USA. Around 11,000 companies employed over 175,000 employees and achieved turnover of 22.2 billion euros in 2012. This represents a 27 per cent increase over the last 6 years, growth based on positive development in international sales. With an export share of around 68 per cent, this plays a very important role.

And there are positive signs that the export market will continue to expand, as emerging economies work to catch up and fulfil their great need for medical care. They have recognised that health says a lot about the condition a society is in and vice versa. Health is also an indicator of a transition from the traditional to the modern. Many of these nations are seeing an emerging middle class that is increasing expectations of technology at home. Governments are also starting to understand that a healthy population that can work longer helps to make a country more competitive and peaceful. Countries such as Saudi Arabia as well as tiny Tunisia are acquiring modern medical technology in their bids to become destinations for health tourists in areas like wellness and cosmetic procedures. This means that companies interested in exporting their products have to stay on top of global development and calls for bids. Russia offers an excellent illustration of how rapidly the market can change: in 2010 53 per cent of all the equipment in public health care institutions was assessed as outdated. Therefore, in 2011 3,600 health care institutions were fast-tracked for renovation and the



medical technology inventory in 5,500 of a total of 9,000 clinics was partially or completely replaced – a process that continued in 2012.

Medical technology market in millions of USD, selected countries, 2011

Country	Market size ¹⁾	Imports from Germany ²⁾
China	20,766 ³⁾	1,423 ³⁾
Russia	4,892	1,033
India	1,466 ⁴⁾	317 ⁴⁾
Kazakhstan	514	88
Ukraine	670	73
USA	120,684	4,631

¹⁾ Local production plus imports minus exports

²⁾ Product groups according to HS codes: 9018.11 to .20, 9022; 8419.20, 8713, 9018.41, .49, 9018.31 to .39, 9018.50, 9018.90, 9019, 9020, 9402, 9021

³⁾ Only available for 2010

⁴⁾ Product groups according to SITC codes

German firms are well ahead of the pack in exporting x-ray machines, orthopaedic technology and diagnostic equipment, but also in low-tech areas such as syringes, needles and catheters. In some niches they are even world market leaders. The level of specialisation is also expressed in the size of German medical technology companies: 95 per cent have fewer than 500 employees and 20 per cent of all those employed in the sector work in companies with a staff of fewer than 50.

These companies can thank the research centres spread throughout Germany with excellent engineering programmes and a long tradition in exceptional mechanical and precision engineering for their top technical performance. They allow for the development of innovative products. In addition to industry, which performs its own research, universities also generate ideas. Companies can only maintain their high standards because they invest around 9 per cent of turnover in research and development – around the same level as the aerospace industry. ■

Melanie Volberg, GTAI

Information for German companies:

- Germany Trade and Invest: www.gtai.de/branche-kompakt
- Health – Made in Germany: www.exportinitiative-gesundheitswirtschaft.de
- Financial Assistance for Innovation in Medium-Sized Companies: www.zim-bmwi.de
- Export Community: www.ixpos.de

Information for foreign companies:

- Germany Trade and Invest: www.gtai.com
- Health made in Germany: www.health-made-in-germany.com
- Central Innovation Program SME: www.zim-bmwi.de/zim-overview
- Export Community: www.ixpos.de



Germany Trade & Invest is the foreign trade and location marketing agency of the Federal Republic of Germany. It is responsible for promoting Germany abroad as a business and technology centre, providing German firms with information about foreign markets, and helping foreign companies establish themselves in Germany. Backed by the combined knowledge of 60 employees abroad and close partnerships with foreign chambers of commerce, the Federal Republic of Germany's economic development agency meets the need in German foreign trade for comprehensive, consistent and branch-specific market information: Sector and country reports, market development analyses, legal and customs information, calls for tender from governmental and semi-governmental organisations, and investment and development plans – worldwide.

www.gtai.de

Opening speech in the conference hall of Alatau Sanatorium near Almaty



106 participants from seven partner countries attended the Alumni Conference in Central Asia, a truly international meeting that drew alumni to the old Kazakh capital from 9 to 11 November 2012.



‘World Café’ in Almaty

Almaty. The aim of the three-day conference was to impart intercultural competence, promote the exchange of ideas and experience, offer support in initiating and expanding business relations with German partners, support Manager Training Programme (MP) alumni associations in their work, and provide a transnational forum for networking. The decision in favour of the ‘world café’ and ‘open space’ formats, which are fairly unusual for Central Asia, did not come easily to conference organisers. It was the result of a long discussion process – and proved a great success.

Interest in the Almaty conference was not limited to the MP’s four Central Asian partner countries Kazakhstan, Uzbekistan, Kyrgyzstan and Turkmenistan; attendees included alumni from Azerbaijan, Belarus and Russia as well. Over one hundred registered participants from seven partner countries attended the third International Alumni Conference in Central Asia. These numbers alone are an impressive achievement which was underscored by the conference’s encouraging atmosphere. Alumni talked with German firms, representatives from the Delegate Office of German Industry and

Commerce and the German embassy in Kazakhstan about successful and problematic areas for economic cooperation. It is impossible to say whether the great response to the event was due more to the method or the conference’s theme: ‘Cooperation between Central Asian companies and Germany: success stories and challenges’. The final evaluations show that the majority of participants said their main reason for attending the conference was an interest in exchanging ideas and opinions with executives from other countries. A major attraction was the over 20 company booths at the

conference with products ranging from women’s fashion to pastries. Every participant had the option of presenting their firm.

Galiya Joldybayeva from the Ministry for Business and Development of the Republic of Kazakhstan and Hartmut Röben from the German Federal Ministry of Economics and Technology (BMWi) welcomed conference participants. Röben emphasised the event’s significance: ‘Alumni outreach is an important factor in ensuring the Programme’s lasting impact.’ Input presentations highlighted the conference’s thematic framework. Dr Michael Banzhaf from the German embassy in Kazakhstan covered the whole spectrum, from the modernisation of the

Kazakh private sector with the help of innovative German technologies to the importance of Kazakh resources for the German private sector as a win-win situation. Some alumni also presented their individual success stories – starting with training in Germany to the current state of their business activities. ‘Introducing a new product from Germany or another country to the market here requires a great deal of endurance and time,’ Nurbek Shoibekov, CEO of OOO KazGerPartner from Astana noted. Shoibekov acts as the official representative for motor oils sold by a Bavarian company. The Hunold Schmierstoffe GmbH from Eching numbers among Germany’s most important independent companies for lubricants, winter chemicals and car detailing products. And Oleg Sheludyakov, Deputy Director of the West Siberian Polymerplast company which produces electrical insulating tape, reported that the processing of polymers in medium-sized Russian companies was moving forward and offered good opportunities for development. Sheludyakov has been active in the MP for many years. He completed training in Germany back in 2000. In 2006 he won the BMWi Innovation Prize which is regularly awarded to Russian alumni within the framework of the MP.

Trend-setting and effective: a successful experiment in open space

Organising a two-day ‘world café’ with ‘open space’ was no easy task for moderator Dr Aksana Kavalchuk and the GIZ team. Work ranged from introducing the method, assisting participants at over 24 tables to the final evaluation of the results.

The infrastructure for gathering and implementing the project ideas generated is important, for ‘open space’ can produce an impressive range of concrete results in a short time. This initially unfamiliar method enjoyed resounding success in Almaty. At the outset participants were slightly hesitant about entering into discussion, but as they warmed up to the idea they even began completely ignoring the breaks. Not only did participants network extensively with each other; the conference also provided the GIZ with significant impetus for its continuing alumni outreach. It was an experiment with very strong results! ■

Tobias Knubben

World Café: A space for participants to talk in a relaxed setting as if they were sitting in a café. In contrast to a real café, ideas are carried from each individual table to the other tables. The goal: to render the knowledge of the community visible so as to develop new perspectives, ways of thinking and options for action.

Open Space (also known as ‘open space technology’): A method for moderating large groups to structure conferences. It is characterised by its open format and approach to content. Participants introduce their own topics to the group. Working groups are formed for each topic, which develop possible projects. The results are collected at the end. Open space can generate a wide range of concrete approaches in a short time.



Opening in the conference hall in Sanatorium Alatau near Almaty



The Manager Training Programme's (MP) Chinese Alumni Conference took place on 25 and 26 October 2012 under the theme 'Chinese-German Partnership – Identifying Business Opportunities'. About 60 Chinese executives travelled to Wuhan in Hubei province to exchange their experiences of and ideas for initiating trade between both countries.



Chinese Alumni Conference in Wuhan

Wuhan. Three groups that took part in the Programme in 2011 and 2012 met on the first day to discuss the results of their time in Germany and changes they made after they returned to China. Leadership practice in German companies was of particular importance and gave lots of participants food for thought. Ideas on company planning, long-term company strategies, process controls or human resources management were introduced, as well as the question of whether these ideas can be implemented in Chinese companies. A lot of changes have already been carried out, especially in the alumni's own behaviour and in their approach to new tasks – whether it's in relation to time management or passing on their knowledge to colleagues. Further changes are often more difficult and more tedious to realise. However, some alumni began to make changes in their companies, for example in marketing with price segmentation for different market segments, or better training for staff.

Sound Knowledge of the Market as a Foundation

Participants from all of the previous ten groups met the following morning for

the actual conference. A further 300 interested business representatives from Hubei province also took part to learn about the Programme and its opportunities as well as the alumni's experiences.



They were welcomed by Wolfgang Hombrecher, a representative of the German Federal Ministry of Economics and Technology and Zhou Jianwei, a member of China's National Congress' Committee for Finances and Economy and Honorary President of the 'Hubei Province International Cooperation Association of Enterprises'. Zhou emphasised the Programme's value for the realistic assessment of cooperation potential and the development of cooperation based on sound knowledge of the market. Hombrecher highlighted that German entrepreneurs now also have the opportunity to take part in a programme in China, through which the partnership-based approach of the MP is being expanded even further.

Awards for Outstanding Results

Nine alumni were honoured with a Good Practice Award by the Chinese Ministry for Industry and Information Technology for their outstanding results in German-Chinese cooperation. For example, by carrying out internal restructuring and adjusting quality standards, Xia Zhengquan managed to meet the quality requirements of a German firm and now supplies the firm with conveyor parts. He also developed his cooperation with two German companies whose plastics technology and driving elements he now distributes in China.

At further presentations and 'B2B Meetings', the conference also provided alumni and interested business representa-

tives with the opportunity to exchange contacts and experiences. Workshops in the afternoon covered issues on company practice, such as maintaining business contacts and leadership as a management tool, as well as network building, particularly in relation to the Chinese Alumni Association. Those who contributed to the exchange of experiences included representatives of the German business development agency Germany Trade and Invest (GTAI) and the German Engineering Federation (VDMA), which represents approx. 3,000 companies (mostly medium-sized enterprises) in Germany, as well as the Vice President of the Indian Alumni Association IGBDA.

The next morning, alumna Peng Gouhong guided some conference participants through her company Wuhan Miracle Laser Systems Co. Ltd. and reported on the changes she implemented in her company after her visit to Germany. A result of her participation in the Programme was that she concluded an agency agreement with a German company and since then, she has also been distributing their lasers in China. ■

Hanna Bätz

What's on – Overview



22–24 May

■ Kazakhstan, Astana:
Astana Economic Forum

2–3 June

■ Kyrgyzstan, Bishkek:
Alumni Seminar 'Location Marketing'

21–23 June

■ Uzbekistan, Tashkent:
Alumni Seminar 'Communication'
■ Germany, Bonn: Follow-up to the
'Fit for Business with Russia' training
programme
■ German–Russian Business Talks

27–28 June

■ Kazakhstan, Astana: German–Kazakh
Steering Committee

4–6 July

■ Germany, Bonn: Preparatory seminar
for the 'Fit for Business with Russia'
training programme

September

■ Mongolia, Ulan Bator: German–
Mongolian Steering Committee

5–7 September

■ Germany, Bonn: Preparatory seminar
for the 'Fit for Business with Russia'
further training programme

18–19 September

■ Egypt, Cairo: Follow-up seminar

20–22 September

■ Uzbekistan, Tashkent: International
Alumni Conference

3–4 Oktober

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

18 Oktober

■ Russia, Moscow: Event marking 15
years of German commitment to the PP

02 November

■ Azerbaijan, Baku:
First Alumni Conference

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www.giz.de/gc21/mp/feedback.



The Long-standing Partnership: Germany – Mongolia



For many years now, Germany and Mongolia have maintained a strong relationship as partners – a relationship that has also had a lasting influence on the author Byambadorj Purevrentsen. In his essay, he describes his most impressive experiences – and why the relationship between the two countries is so special.



Follow-up seminar in Baigal Camp, Terelj

Cologne/Ulan Bator. The Mongolians have had a strong relationship with Germany for a long time now, either because they live and work here or because they participate in training programmes. I had the opportunity to stay in Germany from 23 August to 23 September 2010, together with 20 other Mongolian managers. I had already been there in 2003, when I spent a year in Cologne. This time, we stayed at Hotel Residence, a time-honoured hotel on the square, steeped in history. The Mongolian group of course also enjoyed a taste of typical Cologne: Kölsch beer. The intensive training programme with lectures and visits to companies commenced on the day after our

arrival. Numerous contacts were established with German partners and contracts were concluded. By the end of the four weeks, some companies had even prepared plant equipment for shipment to Mongolia. We visited meat-processing plants as well as companies from light and heavy industry. I visited two companies: one manufactures equipment for fisheries and the other installs wood drying plants.

The relationship between the two countries began almost 100 years ago

Our past experiences represent the relationship between Germany and Mongo-

lia, which have already existed for nearly 100 years. After the revolution in 1921, young Mongolians went to study in Germany, including Dashdorjiin Natsagdorj, the founder of modern Mongolian literature. Following the Second World War, the relationship with the former German Democratic Republic was intensified, as the two countries had the same political and economic systems. About 30,000 young Mongolians studied there before the socialist system collapsed. Most of Mongolia's mineral resources known today were discovered by East German geologists. The close relationship between the countries also continued after the fall of the Berlin Wall. During the difficult

transformation process from a planned economy to a market economy in Mongolia, Germany was and still is the second largest donor country after Japan. Contact with other European countries has also become increasingly stronger in recent years.

The market economy was introduced in Mongolia in 1992. Within the scope of development cooperation with Carl Duisberg Gesellschaft e.V., approximately 200 persons received vocational training or further training as young scientists between 1996 and 2003. On 26 March

volume of USD 180 million with Germany – remarkable evidence of the success and the sustainability of the Programme, which achieves a wide variety of results. On the one hand, Mongolian entrepreneurs build up contacts with German companies or strengthen existing ones. On the other hand, they develop their partner relationships further.

Mongolian managers with German know-how

'Bat-Uul, the mayor of the city of Ulan-Bator, is going to phone me every day,'

terprises (SMEs). For example, the SMEs are able to make use of leasing offers from Mongolian banks, for which they/the banks require additional support from the state.

At the end of 2012, the alumni of the MP established an alumni association, which is to become the bridge linking the co-operation between Programme alumni, the German partners and also alumni in other countries. Today, not only do a large number of young Mongolians study in Germany; in Mongolia numerous training measures are also carried out in



Participant Byambadorj Purevrentsen (left) during his stay in Germany with the famous Mongolian musician Hosoo.



Seminar in Terelj

2009, a memorandum was signed by the Mongolian Ministry of Foreign Affairs and the German Federal Ministry of Economics and Technology (BMWi), in which the continuous training of Mongolian managers to support the business environment and the expansion of the cooperation between the two countries in the areas of industry and trade were set out.

Since 2009, the Mongolian Employers' Federation and GIZ have implemented the Manager Training Programme sponsored by BMWi, in which about 120 executives have participated so far. These executives have reached a foreign-trade

a manager told me when he wanted to execute a housing project for the yurt settlement using German technology. The price of 600,000 tugrik (approx. 330 euros) per square metre of living space could be kept, and the building period was shorter than it normally is. Problems with the heating supply for the yurt settlements were also solved using German technology. In this case, it was a small black plate, only a few millimetres in width, for creating heating energy up to 600 degrees – using an electrical connection between 12 and 200 volts. He received financial support from the German side. Naturally, monetary aid is essential for small and medium-sized en-

German. During the ceremony to present the German ambassador with his letter of credence as Ambassador of the Federal Republic of Germany in Mongolia, President Tsahiagiin Elbegdorj suggested the founding of a Mongolian-German university to him. Germany remains extremely important for Mongolia's external relations – and will become even more essential in the future. ■

Byambadorj Purevrentsen

Annual International Alumni Conference in Kyiv



The Alumni Regional Conference in Kyiv brought alumni from five countries together. The topics covered included efficiency management, developing foreign markets, innovation as a competitive factor and the agricultural sector. The cooperation forum was very well received.

Kyiv. The alumni conferences held annually in Ukraine in the autumn have enjoyed many years of success. Attendees prepare for them, then reminisce and discuss their experiences via Facebook. The 2012 conference was no exception: alumni not only from Ukraine, but also from Belarus, Kazakhstan, Moldova and Russia all announced their interest in attending. The Alumni Conference is an opportunity to catch up with friends and colleagues, network, make new contacts and exchange ideas and opinions. The theme of the Alumni Regional Conference held in Kyiv on 20 October 2013 was 'increasing the competitiveness of companies on the international market'.

Alexander Markus, the delegate from the German private sector, was there to ensure a successful kick-off to the conference. In his speech he talked about aspects of competitiveness in the private sector, which was received very positively by his audience. The questions raised were then discussed by around 140 participants in four sections over the course of the conference.

Efficiency management: the foundation for success potential

This year the 'Efficiency as the Foundation for Success Potential in your Business' section dealt business success factors, particularly in times of crisis and change. GIZ Programme alumni include many successful managers who have turned their firms into prosperous companies and shared their experiences. In his presentation, 'Chaos as a Development Strategy', Grigori Ushakov, Di-

rector of Panda, a Ukrainian beverage manufacturer, explored the question of whether chaos is actually a suitable development strategy. His approach is to remove barriers and eliminate conservative perspectives. Flexible working hours and doing away with forecasting for distributors and set product prices have produced good results for his company – an impressive 80 per cent upswing in turnover, increased work productivity and a rise in average salaries of up to 10,000 hryvnia (around 1,000 euros).

Ulyana Terletska, Deputy Director of the NewBiznet Business Support Center (Ukraine), Ruslan Kulakovsky (Belarus) and Director of Business Development at WinTRADE, Igor Chepur, (Ukraine) reported on modern approaches to human resource management and efficient team building. Their conclusion: Business success can only be ensured if the team and the team leader form a harmonious unit. Oleg Leshchenko, Managing Director of the Lapmol dairy product manufacturer in the Republic of Moldova, was able to develop the 'unique and innovative' product 'select milk' ('Otborno moloko') and double his turnover with the help of an effective marketing strategy.

The key to successfully developing foreign markets

All the conference participants were interested in the most effective methods medium-sized enterprises could use to develop foreign markets. Who fails along the path to entering the interna-

tional market and why? What kind of support can SMEs count on regarding information, organisation and finances when attempting to develop foreign markets? Dmitry Zacharchuk, Managing Director at OOO Med Podolya in Ukraine, and Michail Bostan, Director at M&M Comert from the Republic of Moldova – entrepreneurs whose firms are already active in international markets – shared their experiences with participants and provided tips for where to start and what to pay special attention to when attempting to develop foreign markets. Access to global markets is often a real challenge for small firms. It is therefore a good idea to make use of the support outsourcing consultants and brokers can provide. Since these services are still widely unknown in Ukraine, Moldova and Belarus, outsourcing broker for foreign trade Oxana Kaplina gave a presentation that outlined information about the support such experts can provide SMEs.

Identifying reliable partners is one of the most difficult elements for SMEs when entering a foreign market. Chambers of industry and commerce can be a great help here. In her presentation, Victoria Kotichi, Director of the Republic of Moldova's Chamber of Commerce and Industry Research Centre, provided an overview of support options the CCI Moldova could provide to SMEs interested in opening up foreign markets. Galina Cholyavka, Head of the Business Banking Division at ProkreditBank in Ukraine, reported on assistance banks could provide for foreign trade. Andrei Saika, an analyst for the United Nations Development Programme (UNDP) 'Promoting International Trade in Ukraine', used different countries as examples of experience already gathered with financial support from the state in promoting exports.

Knowledge and innovation as competitive factors for companies

The 'IDEO method' film on the organisational culture of one innovative firm was shown in this section. In addition, the use of benchmarking instruments to assess the strategies of firms from many directions of innovation was also discussed. The experience of Vladimir Gromkovsky from Moscow piqued a lot

of interest among alumni. In addition to his presentation on venture capital companies and their policies regarding innovative start-ups, Gromkovsky also provided expert input on the key aspects in the discussion, used practical examples to illustrate the advantages and risks of innovation and answered many questions about the financial conditions for innovative firms and the influence of national laws and government policy on promoting innovation.

The competitiveness of the agricultural industry

Participants in this section selected a fun and creative approach to their ambitious goal: developing a strategy for a cooperative 'we will feed the world' project involving Ukrainian, Russian, Moldovan and Belarusian firms. This idea generated interest not only from representatives from the agriculture sector, but also from entrepreneurs from the agricultural product processing, mechanical engineering and energy sectors. Input to the discussion dealt in particular with the role played by traditions and innovations in achieving a competitive edge for agricultural firms taking account of the conditions in the modern markets and the influence of international cooperation on their competitiveness.

Contact forum, a conference highlight

The contact forum held during the conference helped many alumni identify other participants as partners and also serve as guides. The input from the conference will have a positive effect on their future management decisions. Elena Beregovaya from Kyiv summed it up nicely: 'The section topics were very relevant and well thought-out; the experts were wonderful. I would like to thank the organisers of the contact forum especially. And thank you all for giving me so much positive energy and the opportunity to continue to learn and grow even after completing the training programme. It helps us keep pace with current developments and expand our network of partnerships among our fellow alumni.' ■

Svetlana Stepashchenko, Irina Alexiadis



Contact Forum in Minsk – New Opportunities for Cooperation



In February 2013, over 60 Belarusian and German executives participated in one of the regular contact forums for alumni of the German-Belarusian Manager Training Programme (MP). Written by Alexandra Korobko from the Belarusian Alumni Association.

Minsk. The Programme has been carried out since 2006 by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Institute of Business and Management of Technology (IBMT) at Belarusian State University (BSU). The Belarusian alumni association 'Association for Economic Cooperation', established in 2012, was actively involved in the preparation of the forum.

Peter Dettmar, Germany's Deputy Ambassador in the Republic of Belarus, Vladimir Apanasovich, Director of IBMT BGU, Christina Otto and Guido Reinsch, both from GIZ, and Ivan Rak, Chairman of the alumni association, addressed the Programme alumni with welcoming speeches. In his speech, Reinsch emphasised that one of the main functions of the Programme is the promotion of German-Belarusian cooperation. The training in Germany provides the Belarusian managers with the stock of knowledge and experience the companies represented by them need to ensure smooth cooperation with German business partners in the future. 'The managers acquire communication competence, skills and knowledge on working with German partners. At the start, they can state the field in which they are looking for part-

ners. During their visit to Germany, we organise the requested contacts and support the development of connections in this way. The people meet each other and carry out negotiations. We are not only interested in helping to convey some competencies so that the participants can look for partners themselves afterwards, but also in helping them establish contacts directly during their training stay. When they visit companies, they can ask questions directly concerning both the organisation of the production process and personnel management. In this way, they gain experience that will help them in taking important management decisions in the Republic of Belarus.'

A further function of the Programme is the promotion of local cooperation between representatives of the partner countries, which is also a specific objective of the contact forum. The Belarusian alumni were able to have talks with their colleagues from the very diverse areas to introduce their own business areas and establish contacts. A business relationship between Natalya Darmel, who represented the interests of a family enterprise in the concrete-producing industry, and the construction company 'geschl. AG Elektroservicestroj', repre-

sented by Viktoria Vertinskaya, head of the cost and contract department, was established at this contact forum.

The presentation by the alumni association, the Association for Economic Cooperation, was a further highlight of the contact forum because it is precisely this association, which is intended to facilitate cooperation both among the Programme alumni and also between alumni and their German partners. The main goals of the association are the setting up, support and development of a platform for business cooperation between local authorities, foreign partners, the business world and the public, at home and abroad. Further goals are the development of a positive image for Belarusian companies and the initiation and consolidation of long-term commercial, scientific/technical, innovative and intensive, people and culture-oriented cooperation between Belarusian and foreign companies. The participation in the MP and also in the measures following it provides a basis for finding partners, not only abroad but also in their own country, thus doubling the efficiency of the Programme. ■

Alexandra Korobko



The contact forum is in full swing.



Hartmut Röben
and Heike Peitsch



Tatyana Pivovarova and
Vladimir Bogdanov,
GIZ-Office Moscow



Vyacheslav Satin,
Vice-Governor
of Penza

Ten Years of Alumni Work in Russia



An evening among partners: The German Federal Ministry of Economics and Technology and GIZ jointly invited the Russian alumni associations, graduates and representatives of the regional administration to celebrate the tenth anniversary of alumni cooperation.

Moscow. You would almost believe that you were at a family party. The night before the 15th anniversary celebration of the Presidential Programme, more than 100 guests from 30 regions in the Russian Federation gathered to look back together on ten years of cooperation and to drink to their achievements with their German partners. On behalf of the Germans, Dr Heike Peitsch, Head of the Department of Economy and Science at the German embassy in Moscow, acknowledged the alumni network as an important source of inspiration for regional economic development in Russia. The host, BMWi's Head of Division Hartmut Röben, was visibly impressed by the alumni's work in their regions and described them as ambassadors for German-Russian economic relations. Hartmut Röben emphasised

that 'Alumni activities ensure the sustainability of the Programme and they are unique. After ten years, we are still in contact with you and learn how you are able to use the skills you obtained through our Programme.'

Close Cooperation with the Russian Regions

The alumni expressed their gratitude for the many years of support from GIZ and the commitment of German and Russian experts who have passed on their knowledge and experience in order to create and develop this impressive network of Russian alumni. In the past ten years, more than 100 joint events have taken place. Almost 4,000 executives from Russian industry as well as decision-makers from the administration, professional associations and universities from 43 regions have taken part in alumni events.

Alumni activities in Russia cover a wide range of issues. Initially, many events supported the establishment of the alumni associations. For example, training was therefore provided on organising events and carrying out consulting projects and cooperation forums. In recent years, German experts have been sharing their experience, particularly in areas such as regional economic development, the health sector, logistics and energy efficiency in companies and in the municipal housing sector. Many German firms used the alumni events to

introduce their products to regions and to find skilled potential business partners. The close ties between alumni associations and administrations demonstrate the significance of the Presidential Programme's potential for the regions and how regional decision-makers supported the development of bilateral economic links.

Those present were delighted with the opportunity to speak to the people responsible for creating the Presidential Programme over many years. BMWi's invitation was accepted by Andrei Sharonov, former chairman of the Russian Federal Committee, now Deputy Mayor of Moscow and responsible for economic policy, as well as by Oleg Lushnikov and Pavel Mrdulyash, both former Chief Secretaries and Directors of the Russian Federal Resource Centre. Dr Gerd Schimansky-Geier, who has been responsible for the conceptual framework and content of the MP in Russia and its expansion to 13 other countries for 15 years, paid tribute to the alumni and also used the opportunity to bid farewell to his Russian partners and alumni on his well-deserved retirement.

According to the official programme, GIZ staff and representatives of the regions reported (some using artistic depictions) on the extensive cooperation of the previous years. Over sauerkraut, bratwursts and beer, there was a lot to tell: over the years not just business contacts have developed, but friendships, too. ■

Contact Forum for Alumni from Moldova



The alumni association ONG INVENT Moldova fosters and develops Moldovan-German relations. With a contact forum in the Moldovan capital of Chisinau on 13 November 2012, graduates of the Manager Training Programme (MP) were supported in their business activities. Written by Mihai Bostan.

Over half of the Moldovan graduates of the training programme for executives were present at the contact forum in November, which was organised by INVENT Moldova and GIZ. Sixty graduates from various groups not only had the opportunity to get to know each other and exchange ideas, they also got to talk about their experiences of developing business relations with German companies in order to open up new areas and fields of business. In this way, the contact forum became a platform for informal dialogue and topic-based discussions on business areas that offer links for cooperation. Direct contact with those who make the decisions as well as discussion on long-term prospects dominated the meeting.

For example Andrei Shuleanski has been offering services based around computers for years. He seized the opportunity to speak with Diana Suruceanu from FinComBank, one of the biggest financial institutions in Moldova about which customer-friendly options there are to allow for payments to be carried out simply and securely. Another participant Emil Gutu has completely changed his profile. For two years, he has been running an agriculture business with 6,000 hectares of cultivated land. He used the contact forum to make links with his colleagues from the same sector and to learn more about personal motivation and qualification. He discussed credit terms with bank representatives. It turned out that one of the GIZ graduates had been buying his products for years through an intermediary. He and Gutu have since agreed to conclude a direct purchase agreement.

The visit from a representative of the Moldovan-German Economic Association lent even more significance to the event. The value of the contact forum was also clear from the participants' reactions, which emphasised the 'need for such a platform' and the 'significance of the event'. In this way, the meeting helped to link up the Programme's graduates and advance the association's project in the economic region of the Republic of Moldova. ■

Mihai Bostan

Contact: www.invent.md



Chisinau. 110 graduates in three and a half years: this is the impressive result of the advanced training programme for executives Moldova. As well as the quantity, the quality also speaks for itself. Graduates are active in more than 25 economic sectors, such as logistics, tourism, the financial sector, consulting, agriculture and light industry, trade, the IT sector, mechanical engineering and the health sector. According to the Moldovan Alumni Association, two thirds of all graduates are leaders of companies or departments. The training and study of experiences and methods of management in Germany, as well as their introduction into their own companies, happened in a relatively short time and thus ensured a long-term competitive advantage. Many businesses have become reliable partners for German business people in Moldova. They began to operate on foreign markets, diversified their business activities

and found partners for mutually beneficial cooperation.

INVENT Moldova was founded in 2010 because Programme participants wanted to build a network. Together with GIZ, the alumni association organised training modules in cooperation with German business trainers. A memorandum on cooperation with ten alumni associations in the Programme's different partner countries has already been signed. They are planning a cooperative partnership with the German Federal Association for Economic Development and Foreign Trade (BWA) and with Germany Trade & Invest (GTAI), the German society for foreign trade and location marketing. The Chamber of Commerce and Industry of the Republic of Moldova is an official partner of GIZ for the implementation of the Programme and welcomes the association's activities.

The German-Russian 'Uralchimplast-Hüttenes Albertus' (UCP-HA) joint venture represents the end of a rather long journey. The fact that it exists at all is also thanks to the 'Fit for Business with Russia' programme, which Dr Stefan Ivanov completed in November 2012.

Samara. The Hüttenes-Albertus Chemische Werke GmbH is one of the world's leading manufacturers of chemical products for the foundry industry. Castings produced with the help of the binder system developed by Hüttenes-Albertus enrich our daily lives, whether as part of our car's engine, a wind turbine or bathroom fixtures. The family-owned business employs over 2,000 people and can look back on over a century of tradition. It is represented on every continent and in close to 40 countries. In 2002 the firm began exploring the Russian market, though the initial results were disappointing with just a few isolated deliveries. 'Unfortunately the partnership we entered into back then did not yield the desired effect,' explains Ivanov, a foundry engineer who is responsible for Russia at Hüttenes-Albertus today.

So in 2011 negotiations were initiated for a joint venture with UCP Chemicals, a leading Russian manufacturer of foundry chemical products. But discussion dragged on and on before ultimately floundering in August 2012.



Dr Stefan Ivanov (in white) during his stay in Samara

German-Russian Joint Venture Established on the Market



Hüttenes-Albertus CEO Dr Carsten Kuhlitz's visit to Russia as part of a delegation in October of the same year reignited interest in the Russian market. On the trip the CEO also learned about the 'Fit for Business with Russia' Manager Training Programme and advocated for Ivanov to participate in the programme in Samara. 'The training programme has really influenced my work by providing me with a better understanding of our partners and the overall business and legal situation in Russia, which has contributed to the exceptionally quick and concrete realisation of our plans,' Ivanov explains. During the programme he had the opportunity to visit an American-Russian and a French-Russian joint venture and to speak with management. And when UCP Chemicals also signalled renewed serious interest and submitted a new offer, it 'really took off from there,' Ivanov recalls. 'It helped me immensely in designing our business processes and developing our joint venture.' Hüttenes-Albertus' shareholders approved the deal while he was still in Samara in November 2012.

The new 'Uralchimplast – Hüttenes Albertus' (UCP-HA) company was entered in the commercial registry on 12 December 2012 and business operations commenced in January 2013. The joint venture's broad product portfolio includes products for ferrous and non-ferrous foundries and offers customers one-source solutions for the entire casting process – starting with melting, moving through mould and core production, and ending with final cleaning – and not just as individual components as is common in the target region. The new firm will act as the main supplier for the foundry industry in Russia, Belarus and Ukraine. By bringing together the core capabilities from innovative foundry chemistry and a profound understanding of the Russian market, the joint venture will be able to meet the growing demand for products with a technological and ecological edge.

The industrial engineer is now a member of the three-person UCP-HA management committee and will make decisions about the activities and direction of the company at monthly meetings. 'The Manager Training Programme was much more beneficial than I thought it would at the outset,' says Ivanov, who had not been in Russia for a number of years. 'I had some initial doubts that the programme might be too general for me, since I already knew my target region well. But Russia has become a very dynamic market and is developing very rapidly. The ideas I had from 2003 were completely outdated. The time I spent in Samara helped me get reoriented and rekindled my enthusiasm for this exciting market,' Ivanov concludes. ■

Karin Weber

Chinese machinery manufacturer EPOCH and MAHLE, the technological global leader from Germany, are set to intensify the partnership they began in 2010. The objective: to expand Chinese exports and optimise the products.



Genghong Zhu (second from left) during a meeting at MAHLE GmbH



Genghong Zhu (left) visiting Balluff AG

Focus on Quality and Innovative Products

Tübingen. Genghong Zhu has a dream: he wants to manufacture machines in China with the renowned 'made in Germany' quality. So he took advantage of his participation in the Manager Training Programme of the German Federal Ministry of Economics and Technology to expand his skills in this area in particular and intensify existing contacts. At the end of 2012, Zhu was part of a Chinese group that trained at the Export Akademie Baden-Württemberg in Tübingen. As one of the four founders of the Changsha EPOCH NC Research Institutes, he has been researching advanced servo technology since 1998 and has developed modern metal processing machines. The institute gave rise to the EPOCH NC Machine Tool Co. where Zhu currently serves as president. The company produces machine tools, especially for vehicle engine manufacture, in Changsha, the capital of China's Hunan Province. Employing servo control technology allows these machines to automatically manufacture complex shapes for engine parts with exceptional precision.

German-Chinese cooperation

Machine tools are an area in which many German firms are global market leaders with their special product ranges. Despite higher overall cost at times, the German machine tool branch is holding its own against the generally cheaper international competition. In addition to excellent reliability, this is above all thanks to innovative products with the 'Made in Germany' quality guarantee. MAHLE GmbH with its headquarters in Stuttgart is a leading global development partner and automotive and engine industry supplier.

In the 1920s Ernst Mahle described his newly formed company's never-ending quest for quality and innovation: 'Good quality is absolutely crucial: there is always room for improvement!' This ideal has always been – and will always be – an essential element of the MAHLE quality principles. Since then MAHLE has developed from a small experimental workshop into a technological leader

and globally active company. The firm's employees work worldwide in research and development centres on innovations to increase output, reduce fuel consumption and emissions, and improve performance throughout the system. Today one in two automobiles produced worldwide has components from this southern German company.

Back in 2010 EPOCH established a strategic partnership with MAHLE. Since then the two firms have been working together in projects involving vertical piston-rod drills, fully automatic casting machines and automatic drills for pistons. Zhu describes the goal of the collaboration as follows: 'We want to produce machine tools under Chinese conditions that fulfil the German quality standards.' As a manufacturer of components and systems for combustion engines and their peripheral devices, MAHLE numbers among the three largest system suppliers of piston systems, cylinder components, valve train systems, air management systems and fluid management systems. The

Total-Quality-Management (TQM) describes an integrated and continual process of recording, inspecting, organising and monitoring that includes all areas of an organisation (company, institution, etc.) and serves to anchor quality as the system objective and guarantee it over the long term. Quality management should not be limited to the technical performance required to ensure product quality. It should instead be defined based on the relationship between the company and its customers. TQM was further developed by the Japanese auto industry and ultimately adopted as a best practice model. It requires total employee involvement to be successful.

The primary elements of the TQM philosophy are:

- Quality is customer focused.
- Quality is achieved through the involvement of employees in every area and at every level.
- Quality is not a goal; it is a process that never ends.
- Quality applies to products and services, and particularly to those processes that generate the same.
- Quality is based on active involvement and must be worked towards.

Chinese group visited a total of sixteen firms and organisations. Zhu established individual contact with three additional companies, and reserved a total of three days just to meet with MAHLE.

There he discovered that the foundations of MAHLE's quality strategy today are optimal means of production combined with the total quality management (TQM) system introduced in the early 1990s. From the initial development phases onward, the MAHLE quality management system identifies possible sources of defects, which allows the firm to avoid expensive reworks. Constant development controlling monitors timelines and makes it easier to reach project goals.

Focus on quality, development and research

In order to be able to guarantee the best possible quality, MAHLE holds its suppliers to strict quality standards and employs state-of-the-art automated manufacturing and testing technologies in its international production facilities. The vertical lathe piston rod machine CM24

was the subject of the pilot project between MAHLE and EPOCH. In 2012 EPOCH passed the high MAHLE quality standards tests with flying colours and is now a preferred supplier to MAHLE. A reciprocal visit to Changsha by Zhu's partners at MAHLE was recently confirmed.

'I learned a great deal on the company visits and the German firms were very open.' Zhu is full of praise for his hosts. He feels that Chinese firms tend to focus on production while quality standards vary. Based on his impressions, Zhu has concluded that 'in addition to quality, German companies also focus on development and research.' For example, much more testing is done in Germany. On a visit to Balluff GmbH, a manufacturer of sensor technology in southern Germany, he learned that the cost of a product defect once it has gone to production is ten times as high as during the test phase. If the defect is not detected until the product has reached the customer, the cost is a hundred times higher than during the test phase. ■

Paving the Way to Foreign Markets



Bachodir Ibragimov visiting a trade fair



Tashkent



It has been five years since Bachodir Ibragimov completed the Manager Training Programme (MP). Since then the Head of the Investment and Modernisation Division at the Uzstrojmaterialy Corporation has initiated important projects for the Uzbek construction industry.

Tashkent. Ibragimov has been with the Uzstrojmaterialy Corporation, an association of around 120 construction material manufacturers in Uzbekistan, for ten years now. With 16,000 employees and around 70 per cent market share, Uzstrojmaterialy, which translates as Uzbek Construction Materials, is not just the largest supplier to the country's booming construction industry. It is also a major exporter of cement, glass, marble, concrete blocks and bricks to Russia and Central Asia. Ibragimov has headed up the Investment, Modernisation and Innovation Technologies Division for the association since 2011. He was entrusted with these new responsibilities after successfully completing the MP at the 'Education Center BBZ' in Fulda in October and November 2007.

The experience he gathered in Germany has helped Ibragimov pave his company's way into foreign markets. Under his leadership the members of Uzstrojmaterialy have regularly participated in trade fairs, such as in Turkmenistan in 2008 and 2012 and in Azerbaijan in 2010, and concluded contracts. 'It provided me with a lot of ideas and stimulus for

developing the construction industry in our republic. Thanks to the Programme, I was able to build up fruitful partnerships between the firms in our association and other manufacturers, which has been a strong driving force behind the branch's development.'

For years now Uzstrojmaterialy has maintained close relationships to German producers including the Maschinenfabrik Möllers GmbH, Knauf Gips KG, Christian Pfeiffer Maschinenfabrik GmbH and ThyssenKrupp AG. In 2007, when Ibragimov travelled to Germany for training, the Uzbek firms involved in the construction association had already invested over seven million euros in new production lines, loading equipment and packaging equipment. Ibragimov's main goals were therefore to intensify these existing relationships and identify new partners.

He has accomplished a great deal. After returning to Uzbekistan, AG Kysylkumzement, a member of the association, concluded a multi-million euro supply agreement with REFRATECHNIK Cement GmbH for fireproof concrete

blocks. The Uzbek cement producer had already had its products certified according to ISO 9001 in 2005 and was looking to further expand its exports.

Uzbekistan's modernised construction industry sets a course for growth

Uzbekistan's construction industry faced enormous challenges in 2008 and 2009. While the booming construction industry continued to drive demand for cement up, the technical capabilities of Uzstrojmaterialy's cement producers had been effectively exhausted. A complete overhaul of the plants and new modern technical equipment was needed to secure the continued supply of sufficient raw materials to domestic construction firms. Systematic restructuring and the timely implementation of new technologies allowed the looming cement shortage to be averted.

Currently the Uzstrojmaterialy cement plants continue to work in close concert with German firms that supply high-tech equipment, raw materials and construction materials. These include the REFRATECHNIK and GeoCon firms, which produce fireproof bricks to clad cement kilns. The cement works involved in the association alone achieved turnover of USD one million with German partners in the first half of 2012. Total turnover of goods between Uzstrojmaterialy and German companies was an impressive USD 3.1 million during the same time period. ■

In an interview, Ulan Muhamed, Managing Director of the Kyrgyz company EcoLights Trading, talks about his experience with the Manager Training Programme (MP). He participated in the Programme at the training centre Europanorat in Berlin in late summer of 2011. His conclusion: 'Being small is an advantage.'



Seizing Opportunities

GIZ: What made you decide to participate in the MP?

Ulan Muhamed: The MP offers medium-sized companies in particular the opportunity to improve their competitiveness. Kyrgyzstan is a small country with considerable growth potential, especially for medium-sized companies. The Programme supports me in developing my career as a manager and in expanding my scope of business through cooperation with German companies.

What surprised you about your stay in Germany?

The business culture in Germany amazed me. Medium-sized companies represent 95 per cent of business in Germany. In contrast to Kyrgyz companies, they aren't focused on rapid growth. When I asked the owner of a company with an annual turnover of 50 million euros why he didn't go public in order to acquire even more capital by issuing shares, he answered: 'What for? I am going to pass on my business within my family.' German business people work hard and continue along the chosen path. Small companies set long-term targets and continuously improve the quality of their goods and services. Medium-sized family businesses are based on family continuity and are passed on from generation to generation. In this way, know-how and management culture are also handed down. The family principle is also characteristic of the business lives of Kyrgyz entrepreneurs. However, in Kyrgyzstan, a business culture hasn't yet developed for this type of company management; there are no successful examples to date. After all, it's only 20 years now since we introduced the market economy. All this lies ahead of us.



Ulan Muhamed in Berlin

What is your company's line of business?

EcoLights Trading is a private enterprise that sells fluorescent lights and energy-saving lights for both inside and outside use. The ratio of retail to wholesale business is 70 to 30.

Which of the skills that you acquired during your training in Germany do you apply in your work?

I initially began discussing matters with companies and experts abroad; previously, this was not possible. I started to make use of the opportunities the internet offers me for my work. It is not expensive, but it is effective. Our company's offers are now drawn up according to international standards.

What challenges do you face?

In Kyrgyzstan, business is in a process of rejuvenation. It is more customer-oriented, better organised in its work processes and is learning to set medium-term targets. A large number of start-up projects are arising, but they lack focus and financial support. Currently, the economy is in a transitional phase. Often, the support of experienced management is missing when we want to introduce new knowledge and work techniques. That's why programmes such as the MP are so im-

portant and create successful role models for our country.

In your opinion, what should every executive learn from this Programme?

Firstly, they should be receptive to the personal and business opportunities this Programme offers them. Secondly, they should be prepared to use them in their field of work. Thirdly, they should investigate the differences in business culture.

What are your professional goals for 2013?

To gain access to new markets and market niches. And we've already found them! It's necessary to make better use of the opportunities the internet offers small businesses. And we are already doing so! We want to make a film to promote our company's image. And, as an alumnus, I intend to participate in future activities within the Programme.

What is your advice to new participants?

They don't necessarily need to come from large companies with extensive financial and human resources in order to be successful in their businesses. Being small is an advantage!

Thank you for the interview!

Ronald Reich from WAK SH GmbH/Metanoia GmbH on the possibilities for international cooperation and the individual stages involved.



Ronald Reich

is an excellent one and you have hardly any own resources for building up an international business.

Franchising is a sub-form of licensing. Every franchising agreement contains a licence agreement. A pure licence agreement, however, never contains a franchising agreement. To achieve a uniform outward appearance in franchising, know-how has to be disclosed. This know-how disclosure and the high level of monitoring and control required are disadvantages.

Joint Venture, Subsidiaries and Transparency

In a joint venture, the partners jointly carry out previously defined activities. Take advantage of risk minimisation, access to market knowledge and contacts if you are prepared to limit your independence and decision-making ability. The advantages:

- local presence
- market proximity
- controllable risk
- little limitation through customs regulations and other export rules

become evident when individual units are relocated abroad. This is an intermediate step before establishing a subsidiary. In the stage model, a subsidiary means that the entire resource expenditure occurs abroad. You have a legally independent enterprise in another country, controlled by you. This enterprise can fulfil all functions and therefore also poses high risks. You are able to optimally protect your know-how and remain independent.

As an entrepreneur, you can proceed in stages; you can also skip stages or apply the various forms simultaneously, or you can start at a higher stage. For instance, regional requirements may make it easier to establish a production plant than to build up a sales department. Reviewing information and communication systems right at the beginning of cooperation relationships is a tried and tested procedure as it promotes the efficiency of

monitoring and coordination within the cooperation relationship. By documenting their respective cultural understanding of the cooperation form decided on via the selected communication channel, all partners show their transparency, openness, honesty and fairness. ■

Ronald Reich

Forms of International Cooperation

All partners enter into cooperation with the aim of achieving a win-win situation. The general objective is to gain competitive advantages as cooperation enables enterprises to take advantage of opportunities they could not use as an individual company. As legally independent companies cooperating with transnational partners, they conclude a contract and choose a form of cooperation with or without capital commitment. Success depends not only on business acumen, but also on the intercultural understanding of the form of cooperation. A stage model that examines the resource expenditure at home and abroad for the respective form of organisation can be very helpful.

Export, Sales Organisation and the Basics

According to the classification in the stage model, export is the basic form of foreign trade. It involves supplying own goods and services outside national boundaries. Financial and management tasks occur solely in the exporting country. The two considerable advantages of export are the low capital requirements and the low risk. Thus, export is suitable for gaining initial experience.

On the other hand, customer proximity and a local presence are missing; therefore, establishing a sales organisation in the importing country with increased

resource expenditure and could be the next step. Granting a licence (right to use the brand) is a possibly suitable supplementary measure. Both of the advantages of exporting also apply here. Instead of dealing with the previous disadvantages, the exporter is now dependent on the licence holder with respect to quality and image. Choose licencing if your product



Competitive Edge through Innovation Management

In times of ever-shorter product cycles and increased globalisation, innovations constitute a strategic competitive edge. How can companies boost their potential?

A participant in the Programme from Egypt



Alexander Fleming discovered penicillin by inadvertently allowing an inoculated bacteria culture to go mouldy. But very few innovations are the result of such lucky coincidences. Instead they require systematic innovation management, for only every sixteenth idea put forward within a company becomes a commercial success.

According to Professor Carsten Dreher, Chair of Innovation Management at the Freie Universität in Berlin, the measures

available to companies to successfully encourage innovations depend greatly on the tasks in hand. Should a new product be brought onto the market or a new management model rolled out? Must a new idea first be found for this, or is it a question of implementing the idea technically? 'There is no one-size-fits-all plan,' says Dreher. 'From a strategic perspective, though, companies that systematically manage their competences and adjust their routines in a targeted and timely manner are well positioned.

Development of a culture of innovation is therefore crucial in achieving radical innovations.'

In many companies, this is an inherent component of the corporate strategy, confirms the medium-sized business Gelita, which is the world market leader in the manufacture of collagen proteins. 'At Gelita, all are encouraged to contribute ideas. Innovations can develop in all areas,' explains CEO Franz Josef Konert. Employees are taught the necessary tools – creative methods such as brainstorming and mindmapping – at a global 'Innovation Summit'. Similar to many other companies, Gelita has also defined a so-called Stage-Gate Process. This means that every development plan is divided into individual steps – from development through to implementation – and responsibilities assigned to each step in a targeted manner. Dräger, a family-owned company in the fields of medical and safety technology, has also defined such an innovation process, but additionally pursues a customer-oriented approach. Board member Herbert Fehrecke, explains, 'We have application-oriented research in Lübeck and globally-active development areas, which concentrate on the core customer segments.'

Moreover, Dräger makes targeted use of customer feedback to enhance current and future product series. Besides the customers, other external parties can be involved in the innovation process. For example, tenders for idea competitions and online platforms on which internet users can design products may be suitable for this. ■

Christina Otte, GTAI

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