

Fit for Partnership with Germany Journal

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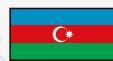
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Dear friends of the Manager Training Programme!

It all began 20 years ago – when the MP welcomed Russia on board as its first partner country in the year 1998. A total of 19 countries from across the globe have since become involved, and no country to date has said its goodbyes. It is no wonder then that the number of anniversaries continues to grow – this year being no exception with five partner countries due to celebrate. The hugely important 20-year partnership anniversary with Russia is just around the corner, while Vietnam and Turkmenistan have already celebrated their 10-year partnerships. India and Moldova are also making preparations for their 10-year anniversaries. The autumn of 2018 will see celebrations to mark the 20-year anniversary of the overall Programme's inauguration in Germany – which we will be reporting about in the next issue.



Providing advanced training for international specialists and executives – that has been one of the express goals of the MP for more than 20 years. And this is precisely how the Programme makes its contribution to overcoming a global challenge: a lack of specialists is increasingly becoming a major problem worldwide. The situation is tense and requires a rethink – by both politicians and business people. Especially when considering that a lack of specialists inhibits economic growth and can ultimately morph into a business risk for enterprises that should not be underestimated. There is not only a skills-shortage in highly specialised professions, but also in the fields of care and construction and for technicians.

The focus of this issue is therefore dedicated to the topic of securing specialist personnel. We shall be taking a look at the underlying reasons for the lack of specialists and the host of potential solution strategies: ranging from targeted headhunting measures by attractive businesses and the ongoing professional development of employees, through to a vocational training system, which really gets to the source of the problem and delivers highly qualified specialists for the respective business. The vocational training system in Germany has since established itself as an "export hit" for other countries, including certain MP members like Kazakhstan and Iran. MP alumni also report on how they have gone on to shape their enterprises and adapt HR policies, in order to present the business as an attractive employer while simultaneously improving employee retention in the long term.

The sheer variety of the Manager Training Programme, its participants and the associated bilateral cooperation are also sources of great success. See for yourself! I hope you enjoy some insightful and exciting reading!

Yours, Reimut Düring

Ten Years of the MP with Vietnam



Yildiz Götze (BMW) highlighted the good bilateral economic relations of Germany and Vietnam

Dong Hoi. The MP 2018 is celebrating its 10-year anniversary in Vietnam, and with over 500 graduates in those ten years, the numbers show that there is a steady demand there. Numerous cooperation projects with Germany have developed over this time. For the Vietnamese, the export of indigenous products is often an important goal, and thus spices, tropical fruit, seafood, but also furniture, textiles and ceramics find their way to Germany. In the other direction, many alumni import equipment for modernising their own production facilities.

About 70 alumni travelled to the coastal city of Dong Hoi in the Quang Binh Province to attend the ten-year festivities in late March. There they found four lively workshops on current industry topics such as Industry 4.0 (see p. 25), the EU free trade treaty, trade with Germany and marketing tools. Representatives from the German Federal Ministry for Economic Affairs and Energy (BMWi) and the German embassy joined in the celebrations in the afternoon to provide both a review of and a look forward to current MP developments. Yildiz Götze from the BMWi emphasised the success of the Programme

and the great appreciation of the bilateral ties. Hoang Quang Phong, the deputy head of the Vietnamese IHK, described the dynamic economic development of Vietnam, to which many start-ups are also making a contribution (in 2017 alone over 125,000 new enterprises were founded). In his opinion, the MP is one of the most important channels for “promoting economic ties, especially for SMEs, and integrating them into global supply chains”. Tran Thanh Hai from the Vietnamese Ministry of Industry and Commerce and Susanne Wolf from the economic department of the Germany embassy also confirmed the currently impressive economic development of bilateral trade relations.

Then the host, Hoang Van Anh from VCCI, and Reimut Düring, from GIZ, together examined the particularities of the bilateral Programme from its beginnings up to the present day. And of course the main protagonists of the Programme also had their say – in a panel discussion, MP alumni from various years Alumni reported on how their training in Germany had led to concrete changes for their enterprises. Ten years of good cooperation – reason enough to raise a toast: The gala dinner that was held afterwards set, in its own unique way, a tone of mutual appreciation and satisfaction. ■

Economic Diversification

Ulaanbaatar. The MP is making an important contribution to the diversification of the Mongolian economy and to the structural transformation of the economy – in addition to mining, the Programme promotes agriculture, the food sector and renewable energies. This is the very positive conclusion that Tsengeg Mijiddorj from Mongolia's Ministry of Foreign Affairs (MOFA) and Federal Ministry for Economic Affairs and Energy (BMWi) sub department head Karl Wendling drew at the fourth MP steering committee with Mongolia.

This bilateral programme has been running with Mongolia since 2009. By the end of 2017, a total of 286 Mongolian executives had successfully completed their training in

Germany. On 14 June 2018 in Ulaanbaatar, some MP alumni reported on their enterprises' development after attending the Programme in Germany. This included chal-



At the visit of the VitaFit Group: Karl Wendling (BMWi) and MP Alumnus Bolorsaikhan Sodnom (VitaFit)

lenges, such as communication problems in initiating contact with German firms, as well as successes. A positive attitude, confidence and persistence are all important in establishing cooperation between the firms. This is also what Bolorsaikhan Sodnom, the managing director of the juice and dairy producer VitaFit Group, proves. He participated in the MP in 2017 and bought German equipment for ketchup and mayonnaise production. This helped him to expand his product range and contribute to import substitution in Mongolia.

A day trip to the Gobi Desert rounded off the steering committee's programme. That is where Oyu Tolgoi, Mongolia's largest copper and gold mine, is located. Munkhbat Tumur-Ochi, who originally discovered Oyu Tolgoi with his team of geologists, led the guests through the mine. They were most impressed by the high standards of safety and staff discipline there. ■

Mexico: Steering Committee at the Hanover Trade Fair



Participants of the 2nd meeting of the German-Mexican Steering Committee

Hanover. “The relations between Germany and Mexico are very intensive, and they should remain that way”: With these words, the German Federal Ministry for Economic Affairs and Energy (BMWi) subdepartment head, Dr Heinz Hetmeier, opened the second meeting of the German-Mexican steering committee for the MP on 24 April 2018. Susana Duque, Director General of the National Entrepreneurship Institute of the Mexican Ministry of Economics, also emphasised the good economic relations and the benefits of further investments for the Mexican market.

The steering committee met at the Hanover trade fair, whose partner country for 2018 is Mexico – the first country from

Latin America. The opening of the trade fair by Chancellor Merkel and President Peña Nieto, as well as talks at high political levels signalled their significance for both countries. The EU's recent agreement with Mexico to modernise the trade agreement will benefit the economic relations between Germany and Mexico – and in Hanover. “The presence of Mexico at the Hanover trade fair is impressive!” emphasised Hetmeier. Some of the Mexican MP participants went to see for themselves (see p. 13). At the industry trade fair, the executives learned about key technologies, met important business partners – and reported directly at the steering committee. Alumna Dalia Terrones from the firm Industrias Forza described the successful

alliances she has established since her MP training programme in 2016. At the Hanover trade fair, she met with two purchasers to promote her other business.

The meetings of the steering committees are a good instrument for taking stock of where we are and coordinating the next steps for the cooperation concerning the MP. The sharing of information between governments and implementing organisations on both sides is a sensible idea, and remains necessary. “Mexico is now one of our main partner countries”, Yildiz Götze, who is responsible for the MP at BMWi summed up, “and is a good example of successful cooperation”. The experiences so far confirm this impression: The MP participants report six-figure business deals, numerous joint ventures and many other types of cooperation.

For nearly five years, Mexico has been an MP partner. 233 Mexican executives had graduated from their Manager Training Programme in Germany by the end of 2017, the majority of them coming from the automotive industry. Since 2017, German executives have also been attending training in Mexico and building bilateral business relations. ■

Anniversary in Turkmenistan

Ashgabat. Ten years of the MP have left their traces. Turkmenistan's economic landscape is dominated by state-owned enterprises; however, the private sector is steadily gaining strength – not least thanks to the Manager Training Programme. Many alumni founded their own businesses after returning home with the skills and competencies they acquired in Germany. Since 2008, roughly 190 executives have

completed the MP, established important business contacts, bought German equipment, reorganised or modernised their enterprises in Turkmenistan, created jobs and optimised their production. The broad effect of the MP was very evident during the anniversary conference in Ashgabat in May 2018 (see p. 22). Ezizgeldy Annamammedov, Deputy Minister of Economy of Turkmenistan, attached importance to

the role of the Programme for the country's economic development. Margret Uebber, German Ambassador to Turkmenistan, confirmed this assessment and positioned the MP in the current German-Turkmen economic relations. Monika Stienecker, who is responsible at the German Federal Ministry for Economic Affairs and Energy (BMWi) for coordinating the Programme with Turkmenistan, also sees the MP as an important key to gaining access to the Turkmen market: In order to strengthen the domestic economy, the Turkmen Ministry for Economic Affairs is actively involved in the topic of vocational training and the role of business in this area. Galina Romanova, who is in charge of the Department of Public Finance and Economy at the Ministry, sees strong potential in the MP for raising awareness among Turkmen entrepreneurs for the model of vocational training. Hence, there is sufficient work for the future – and, with the further extension of the MoU up to 2020, also the official basis for continued cooperation. ■



The grand opening of the celebration in Ashgabat

Understanding Germany and Broadening Horizons

In 2018, the MP is celebrating ten years of partnership with Vietnam – and the demand remains strong. 21 Vietnamese executives from different industries were guests at the Centre for European Economic Research (ZEW) in Mannheim for four weeks in April 2018. The training not only provided them with deeper insights into modern management practices, but also helped some of them to conclude cooperation contracts with German business partners.

Mannheim. Whether importing or exporting shoes, clothing, foodstuffs or technical equipment, initiating new business transactions or strengthening existing contacts, all MP participants have one thing in common: they all come to Germany with individual goals and business ideas which they want to pursue during the four weeks of their training.

For foreign executives, however, the MP is more than just manager training in which they can learn important management skills needed for cooperation with German business partners. To the managers, the MP also means an opportunity to take a step

back from their own everyday situation, to get to know another country and another (business) culture and hence to see the bigger picture and broaden their own horizon.

The training sessions, for instance on intercultural management, business presentations or negotiations with German business partners, are only one Programme component which enabled the Vietnamese managers to study familiar topics from a different perspective. “It is as if you take a look at yourself from the outside”, one participant says. “The training helps me not only to become more familiar with important aspects of German business life,

but also to reflect on my own way of dealing with foreign business partners, which I have always seen as a matter of course”.

The Vietnamese executives also had to look at the broader picture during their joint visits to enterprises. As they came from very diverse sectors, these visits also covered a broad range of industries. The MP participants describe this great diversity as being an advantage. “My firm produces outdoor lighting. Nevertheless, at EUROMASTER GmbH, a tyre and vehicle service provider, I learnt quite a bit about involving employees in management processes. I want to put some of this knowledge into practice in my firm in the future”, says Phung Huu Loi.

It was also evident during the visit to the Hannover Messe that many of the executives consider the group visits to firms outside their own fields of business to be advantageous. Some of them were initially not sure how to make the most of the visit to the trade fair. However, at the end of the strenuous day there they were all enthusiastic. Nguyen Khanh Toan comes from the textile sector, and this trade fair experience was unique for him: “I have never been to such a large trade fair before. Today I saw a lot and have found lots of ideas for the external presentation of my business”.



Vietnamese executives and ZEW employees

But perfect matches during enterprise visits are also not uncommon as the Programme is especially geared to the represented industries. Often new cooperation ideas arise during the course of an enterprise visit. This was also the case at the owner-run firm JUMAG Dampferzeuger GmbH. “I actually wanted to become familiar with German water treatment solutions and maintenance services and to offer my services to German businesses in Vietnam. However, the business presentation by Managing Director Andreas Kohl was so captivating that I straight away thought: This is an enterprise I would like to cooperate with”, says Nguyen Duc Thang. “And when I heard that JUMAG was looking for further partners, also in Vietnam, I simply had to grasp the opportunity”. The Vietnamese manager had an initial discussion with the company’s sales director that same day and, before travelling home, attended another appointment with JUMAG to set out the next steps for a longer-term cooperation. “Naturally, a cooperation arrangement like this one is very pleasing”, says Manuel Lauer, MP Project Manager at ZEW. “The Programme is a direct gain, not only for the participants, but also for the German enterprises they visit”.

About one third of the executives were from the textile industry. This reflects the structure of the Vietnamese economy, in which this industry accounts for roughly 14.4 per cent (ITC Trade Map, 2016) of the country’s export volume. The Vietnamese managers’ visit to KARL MAYER Textilmaschinenfabrik GmbH was therefore very appropriate; the enterprise has a leading position in the world market, both regarding the number and the value of its warp knitting machines and warp preparation machinery. The firm sees itself as a pioneer in the area of smart textiles



Nguyen Quoc Duan is the owner of Song Nam ITD Ltd. and a wholesaler for fruit from Vietnam. He comes from a family of dragon fruit farmers, but also sells other fruits such as lychees, coconuts and mangos. His strategy for finding business partners in Germany was unusual, but proved to be adapted to the industry and effective. Nguyen Quoc Duan visited six wholesale markets in six different German cities where he directly addressed potential partners, without contacting them or making appointments in advance. This pragmatic approach, which involved a lot of time and travel, proved fruitful during the training. In the third week of the Programme, a sample consignment with a variety of fruits arrived in Frankfurt by air freight. One contract was consequently concluded on this basis, and now weekly deliveries from Vietnam will follow. Further contracts for the import of Vietnamese fruits, but also the export of German apples, are in the planning.



and attaches great importance to maintaining its competitive position through its innovation capabilities. This approach also provided the managers from other industries with new impetus and insights. Particularly the further development of existing products in view of the changing requirements of large customers encouraged participants from both the service and production industries to reconsider their product portfolios.

Regardless of whether or not they were going home with a new cooperation contract in their bag, on the last day the executives all spoke of the added value the Programme had provided for them, from a business and personal perspective. “When I came here, I had several problems on my mind that my firm was facing and

for which I didn’t have a solution”, Tran Van Thach remembers. “The training in Germany has enabled me to change my viewpoint. During training sessions and the enterprise visits, I gathered numerous new ideas and can now consider my situation from a different perspective. After these four weeks, I can go home with an idea for how to solve my problems”, the manager says gladly. Nguyen Hai Ha put it in a nutshell for all MP participants and the ZEW team: “We have been able to gain a lot of knowledge, impressions and new experiences during these four weeks. But, first and foremost, we have learnt that there is no “right” or “wrong” in intercultural cooperation. Far more, it is about bringing cultures closer together and getting to know each other – we were not only able to experience this ourselves, but have also been able to contribute to international understanding between our two countries”.



Vuong Thi Ngoc Chi is the Marketing Manager of Old Modern Handicrafts JSC. The business in Ho Chi Minh City primarily manufactures and sells wooden ships, wooden ship models and wooden furniture. Vuong Thi Ngoc Chi had cooperated with German partners before her participation in the MP. However, these partners had terminated the cooperation rather abruptly. Hence, she came to Germany with the ambitious goal of regaining her lost customers. Amazingly, she was able to achieve this goal within the first week due to her excellent preparation before her trip to Germany. During the course of the Programme, Vuong Thi Ngoc Chi was increasingly successful in applying her intercultural management skills and understanding the German business partners and their ways. That enabled her to win back her customers and even conclude contracts with new business partners in Germany.



Friederike Bodenstein-Dresler is engaged in the area of professional development and further training at the Centre for European Economic Research in Mannheim (ZEW). Since 2017 she has been coordinating various international training programmes along with the MP. Her focus is on programme planning, workshop management and tutoring.



SMEs: Certification as a Marketing Tool



Certifications are increasingly becoming a hallmark for enterprises, both for world market leaders and small businesses. Although these certifications confirm compliance with requirements regarding quality, the environment or energy – at the same time, enterprises hope to improve their market access, reduce costs or to have more transparent processes. In May 2018, 16 Moldovan and Ukrainian executives were able to see for themselves the advantages and the processes required for diverse certifications during a visit to the Bavarian enterprise Betz-Chrom GmbH.

Gräfelfing. “Good – open – reliable”. Betz-Chrom GmbH presented itself to the participants in the BMWi Manager Training Programme from Moldova and Ukraine quite in keeping with its corporate motto. The owner-run enterprise, which was founded in 1952 and is based in Gräfelfing and Maisach near Munich, specialises in hard chrome plating and nickel plating. The firm fulfils its ecological and economic responsibilities in a remarkable way: Betz-Chrom is rightfully proud of its four certifications, which confirm that it complies with the most up to date standards.

Manager Markus Kolbeck introduced the executives from Eastern Europe to the certification process at Betz-Chrom. He considers ISO 9001:2015 to be the most important certificate – both for the enterprise and the customers. This standard helps to document quality management. The ISO 14001:2015 environmental management system, on the other hand, does not only define legal obligations, but also takes the enterprise’s own environmental goals into

consideration. The third certificate, the ISO 50001:2011 energy management system, is not subject to any statutory certification requirement; it is, however, a prerequisite for a partial exemption from electricity and energy tax in Germany. The medium-sized enterprise with its two production sites in Bavaria was able to improve its energy performance systematically for the longer term by introducing the energy management system. This energy management system was of particular interest to the MP participants. Therefore, questions regarding the necessary steps took up a large part of the time. Last but not least: safety management. This pertains to the legislative provisions and complements the management systems at Betz-Chrom.

Betz-Chrom places great importance on certification: five of the enterprise’s 75 employees are responsible for the management systems. The firm decided on this considerable personnel expenditure despite the fact that it means having less time for other marketing tools. Particularly in the

manufacturing industry, certifications are a prerequisite for meeting the standards set by national and international customers – whether world market leaders or small enterprises. Hence, they are an ideal marketing tool for the company.

Betz-Chrom also attaches great importance to audit management. A software program provides all those responsible within the enterprise with an overview of the requirements, tasks involved and possible deadlines – also on their mobile devices.

A final walk-about through the factory buildings gave the executives a good idea of the structured production facilities and their conformity with occupational health and safety requirements. Altogether, the company visit was very successful with interesting discussions, experiences shared and the transfer of knowledge. The MP participants were once again impressed by the Bavarian enterprise’s openness and transparency and returned home with valuable experience gained. The visit was also an all-round success for Mr Kolbeck: “The conversations with the executives from Moldova and Ukraine showed us again how enriching the exchange between enterprises and executives can be, particularly at an international level. We are impressed by the depth of the discussions and the number of technical questions. In this way not only mutual knowledge, but also trust in a joint global future are created”. ■



Lisa Josey is a project manager in the area of international training at the Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria gGmbH. Among other things, she is responsible for organising and implementing the Manager Training Programme there.

“Fit for Business with China” Taking the First Step



“Intensifying economic centralisation” is the bedrock of China’s new mantra. Those looking to strike gold in China have to know where a niche opportunity is hiding. Even the Colossus that is the Chinese market can be harnessed with the help of innovative products and a solid portion of clever networking – this being the quintessence that flowed from the Follow-Up Seminar for German executives at the GIZ in Bonn.

Bonn. “The longest journey starts with a single step” – a pearl of wisdom attributable to the sixth century Chinese philosopher Lao-tse. A saying of ubiquitous standing in China. Put differently: Goals are reached not by the merits of granular planning, but by simply having the courage to take the first step. Those participants involved in the fifth group of the “Fit for Business with China” programme, that took them during the autumn of 2016 to the Middle Kingdom, risked exactly that – a move that saw them carve out a new path in a direction that was often characterised by rocky terrain. One great uncertainty – something they soon became acutely aware of – is the increasing pace of centralisation and smothering reach of Chinese State influence.

Birger Vinck confirmed this impression which the German Managers held. The expert on China helped to prepare the executives for their eastward-bound adventure, and was also present at GIZ at the beginning of March 2018 to evaluate their progress. “The People’s Republic of China is in the midst of ever-increasing centralisation” according to Vinck. State influence and the role of the Communist Party have solidified their very existence with great success. “Merciless anti-corruption campaigns are helping to fuel an overwhelming sense of mistrust, and even China is beginning to close what was until recently a gaping-wide open door” explains Vinck. The onus is now on foreign businesses to change their game plans. Their Chinese counterpart is now characterised by an ever-increasing sense of self (importance), rendering their former willingness to accept “off-the-shelf” solutions null and void.

The German executives were also not spared this unsettling realisation. Daniel Erdös, an IT consultant from Langen-



Daniel Erdös

hagen, had originally intended to market medical products in China. Following numerous discussions with Chinese businesses (including subsequent dialogues held from Germany) he had to face the unshakable truth: the market is saturated. Traditional products and services no longer meet the mark. “This is where insider knowledge comes into play” explains Vinck. “The Chinese love the search for innovative German products.” Clever medical equipment could offer genuine sales potential, but it really has to stem from very select niches – nothing that a few clicks of a mouse could find. Given the unrelenting tightening of environmental protection regulations taking hold in China, additional German expertise is also warmly welcomed in this discipline. But sometimes, even traditional products come up trumps.



Ralf Hägele

For him, it was like “putting it all on red” and winning big: When Ralf Hägele gave a TV interview in Jieyang, he could not have known that he would be kick-starting a joint venture in China just one year later. Pig farming and meat production: this was the impetus for establishing a foothold for his agricultural business – Barnstädt e.G. – in China. The wife of his Chinese partner happened upon his TV interview, and even though the Training Programme was still ongoing, both entrepreneurs put pen to paper and signed a Declaration of Intent. A classic example of forging new business in China: the principle of coincidence. But even coincidence can sometimes be lent a helping hand, simply by dedicating some real TLC to the largest possible number of contacts, and allowing the networks to work their magic for you. This is exactly one of the MP’s objectives – “Fit for Business with China”. “The overwhelming difference to Germany: networks do not limit their scope to a certain topic, but far rather are used for a whole host of matters” reveals Vinck.



Peter Gröndahl

“There was a ton of inter-cultural take-aways” remembers Peter Gröndahl, a marketing strategy consultant from Frankfurt. “Germans don’t take easily to the challenge of spontaneous planning”. But success was still just around the corner. In the end, it all worked out. “We learned to rely on the event organisers, and to go with the flow” – something Mr Erdös also confirms. However, this does draw attention to a fundamental difference between German and Chinese business culture. If German managers are looking to carve their own path into a new market, they anticipate zealous compliance with a set schedule. In China, however, changes to plans and routes are often the order of the day. This year will see the Chinese government invite two groups for the first time – be sure to expect adventure and a broadening of horizons. ■

Start-Ups Driving the Economy



In Germany, start-ups and entrepreneurship are on the rise, as is their impact on the domestic economy. Start-up founders are highly innovative and their enterprises enjoy faster growth than established firms. Eighteen Georgian executives gained insight into the influence of German start-ups on a visit to ARGE Conoscope-CEFE International Projects as part of the Manager Training Programme in March 2018.

Cologne. “First and foremost, an entrepreneur has to believe in his or her idea. Regardless of funding, you have to have staying power and innovative solutions to successfully found a start-up in Germany”, Tashin Dag, founder and director of Papacks Sales GmbH, told his Georgian visitors. The German entrepreneur was happy to share his philosophy with the executives who toured his company as part of their training in Germany. Papacks is the market leader in sustainable packaging. The company manufactures innovative, environmentally friendly packaging solutions that are also more efficient than conventional packaging processes. Papacks’ motto is that “change will shape our future, but change requires the courage to blaze new, unconventional trails”. Founded in 2011, the company has taken a very successful path so far and worked its way to the top of the packaging industry in just a few years. Papacks’ innovative approaches have also won various environmental, business and design awards.

Innovation is the key to start-up success, both in selecting a product and in mastering the difficult day-to-day decisions that determine an enterprise’s progress. According to the Global Innovation Index, the German private sector ranks 9th out of 127 countries, a clear indication of how powerful domestic firms are overall and start-ups in particular. Talking about the German start-up scene for the 2017 “German Start-up Monitor”, former Economic Minister Brigitte Zypries noted that German start-ups are “driving structural change and are enormously significant for Germany’s economic development”.

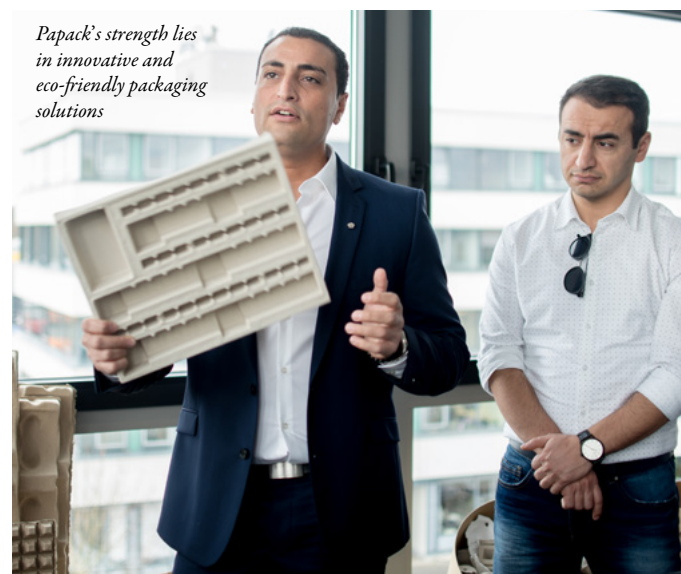
Promoting entrepreneurial development around the world is a cornerstone of CEFE International’s work, as is the belief that start-ups decidedly impact an economy. Enterprises that enter the market with innovative solutions and show marked growth in both number of employees and turnover in the first three years, known as “gazelles”, are the most influential. The MP sets a lot of store

in gazelles, both as foreign partner firms and as German host firms, since they demonstrate the highest innovation and growth potential. And while the number of initial business contacts may be limited, Germany is still an excellent model for innovation and economic strength. German start-ups are an excellent place to learn and establish contact with B2B partners and take mutually beneficial and important first steps, as exchange is never one-sided. The German government is committed to promoting start-ups in Georgia. And while the country may only be ranked 68th on the Innovation Index, it is number 9 on the global Doing Business Index, well above Germany’s 20th place spot.

Dag enjoyed the lively exchange with the MP participants. He is convinced that “you can change everything for the better if we show people the numerous projects for protecting our environment which have already been realised and which are running perfectly”. So he is happy that Papacks could provide Georgian executives with “inspiration and vision” as they follow their own paths. The message certainly seems to have been well received: “It is not enough to be clever, you have to be wise. That is what I realised, and it inspired me”, one start-up founder said after visiting Papacks. “As a businessman you have to think big. Georgia needs change – and great vision!” ■



Marlinde Bärenz is an economist and director of The Competency Based Economies through Formation of Entrepreneurs (CEFE) International Training Centre in Cologne. She conducts a variety of cooperation programmes for the German economy with other countries and takes care of participants in the BMWi Manager Training Programme in collaboration with Consortium Conoscope GmbH in Leipzig.



Papack's strength lies in innovative and eco-friendly packaging solutions



Hannover Messe 2018: Connect & Collaborate Mexico Open for Cooperation



The Federal Chancellor of Germany, Angela Merkel, and the Mexican President, Enrique Peña Nieto, are opening the Hannover Fair 2018

Discover the latest trends within a global industry and try out innovations – this is what Hannover Messe is all about, the world's largest industrial fair. 2018's fair marked the call to action for a networked industry under the motto "Integrated Industry – Connect & Collaborate". Mexican MP participants were also keen to follow this paradigm shift: Under the guidance of AHP International, executives were introduced to the latest key technologies, while also enjoying the chance to develop new contacts and opportunities for cooperation.

Hannover. Hannover Messe 2018 has once again silenced its adversaries: It is the global hotspot for Industry 4.0. It also simultaneously served as a platform for six additional, industry-leading fairs spanning Automation, Motion & Drive, Digital Factory, Energy, Industrial Supply, Research and Technology, as well as ComVac, a leading trade show for compressed air and vacuum technology. Given that production and logistics are becoming ever more intertwined, CeMAT was also hosted for the first time in tandem, a trade fair with a focus on Logistics 4.0. Over 600 exhibitors dedicated their time and energy to the growing demands being placed on modern and digital logistics. 210,000 trade visitors, a third of whom originated from international destinations, were a testament to the relevance of the Hannover Messe on what is a global stage.

Mexico – the partner nation of the Hannover Messe 2018 – was quick to emphasise its potential as an attractive and innovative economic partner and place to do business. Something that was confirmed by Paulo Carreño, managing director of the Pro México industrial association: “We are one of the world's most accessible national economies”. More than 160 exhibitors from Mexico took the opportunity to present innovative tech-

nologies and offer exciting opportunities for both cooperation and investment. The German-Mexican Business Summit between Angela Merkel and President Enrique Peña Nieto brought with it renewed impetus for a robust collaboration between Germany and Mexico. The Mexican executives, whose further education and training focused on Industry 4.0, met with key German and international business partners in Hannover to hold first round discussions. The insight gleaned from a study of competitors, new technologies and products not only facilitated effective benchmarking within one's own market segment, but also the process of familiarising oneself with state-of-the-art technologies and innovation.

All Mexican MP executive participants used the opportunity to meet with potential German cooperation partners, in order to discuss possible shared project endeavours. The AHP International had arranged targeted appointments, in advance, for Mexican executives to meet with German businesses. Using the matchmaking portal provided by the Technology & Business Cooperation Days platform, executives were also given the chance to research new partners. The multifarious approach that characterises the search for new business partners came up trumps:

Many executives were able to transform their efforts into successful appointments and new contracts.

A Mexican business representative reported numerous B2B meetings with leading German pioneers operating within the automation and digitalisation industries. Her cooperation objective was to expand her product portfolio as a distributor for Andon systems, sensors and motion controllers as well as elements of process control. Leading German businesses and innovative SMEs alike displayed a particular interest in her service in Mexico. The scope of those meetings allowed for shared future milestones to be determined, with the goal of establishing a medium and long-term partnership. Another MP participant was able to uncover further potential system integrators for an envisaged, automated production line in Mexico, and thanks to the Technology Cooperation Days was able to establish direct contact with potential cooperation partners. Hannover Messe was also able to provide the entrepreneur with a concise overview of what is otherwise a very difficult industry to grasp in this niche segment in addition to the chance to carve out new contacts.

Trade fair visits are an important success factor behind individual business development, particularly when hosted in a trade fair nation like Germany - something that all executives showed no hesitation in agreeing on. Trade fairs and other comparable events also provide an opportunity to analyse and observe the competition. The key to success when visiting a trade fair is, however, good preparation – something the Mexican executives made sure to do. All this meant that they could look back on a very satisfactory trade fair experience. Hannover Messe, as the leading trade fair for industry, revealed the numerous opportunities to be enjoyed for the Mexican guests when partnering with German businesses. ■



Franziska Wegerich joined AHP International in the autumn of 2015 as a specialist tutor for the MP. She is also responsible for the organisation and implementation of individual BMWi market development programmes and helps American firms establish business relationships with Europe.

Belarus: Progress is Being Made



German foreign trade with Belarus is currently experiencing an upswing. At the same time, the Eastern European republic is seeking to gain foreign investors and is providing favourable conditions for future growth with large projects and industrial estates. MP participants from Belarus are also contributing with their own cooperation projects. The IT sector, in particular, is interested in working with Germany.



Bonn. “Spring starts tomorrow, and I wish the German-Belarusian economic relations a flourishing future too!” Natallia Varabyova addressed an interested circle of German and Belarusian entrepreneurs with these friendly words at the Day of Belarusian Economy, which was held at the Bonn/Rhine-Sieg Chamber of Commerce and Industry on 28 February 2018. The Director General of the Belarusian ICC in Vitebsk, the fourth largest city in Belarus and close to the border with Russia, expressed the feelings of the participants at this annual event at ICC Bonn/Rhine-Sieg in two senses. According to the latest facts and figures presented by Dr Vladimir Augustinski, Head of the Representative Office of the German Economy in Belarus, these wishes are by no means unrealistic: German-Belarusian economic relations are again gaining pace. German exports to Belarus between January and November 2017 increased by an impressive 27.6 per cent compared to the same period in the previous year; German imports increased by 8.5 per cent. After several years of decline as a result of the global banking crisis, EC sanctions and other negative influences, this certainly is good news.

There are numerous reasons for this positive development and the hope of an even steeper increase in bilateral trade in the future: the favourable transit location of the Republic of Belarus, the Belarusian market providing access to the Eurasian economic region, free economic zones and promising large projects. As an example, Olga Vorobyova from “Great Stone”, a newly emerging industrial estate, presented the ways in which “Great Stone” intends to attract foreign enterprises through complete exemptions from property tax or long-term concessions on corporate profit taxes and import duties. This industrial estate, situated right at the international airport, will offer attractive workplaces and living space with modern

infrastructure and high environmental standards for up to 200,000 people.

Among the guests at ICC Bonn were also three participants of the Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy (BMWi) with Belarus, who had just completed the Programme at the MP training centre GICON in Dresden and who were specially invited to this event. The opportunity to update themselves on the current state of German-Belarusian economic relations was a good reason for them to make the long train journey from Dresden to Bonn. In addition, at the Day of Belarusian Economy in Bonn they were also able to speak with decision makers and establish business relations with potential partners. Artsiom Kholadau, an executive at the Belarusian internet provider Beltelecom, for instance, made the most of his attendance at the Day of Belarusian Economy, but also his entire stay in Germany, to establish contacts. And he came a big step closer to achieving his goal of buying hardware and other components for internet services from German manufacturers.

The expanding IT sector in Belarus is becoming an increasingly important pillar of the Belarusian economy. This tendency is also reflected in the MP participants’ profiles: many specialists and executives from young and rapidly growing Belarusian IT firms are interested in establishing business contacts in Germany; several IT representatives who came to Dresden for manager training had promising cooperation goals. But representatives from the manufacturing industry also provided offers of interest to German business: from the production of wiring harnesses for the automobile industry to measurement and regulation technology and textile yarn for nappy production. The first concrete agreements have already been signed. ■



MP participants (in the centre) at the Day of Belarusian Economy



Indian executives are gaining insight into geothermal energy opportunities at Innovative Energie für Pullach GmbH

Real-Life Energy Debates:

A Discussion on Putting Geothermal Energy to Work

Geothermal energy helps protect and preserve the landscape; it is low in CO₂ emissions, and coming as it does from the bowels of the Earth, it is almost inexhaustible. The supply is stable and ensures a continuous base-load for the power system. Geothermal energy is available to the consumer around the clock, regardless of the weather or season. Its potential can be exploited with technologies we already have to hand; it is basically energy on-site, right in the ground. In February 2018, 21 executives from India experienced this type of energy generation in Pullach in Upper Bavaria.



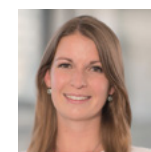
Westerham. With perfect winter impressions, Bavaria welcomed 21 Indian executives. For some of them it was the first actual snow they had ever seen. However, as enthusiastic as they initially were about the cold weather, they soon became aware of the importance of efficient heating. The residents of Pullach in the Isar Valley share their Indian guests’ appreciation. The special feature of this community is that they heat their homes with recycled heat from geothermal energy. To learn more about how geothermal energy is used, the Indian executives visited the Innovative Energie für Pullach GmbH (IEP), the municipality’s wholly owned company which was founded in 2002 to develop geothermal energy and distribute it through the community via a district heating network.

Currently, IEP uses this method to supply about 30 per cent of the Pullach households. In the coming years, this should rise to well over 50 per cent. Managing Director Helmut Mangold personally welcomed the MP participants. He gave them a tour of the facility and explained their structure and technology. “Geothermal energy can be used as a heating, cooling or electricity source almost everywhere in the world”, Mangold told them. “Geothermal energy makes an important contribution to reducing CO₂ and nitrogen emissions. We expect this technology to really take off”. The Indian managers were very impressed by the innovative way this energy was produced. As Harsh Chandarana, owner of Raghuvanshi Exports, said, “We always need new ideas for protecting the environment”.

The deep hydrothermal resources currently known to us could supply about 29 per cent of the German heat demand, and near-surface geothermal energy another 28 per cent. Disadvantages of geothermal plants include the expensive test drilling for wells, the large amount of space occupied, and resistance from people who are anxious about earthquakes and structural stresses on pre-existing buildings.

Geothermal power is a promising source of energy for remote rural areas in India. Even 5 kW mini-power plants would improve the availability of electrical power, and therefore living standards, in rural areas. For example, Tata Power, the largest private Indian power company, relies on renewable energies and sees great potential in geothermal options. Geothermal energy sources in India, which as yet have barely even been touched, could produce around 10.6 GW of electric power. The Indian Institute of Technology estimates that this is five times more than all the other renewable energy sources would yield. Tata is already involved in hydro, wind and solar power, and is now tackling geothermal energy. The company has set itself the ambitious goal of producing 1500 MW of electricity from geothermal resources annually. If it manages to do this, India would then rank third in the world, just behind the U.S. and the Philippines.

The IEP visit was especially inspiring for a number of participants from the energy sector and for those who specialise in industrial development of the territories. Being of the opinion that geothermal power is promising and sustainable, they were on the lookout for opportunities and ideas to take back to India. Alka Batra summed it up: “The municipal enterprise we visited has made great strides in the energy industry, which is a hugely important business sector in India as well”. There is obvious potential for cooperative projects. “Indian and German firms in this sector are interested in joint projects, which would lend a competitive advantage in the domestic market”. ■



Bianca Lorenz is a project manager at the Chamber of Commerce and Industry for Munich and Upper Bavaria. She is in charge of international training, including the organisation and implementation of the Manager Training Programme.



Organic Trade Fair: An Ideal Marketplace

Today the concept of “organic”, which originated in the food industry, includes far more than “only” healthy foodstuffs. “Organic” offers solutions for the challenges of the future: the climate crisis, world hunger and the destruction of resources. This concept requires continuous scrutiny, further development and new impetus. But “organic” must also remain innovative in its original industry – only then can it assert its position among the broad range of sustainable, environmentally compatible and regional products and gain recognition as the strategic model for the development of a sustainable food industry in the future.

Kiel. Demand for organic products remains strong, and markets for sustainable, healthy organic foodstuffs are growing throughout the world. The organic industry is also gaining ground in Moldova and Ukraine. On 16 February 2018, 20 Ukrainian and Moldovan participants in the Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy (BMWi) with an emphasis on agriculture visited BIOFACH, the world’s leading trade fair for organic foodstuffs, and the Vivaness trade fair for natural cosmetics.

These two trade fairs recorded a total of 3,000 certified exhibitors and roughly 50,000 visitors from 134 countries. Associations, certification bodies and service providers were represented in addition to all of the major producers of organic products. The Ukrainian and Moldovan executives wanted to gain a comprehensive overview of the industries and current organic trends, tap into new markets and get to know technological innovations in the organic industry.

The organic industry has been growing steadily for some years now in Eastern Europe. “However, our areas devoted to organic production are still very small

compared to those in Germany”, said Boris Molchanov. Indeed, more than every tenth farm in Germany is already run according to organic criteria. The German Federation of the Organic Food Industry (Bund ökologische Lebensmittelwirtschaft – BÖLW) reports that in 2017 an average of five farmers converted an agricultural area equivalent to roughly 500 football pitches to organic farming every day. In 2017, the total number of German organic farms increased by 7.5 per cent to 29,174. Conditions for starting or converting to organic agriculture are favourable. Prices for local organic products remain stable, and the framework conditions have also improved. The proportion of land used for organic farming in Germany is already 8.2 per cent.

For Molchanov, however, the topic of “organic” was not at all of interest before he started his training. Nevertheless, he was so overwhelmed by his visit to BIOFACH that he took a fundamental decision on the spot: his farm urgently needs a new organic concept as well as organic certification in accordance with the legal provisions of the EU. In the future, Molchanov’s vineyard Slivino will also be offering

organic wines in addition to conventional wines. Cooperation with the German Federal Association of Organic Viniculture ECOVIN (Bundesverband Ökologischer Weinbau) is planned.

Oleksandr Boiko wants his farm Eko Lany to become a member of Demeter, the German association of biodynamic farmers. Hence, for him the visit to BIOFACH was a perfect opportunity to find business partners, learn about new trends in agricultural production and develop ideas and concepts for sustainable farming on his own farm.

Not every contact at a trade fair immediately leads to the desired results. Only one in six contacts Oleksandr Oriekhin made was successful. However, the manager places quality before quantity: as soon as the organic certification in Ukraine has been completed, Oriekhin intends to sell his products in Germany in cooperation with the firm Naturkost Ernst Weber GmbH.

Through well-aimed selection according to product groups such as fresh, frozen and dried products, machinery and equipment, non-food, etc., the executives were able to identify and contact potential business partners during their preparation for the training programme. Hence, BIOFACH was the ideal marketplace for meeting potential new customers or suppliers, comparing prices and services, testing organic food and beverages as well as non-food organic products, discussing possible areas of use and evaluating their own chances of exporting. Diverse opportunities for lasting cooperation were created through the visit to BIOFACH. ■



Marlies Riemer-Lange is a project manager at WAK SH GmbH where she is responsible for international projects. She holds a degree in commerce (Dipl.-Kauffrau) and manages and is responsible for hosting the MP at WAK.

The World of Work 4.0: Digital, Innovative, Efficient

Digital transformation is changing not only societies, but also the world of work. The manufacturing industry is characterised by increasing automation with intelligent robots linked to each other. Twenty-one Tunisian MP participants who visited Rittal GmbH & Co. KG in Hesse with the TÜV Rheinland Akademie in May 2018 were able to see the efficiency of one of the world’s most modern logistics systems there.



Haiger. Looking to the future has always been important to Rittal in Hesse, the leading supplier of control cabinets and systems worldwide. The invention of the series control cabinet in 1961 was just the beginning. Today the company is an international operation and employs almost 10,000 people. In the past few years, Rittal made the largest investment in the enterprise’s history and built a state-of-the-art plant in Haiger for the production of compact housings. There Industry 4.0 structures form the basis for highly efficient production, logistics and communication processes.

Something that reminded the Tunisian executives of science fiction films at the start of their visit to the family-run business turned out to be a journey to modernity: headsets with an innovative design, white vests for the visitors, a virtual company presentation on a large screen in the recep-

tion area. But the journey continued and took the guests to the real marvel of modernisation: the newly built central warehouse, an enormous complex of buildings with more than 40 loading ramps and a high-bay storage system with a total capacity of 25,000 pallet spaces and the most modern logistics system the market has to offer. In addition, a fully automatic storage system for small parts with state-of-the-art shuttle technology for spare parts and accessories. “Through the investment, Rittal has been able to increase the quantity of dispatched products by 50 per cent”, explained Henrik Lehman, Business Development Manager for the Middle East and Africa. “We are also particularly flexible as a product and systems supplier”.

Tangible Innovation

The Rittal Innovation Center models a real production plant and proved to be



Rittal's new central warehouse is very high-tech

the highlight of the company visit. The special feature: customers, developers and visitors can experience and discuss all process steps directly at the stations, with machinery and tools based on actual everyday situations, and develop solutions – from engineering to material delivery, the preparation and processing of parts up to the finished product.

Here the next work of art awaited the guests: the virtual prototype of a control cabinet, the “digital twin”. On the basis of a digital 3D model, the Tunisian executives were able to design a customised construction and behold it immediately. “This technology makes it possible to put together a control cabinet according to one’s own requirements”, one MP participant enthused. “Even for those who are not experts”.

The lively discussion with Lehmann once more showed the topicality of the World of Work 4.0. “The principle of modular construction ensures Rittal’s competitiveness with regard to prices”, says the German manager. It also enables the firm to supply high quality control cabinets to meet specific requirements at carefully calculated prices. And that is of particular interest in Northern Africa. Rittal has representatives, mainly in Morocco, for possible cooperation. Customers can buy goods through the representatives for smaller orders. The colleagues in Germany take care of orders and deliveries for larger projects and provide support with project planning, programming, configuration, wiring of the control cabinets, and the necessary tests. Initial talks are currently ongoing regarding a possible cooperation between the Tunisian firm Segitec and Rittal. Representatives of both enterprises are currently in contact regarding business scope and know-how.

The visit to the Hessian firm showed once again that innovation is the driving force behind firms’ competitiveness. Hence, many of the managers resolved to implement innovation as an element of business development in their firms at home. ■



Inna Bechtold is a subject tutor and seminar manager for international manager training at TÜV Rheinland Akademie.



Trade Fair and Contacts in Saxony



With a bilateral trade volume of nearly €4 billion (2016) – and what continues to be a strong upward trend – Kazakhstan remains by far the most important trade partner for Germany in Central Asia. The BMWi's Programme has been successfully making its own contribution to these relationships since 2004; in April 2018, the NBL – the Dresden-based further education and training centre – welcomed the 5th group of MP participants from Kazakhstan to Saxony's burgeoning metropolis.

Dresden. Over the course of what is now a 14-year track record, during which Kazakhstan has been a partner country to the Programme, the requirements and needs of Kazakhstan businesses have registered a noticeable change. The executives who made their way to Saxony in the spring of 2018 were extremely well educated, committed and keen to establish contacts with German firms. The German concept of Industry 4.0 is well-known in Kazakhstan's professional circles, an idea with roots that stretch back to an initiative of the German federal government.

And so, the highlight of the one-month programme – an event shaped predominantly by the topic of Industry 4.0 – was without a doubt the Hannover Messe 2018. Anyone looking to make a major success of visiting a trade fair on this scale simply cannot do without proper preparation. Exhibitors plot their daily schedule at the fair down to the minute, something trade fair visitors should also do in equal measure. The NBL afforded executives enough time to create their very own visitor's plan, while under the guid-

ance of a specialist tutor. Such efforts were rewarded by the fact that each participant was able to adhere to and fulfil their own agenda during the visit, in part within small groups. As a result, the visit to the Hannover Messe 2018 was a success for everyone: from sheer enthusiasm regarding the scope and organisation of the trade fair (even that can be seen as a know-how transfer!) through to the scheduling of follow-up visits to German businesses offering very specific opportunities. Amir Galimov from the Aktau transformer plant alone was able to contact five new potential business partners.

Nadezhda Chigrina, the young CEO of AtyrauPromVentilatsiya, an enterprise that provides heating, ventilation and air conditioning technology solutions, set herself the objective of optimising and automating her firm's production, in particular through the use of modern equipment and control software. In the run-up to her time in Germany she made numerous attempts to contact potential German business partners but had been unable to arrange meetings

"from afar". She pounced on the opportunity to establish direct contact with key businesses from the first day on of her stay in Germany, when visiting the IFT Intherm trade show. It was this move that helped her to establish a collegial new contact with Dirk Schau, CEO of Prectl Lufttechnik GmbH. Chigrina then went on to visit the Thuringia-based company and schedule a counter-visit to her production facilities in Kazakhstan, in order for an audit to be conducted by the German experts so that recommendations could be made regarding production optimisation and automation.

The one-month stay in Germany was a major success for all involved, not least in view of the copious business opportunities that it resulted in. The executives from Kazakhstan took with them a whole host of experiences that gave them the impetus to get straight to work and make changes to their enterprises at home. "Every participant – from a total of 22 businesses in Kazakhstan – was able to unearth new business partners and expand the scope of their entrepreneurial skills", something the executives concluded in their summary observations. "This new knowledge will allow us to implement innovations such as process automation in our businesses with even greater vigour, while savouring the prospect of a successful future". All this underscores the fact that Germany and Kazakhstan have once again taken decisive steps towards a closer collaboration. ■



Roman Bannack has worked as a specialist tutor at NBL in Dresden since 2008, and actively contributes to hosting the Manager Training Programme. He primarily supports groups from Eastern Europe, Central Asia and Vietnam.

As Guests of a Hidden Champion



Their reputation for being the German economy's driving force is hurrying German SMEs along. Especially those known as the hidden champions are very popular with the foreign MP participants, as a lot can be learned from them – for example how, as an SME, you can find a niche and work your way to the top of the world market. Managers from Azerbaijan visited Ensinger GmbH.

Nufringen. If you happen to be in the Stuttgart Region and take S-train 1 from Herrenberg to Stuttgart, at some point you will pass the small, picturesque municipality of Nufringen. With its population of about 6,000 people, Nufringen is in the district of Böblingen in Baden-Württemberg. According to Wikipedia, "If Nufringen was a town, it could be called the best example of a commuter town, because many of the working people there leave the village in the daytime and come back when it becomes evening". Many but not all, since a hidden champion – Ensinger GmbH – has its headquarters, production and storage facilities in Nufringen. On 25 April 2018, the managers from Azerbaijan had the opportunity to experience first-hand one of the German Mittelstand Champions.

What was started by Wilfried Ensinger in a spare garage, as a workshop for developing new extrusion methods using self-designed equipment in 1966, is now an internationally active family-owned company with 2,400 employees generating a turnover of €413 million across 33 production and sales locations worldwide. Ensinger GmbH is a renowned processor of high-performance and engineering thermoplastics. It designs and develops, produces and sells compounds, extruded and cast semi-finished products, machined and injection moulded finished parts, industrial profiles and tubes, building products as well as compressed and cast formed parts.

The managers from the Azerbaijan group represented a vast array of industries, which made the company visit at Ensinger GmbH especially interesting, input-rich and promising in terms of business cooperation between the two countries: The company's product portfolio meets the demands of various industrial branches. Possessing AS/EN 9100 expertise and cer-

tified according to ISO/TS 16949, ISO 9001, ISO 50001, ISO 14001 and ISO 13485, Ensinger GmbH provides materials and solutions to the aerospace and automotive, mechanical and plant engineering, building and construction, medical and food technology, oil production, electrical engineering and semiconductor industries, along with many more.

Sustainability and Responsibility

During the tour of the production facilities, the Azerbaijani managers were able to experience how various plastic materials and parts are manufactured and to realise how responsibly the production is organised and managed. The mind-set, corporate policy and values of Ensinger GmbH reach far beyond securing the high quality and innovativeness of their products. The company acknowledges its responsibility to contribute not only to minimising hazards in the workplace but also to sustainable environmental protection. Due to the current environmental issues, the word "plastic" can give rise to certain negative

associations. However, plastic does not have to imply "plastic pollution": Ensinger GmbH has developed and is successfully manufacturing insulbar® RE, insulating bars made of 100 per cent recycled polyamide for minimal environmental impact and optimum sustainability. The profiles in question have a "Cradle to Cradle Material Health" gold Certificate.

Being an international company, Ensinger GmbH still adheres to the principle "Think globally, act locally". The necessity of acting responsibly as citizens of the city and the state, providing assistance and giving back formed the basis of "The Wilfried and Martha Ensinger Foundation" that supports social, cultural and scientific projects.

It is also worth mentioning that 25 April 2018 was a special occasion not only for the Azerbaijan group visiting Ensinger GmbH but for the company as well: It was the first time that the company opened the door of the Nufringen headquarters to an international group. Being adaptive, ready for continuous growth and open to the world is what drives the hidden champion of the Gäu region. ■



Maria Lazareva is a co-project manager at the Export-Akademie Baden-Württemberg and a teaching assistant at the University of Tübingen. At the Export-Akademie Baden-Württemberg she organises and implements training programmes. As a trainer, she is active in supporting the MP participants in developing their professional presentation skills.



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Karl-Heinz Rohde

A Market for the Future



The medium-sized enterprise ROHDE KG supplies special coatings for walls and ceilings in hospitals, industrial buildings and laboratories. It has been gradually tapping into the Asian markets for some years now. In future, the firm also wants to cooperate with customers in Vietnam. Thanks to the Manager Training Programme (MP), contract negotiations led to success much sooner than expected.

Röttenbach. Karl-Heinz Rohde and his employee, Dietmar Goebel, were very surprised when they learnt at an MP cooperation forum in autumn 2013 about the new buildings Vietnam's Ministry of Health is planning: roughly one thousand hospitals are to be built or renovated in the coming years, each of them with at least 600 beds. They received this good news from Vietnamese MP participants, who were in Munich at the time for training with a focus on the healthcare sector. For Rohde,

this means that there is enormous business potential in Vietnam for his enterprise: ROHDE KG in Rottenbach, Franconia/Bavaria, produces particularly robust, hygienic and hard-wearing coatings for walls and ceilings – which are therefore particularly suitable for use in hospitals.

Two months later, the businessman met a high-ranking Vietnamese delegation who informed him for the first time in detail about the plans in their home country.

This visit was arranged by a Vietnamese MP participant. Rohde's many years of experience in business with Asia enabled him to address the important points for cooperation. He illustrated the special qualities of his wall and ceiling coatings in a presentation, explained how they are applied and the functions they fulfil. "As soon as I mention that the coatings prevent microorganisms from growing, without the need of further chemicals – not even the much-feared hospital-acquired

infection MRSA can spread on them – everyone starts listening carefully. Because that is a worldwide problem", Rohde says.

The entrepreneur knows that his products offer advantages which quickly convince hospital operators. Already in the 1980s, Rohde had developed ceiling and wall coatings which, in combination with fibreglass fabric, have special qualities. At the time, a new hospital for nuclear medicine was being built in Würzburg. Rohde offered his system consisting of fibreglass and a particularly environmentally friendly coating for the first time. "The responsible physicist at the clinic was very impressed", he says. The RHODE system distinguished itself clearly from competitors' products. Wall coatings produced by ROHDE are not only decorative, but also fire-proof, extremely resistant to mechanical stress, abrasion-resistant, durable – and they are the perfect solution for rooms such as operating theatres, intensive-care areas or isolation wards with their special hygiene requirements. Viruses and bacteria cannot grow on the surfaces. Walls and ceilings can be scrubbed, and the coatings even stand up to high-pressure cleaning equipment. That is very important as such systems have long since expanded their usefulness beyond hospitals. Research institutes and industrial enterprises coat their laboratories and cleanrooms with them. "And these rooms are often cleaned every day using high-pressure equipment or regularly come into contact with aggressive chemicals", Rohde explains.

"At the time, hospitals were being built there, in which as many patients were treated every month as in one year in Germany. We wanted to participate".

When Rohde visited China's large cities as a tourist at the end of the 1990s, he decided to also tap into the Asian markets. "At the time, hospitals were being built there, in which as many patients were treated every month as in one year in Germany," he continues. "We wanted to participate". Now the Franconian enterprise supplies the most diverse markets. The so-called "hot area" in a Hong Kong hospital, the University Clinic in Almaty/Kazakhstan and the "Green Building" in Chennai/India which was awarded a platinum rating are just a few examples.

Ten employees are occupied entirely with taking care of worldwide distribution and sales. ROHDE makes a conscious effort to employ staff with connections to the various countries. The different cultures also require different forms of communication, and here employees with roots in the respective countries have an advantage. They not only speak the language, but also know how their local contacts think and work. "That is helpful when doing business abroad", says Rohde.

Vietnam was the only market in which ROHDE had no luck for a long time. "We simply did not reach the right people", he explains. But that changed suddenly when Rohde got to know the Vietnamese MP participants. Having the right contacts is particularly important in Asian markets.

And this was the case following the contact made during the manager training. After an initial exchange of information, things went very fast: four weeks later, a Vietnamese delegation of high-ranking officials from the Ministry of Health travelled to Franconia, among them the Ministry's chief architect, who is responsible for building measures concerning all government and private hospitals in Vietnam. At that point the talks

regarding joint projects became more specific. In January 2014, Rohde flew to Hanoi to look at the hospitals and building sites there. In April 2014, he was able to thrash out the details of the deal – just six months after the first meeting – and deliver coating systems for two hospitals.

However, the further business development is currently stagnating somewhat. "Despite activities on our part, our business with Vietnam is very slow. We have confirmations for further projects, also support from the Vietnamese Ministry of Health, but the decision-making process in Vietnam takes a very long time", the managing director explains. Nevertheless, he is not giving up. "With the "test projects" we are training tradesmen on site, proving the quality of our products and we have sufficient time to adapt to any requirements specific to that area". Vietnam remains an interesting market for his firm. ■

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Ten Years of the MP with Turkmenistan



Private Sector Strengthened

Turkmenistan is one of the Central Asian countries with the most natural resources – its oil and natural gas deposits are among the largest in the world. The country sees economic diversification as a way of countering its commodity dependence. The Manager Training Programme (MP) of the German Federal Ministry for Economic Affairs and Energy (BMWi) contributes to economic development in Turkmenistan, for example by promoting the private sector. The MP celebrated its tenth anniversary in 2018 and took stock.

Ashgabat. Maksat Ibragimov visited Germany for manager training at the end of 2017. His enterprise, Maksada Okgunly, is currently the largest producer of turkey meat in a closed-loop (waste-free) production system in Turkmenistan. “Through my participation in the Programme, I have expanded my skills in cooperating with German firms for the supply of machinery for producing feed”, says Ibragimov, describing his experiences in cooperation with German and European firms. The training was also a good opportunity to take a look inwards. “I learnt how to see my own business with other, critical eyes and recognise where there is room for improvement and where things are going

well”, the Turkmen entrepreneur continues.

Ibragimov came to Ashgabat with more than 80 other representatives of business in May 2018 to celebrate the tenth anniversary of the Manager Training Programme with Turkmenistan. A big event – and a good opportunity to establish new business contacts. When registering for the two-day alumni conference the entrepreneurs updated their details and got to know other Turkmen MP alumni. Even participants from the pilot group of 2008 accepted the invitation.

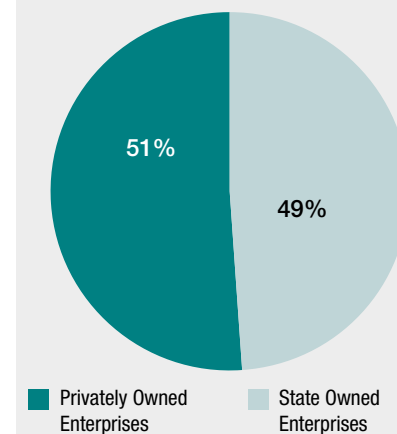
The mobilisation of investments, acquisition of new technologies and equipment,

job creation, corporate restructuring, and the introduction of new management methods and production optimisation: The Turkmen managers acquired knowledge and skills in these key areas, which they can apply at home to the benefit of the Turkmen economy. Many alumni establish their own businesses after returning home or pursue a career in one of the ministries or other public authorities. In this way, they contribute to the success of economic reforms in the country.

How it All Began

Since 2008, almost 190 executives from state and private enterprises in Turkmenistan have completed the MP. Using the skills and business contacts they gained in Germany, they contribute to the strengthening of the Turkmen economy and particularly the private sector. Whereas when the Programme first started, the participants were primarily representatives of governmental enterprises, the number of executives from private firms has almost doubled since 2014. Only five of the participants in the pilot group in 2008 represented privately run businesses, while state-owned enterprises sent 24 employees to the training. In comparison, in 2017, three quarters of the participants were from the private sector. The statistics for the past ten years confirm this development:

Enterprises



The MP with Turkmenistan is based on successful cooperation between several partners. The Turkmen Ministry of Finance and Economy has been coordinating the MP together with the GIZ since 2008. “Together with the Turkmen entrepreneurs’ association, the ministry has been organising initial informational events in the provinces (known as the welayatlar) since 2015, including in the cities of Mary and Turkmenabat”, said Altmurat Orasov, head of the economic division at the Turkmen trade association. The aim is to involve private enterprises in the provinces more intensively because the majority of MP participants currently come from the capital and only 14 per cent from the provinces.

The MP was able to gain a further important partner, the Institute for Strategic Planning and Economic Development. The Institute supports Turkmen enterprises within the framework of national support programmes. “The partnership with the MP gives us a completely different perspective”, says representative Myahri Halnasarova. “Through the exchange with MP alumni, we are able to develop a keener sense of the needs and problems of the target group that the institute actually serves”.

A Gain for Both Sides

Germany and Turkmenistan benefit equally from the Programme. German businesses get to know the Turkmen market better and at the same time, can provide information on their own portfolios. MP participants receive first-hand information during plant tours, cooperation exchanges and bilateral meetings in Germany and establish contacts on the spot.

Training in Germany on corporate management, intercultural management and cooperation with German firms prepares the Turkmen executives for building long-term relationships with German business partners and modernising their own firms. This was also the case for Begench Alty-mammedov, director of the Berg brewery, who participated in the Programme in 2008. “The Programme made me sit up and think about my career”, Alty-mammedov said at the alumni conference. “I gained numerous new ideas for my work. At the time of the training, I was in charge of a finance department at a textile firm”. Despite the very sizeable oil and gas deposits, there is still a lot of movement in the renewable energy sector. Nury Khidirov, Programme alumni from 2016, confirmed this based on his own experience. He works for Täze Energiýa HK and was the first one to bring a renewable energy project to Turkmenistan. The goal is to make it possible to harness the solar and wind energy in the country. The enterprise is now the official representative of the German firm Solarwatt GmbH in Turkmenistan.

And the food sector also places its confidence in German machinery. The Turkmen firm Hasar produces confectionary using German equipment (see issue 8). Maisa Hodshamkulyjeva was in Germany in 2014; after returning home, she introduced tools for employee motivation to the personnel department. In addition, the enterprise changed its personnel development policy. Now a two-month work shadowing period precedes all job or function changes. But the topic of quality management for finished products is not neglected either, as the conference guests – ministry representatives of both countries and MP alumni – had the opportunity to discover: “Clearly structured production processes, good working conditions and social security for the employees have a very positive effect on the production. We supply high-quality products that can hold their own in the market”, said Hodshamkulyjeva during a walk-about through Hasar’s production facilities. There it smelt of a unique combination of chocolate and Turkmen melon, both of which are used to make a typical Turkmen type of chocolate.

From chocolates to turkey: a visit to Maksat Ibragimov’s enterprise was also on the

itinerary for the conference participants. With his waste-free production cycle, Maksada Okgunly is one of the pioneers among the farms in Turkmenistan. He already has 70 employees, who can – if they want to – have their families close by. A small hotel is connected to the farm, in which the families of those employees who are not from Ashgabat can stay.

The diverse projects presented reflect the broad range of enterprises participating in the MP – and that is not only the case in Turkmenistan. It is therefore no surprise that the demand for cooperation relationships across locations and countries is growing among MP alumni. Irina Kuzina and Gulnara Gulberdiyeva, for example, who participated in the First International Alumni Conference of the MP in Berlin in 2017 as representatives of Turkmenistan, described the atmosphere there and the efforts to maintain contact among

Turkmenistan

Area: 491,209 km²

Population: 5.42 million (2016 estimate)

Natural resources: Natural gas, oil, cotton, potash and rock salt, sodium magnesium salt, sulphur, expanded clay, limestone, marl, clays, plaster, mineral colours, strontium ores, ozocerite

GDP: USD 36.2 billion (2016)

GDP per capita: USD 6,675 (2016)

Origins of GDP: Extractive industry (oil/gas) 25.8%; building industry 18.1%; manufacturing and processing industry 14.4%; trade 11.0%; transport, communications 5.5%; others 25.2%

Most important trade partners: China, Turkey, Iran, Russia, United Arab Emirates

Imports from Germany: Building materials; machinery (for the agricultural industry; manufacturing and processing industry; oil, gas and building industries); automotive parts; electrical equipment; measurement and regulation technology; chemical products

Exports to Germany: Oil, textiles and clothing

Source: gtai

► the alumni. For the listeners, it was particularly interesting to learn that alumni from Turkmenistan's neighbouring countries, i.e. Azerbaijan, Iran, Kazakhstan or Uzbekistan are also interested in cooperation and contacts, especially in regional cooperation projects among MP alumni.

The Key to the Turkmen Market

The organisers are also satisfied with the effects the Programme has had. "Since its introduction in 2008, the MP has developed very strongly and contributes to the economic development in Turkmenistan", Ezizgeldy Annamuhammedov, Deputy Minister of Economy of Turkmenistan said, emphasising the significance of the Programme. Monika Stienecker, the person at BMWi responsible for coordinating the Programme with Turkmenistan, also sees the MP as an important key for gaining access to the Turkmen market: she addressed the alumni at the anniversary conference with the words: "Particularly you as alumni of the Programme are preferred contacts for German firms".

GIZ Programme Director Reimut Düring also confirmed the MP's good reputation among German and Turkmen business representatives and politicians, saying that the Programme promoted economic development in Turkmenistan, for instance through the diversification of the economy and the strengthening of initiative in the private sector.

A Market of Opportunities

A small trade fair was held during the conference, at which diverse goods and services were presented. It served as a first step



Ten years of the Programme: the alumni conference in Ashgabat provided an opportunity to reflect on the past and look ahead to the future

towards establishing business relations with Turkmen partners and provided an insight into the spectrum of the enterprises participating in the Programme. Incidentally, Turkmen alumni were recently invited by Programme alumni from Kazakhstan to a comparable trade fair in their country – further proof of the sustainability of the Programme.

The alumni conference also gave the participants an opportunity to discuss the topics of "the financing of foreign business transactions" and "ISO certification" with experts. Inga Markwart from CIS Trade&Consulting in Berlin provided the participants with both a general overview of possible sources of financing for foreign business transactions and an insight into the "Business Model Canvas". This tool helps to visualise business ideas and can thus convince an investor of the feasibility of a business idea within just five minutes (see issue 7).

How is demand for a product generated and cost effectiveness increased in an en-

terprise? The quality management standard ISO 9001:2015, for example, can be a help here, as Danil Maikovsky from the MCT Agency in Ashgabat knows from personal experience. But so can other quality tools too, such as HACCP, which minimises hazards in the area of food production (see issue 8).

Stock-Taking and Plans for the Future

At the end of the two days, the conference organisers and participants came to the same conclusions: the work is to be continued and the Programme expanded. The Ministry of Finance and Economy of Turkmenistan, the German Federal Ministry for Economic Affairs and Energy (BMWi), and the GIZ are also of the same opinion. In the coming years, training measures tailored to the needs of selected industries are to take place, among other things. Campaigns are planned for advertising the Programme in the various provinces. Foreign language skills are a further important aspect: the more Turkmen executives there are who can speak English, the more of them can also participate in industry-specific training for executives from various MP partner countries. The next manager training in Germany starts in October 2018.

Monika Stienecker and Reimut Düring thanked their partners for the good cooperation and look forward to continuing this relationship which is characterised by respect and trust. One important step along this path has already been taken: in March 2018, both sides extended the bilateral agreement by a further two years. ■



From L to R: Reimut Düring (GIZ), Monika Stienecker (BMWi), Margret Uebber (German Embassy), Galina Romanova (Ministry of Finance and Economy of Turkmenistan), Altymurat Arasov (Union of Industrialists and Entrepreneurs of Turkmenistan)

Industry 4.0 in Vietnam



The fourth Industrial Revolution remains a phenomenon of our time. But does prudence prevail when attempts today are being made to establish Industry 4.0 in Vietnam? It is exactly this question that MP alumni from Vietnam grappled with during their 10-year anniversary get-together in the city of Dong Hoi. Response: Significant sources of potential can be unleashed with simple adjustments to production. Industry 4.0 is, after all, a path characterised by continuous production optimisation.

Dong Hoi. The 10-year anniversary of the MP provided by Germany's Federal Ministry of Economic Affairs and Energy (BMWi) with Vietnam represented a wonderful occasion to bring together all alumni spanning all graduation years to a meeting in the coastal city of Dong Hoi. The event on 24 March 2018 drew in over 60 former Programme participants from the north and south of the country, a real show of solidarity with the MP and Germany that came to characterise the event. This also provided an opportunity, of course, to catch up on the latest news concerning the two countries' political and economic relationships, such as the contributions by the BMWi, the German Embassy and the Vietnamese Ministry of Industry and Commerce.

The GIZ and the VCCI, the MP partner in Vietnam, not only allowed enough time to give participants the chance to exchange experiences and reflect, they also established a platform for sharing different perspectives on the future worlds of work. This framework incorporated many topics including "Vietnam on its way to Industry 4.0". Frank Schöninger and Thang Loi Tran from the management advisory firm Sopec painted a picture of the rapid development witnessed with the "Internet of Things", or in other words all technologies involved in the global networking of physical and virtual objects. In 2003 there were 500 million networked devices, but today's estimates predict that

this number will increase to 50 billion by the year 2020. This also triggers an immense increase in the amount of information being transferred, as well as an ever-increasing number of people who can be supplied with information in ever shorter time frames.

This also goes hand-in-hand with the development of industry. The underlying premise of Industry 4.0 – the fourth Industrial Revolution – envisages the networking and interaction of all participating stakeholders – be it man, machine or system – in the value creation of a product. This also means that the entire product life-cycle has to be covered. Such an approach offers a multitude of benefits for enterprises. They are able to measure the level of quality even during the production process. Robots are integrated and communicate with one another, thus preventing dips in quality before they can occur. Technicians can conduct machine maintenance using their smartphone, thus preventing production downtime. Logistics and warehousing also enjoy optimal integration into the production process, thus guaranteeing comprehensive networking throughout. At least in theory. "The reality is that Industry 4.0 begins at a much earlier stage", explains Schöninger. "Industry 4.0 is not the destination, but rather the journey". In specific terms this means that Vietnamese firms can also realise the benefits attributable to the guiding concepts behind Industry 4.0. It is, however, a long journey. It starts with the documentation of all the

enterprise's processes and the differentiation between value creating and non-value creating processes. The measurability of process workflows is extremely important, as well as the associated standardisation and continuous improvement of processes. The order of the day is: Generating sustainability – and always with a view to the full-scale automation of processes in future.

Based on this notion, Industry 4.0 does not mean that millions have to be invested. Small adjustments in production can help deliver impressive improvements. Sustainability being the key word here. The path to the full-scale automation of processes begins with simple sensors, that allow for many KPIs to be measured. "Such sub-process steps can have an enormous optimising effect on processes, and can help carve out the path for Industry 4.0 by allowing robots to communicate with each other in the future, while also enabling mutual compliance with production tolerances", explains Schöninger.

Although Vietnam currently competes on the global stage with its straightforward industrial mass production, its performance and partially available infrastructure should not be underestimated. Samsung's smartphone plant to the north of Hanoi boasts the status of being one of the largest plants the industry has seen to date. With over 3,000 robots in deployment, it is already prepared for Industry 4.0 today. The VinGroup will also soon be in possession of the world's most modern automotive production facility (the VinFast, due to go into operation in 2019) as well as a 4.0 based tracking system. "It's a great start for the standardisation of production processes", says Schöninger. ■



Frank Schöninger, master of business administration in the motor vehicle industry and founder of SOPEC, helps automotive companies launch and expand their businesses in Vietnam where he has hands-on expertise. Based in Saigon, he also helps local firms improve their competitiveness. Before moving to Vietnam from Stuttgart, he spent 21 years at Daimler AG in various positions. www.sopec.org



Vietnamese MP graduates of the last decade share valuable information with each other

Retaining Talent in India



Almost every MP partner country is impacted by a skills shortage. At the 2018 follow-up seminar in India, Indian entrepreneurs explored the problem in depth and discussed personal experiences and possible solutions.

New Delhi. Today around 1,700 German firms are active in India, some as independent producers and some involved in joint ventures or cooperation agreements with local firms. While German firms invest heavily in India, many are plagued with the same problems as their Indian counterparts and are finding it difficult to recruit and retain well-trained personnel. At a follow-up seminar in New Delhi, Indian executives agreed that the skills shortage was a pressing issue.

In India, a follow-up seminar brings all the diversity the country has to offer together in one place. So on the 11 and 12 May 2018, just under 50 Indian executives from all over the subcontinent made their way to New Delhi to talk about the impact of last years' Manager Training Programme in Germany. MP alumni were reunited with their trainers and contacts from the German training centres too, including Akademie International, IHK München, GICON and the German Management Academy of Lower Saxony (DMAN). Time seemed to fly. To start with, the executives shared how their individual hopes for joint ventures and ideas had developed over the course of the past year. Then the conversation turned to framework conditions, and representatives of the German

embassy and the AHK, GTAI and SES detailed the current state of political and economic cooperation between India and Germany. The issue of retaining talent was a central focus throughout the event.

On site tours in Germany, many executives had learned the basics of the German vocational training model. Similar models are currently under discussion in India. Shivani Chaturvedi from the German-Indian Chamber of Commerce and Industry explained how the CCI was promoting vocational training in India. The CCI's Indo-German Training Centre organises business management training programmes based on the German model. The ultimate goal is to provide enterprises with access to better trained personnel, so the chamber is working closely with German firms represented in India to offer twelve to eighteen-month programmes. The chamber is also advising local firms under the "DUALpro" (VET service brand of the Chamber) seal on implementing elements of the German training model in-house to train qualified workers in accordance with the needs of the respective branch.

A panel discussion with representatives from IGBDA, the Indian alumni network, also

covered employee recruitment and development. Ravindra Mahadeokar from Nasik talked about his personal experience of the challenge of finding and hiring talent with sufficient skills in mechatronics. His solution was to form a joint venture with a German partner to develop webinars to serve as in-house training tools. Against the backdrop of the rapidly changing working conditions such as Industry 4.0, Indian entrepreneurs asked that future alumni work continue to explore the issue and requested more detailed information. The IGBDA alumni association will continue to address the skills shortage and promote discourse.

Participants talked about more than just human resources though. Four selected MP alumni spoke to seminar participants about how to translate experience and business contacts gained in Germany into long-term business partnerships. The speakers talked about very different business models. A shrimp exporter to the German market spoke about overcoming prejudice against Indian products, while an importer of analysis instruments for farming discussed the proper use of artificial fertilisers. One alumnus was involved in marketing German solar modules on the Indian market, and another sold LED lighting systems to Germany. The four entrepreneurs led by example, showing that while realising business ideas with German firms often required a great deal of patience, real success could be achieved with the right products and sales networks. ■



The agenda of the follow-up event in New Delhi focused on securing the supply of skilled labour

In Focus: Securing Skilled Labour



There's not a single country that is not familiar with the problem at this point: the worldwide scarcity of skilled workers is posing a threat to more and more economies. In Germany, it has become a serious business hazard, and in fact many firms are finding that it's their number one challenge. Not only are well-trained professionals hard to find, but then you have to figure out how to retain them. How do you attract quality workers? And afterwards, how do you continue to be a good employer? That's what the economy is asking for now. How do we ensure that academic and vocational education remain attractive, and that young people are equipped for the labour market? That's what governments are wondering.

Germany is actually in a fairly good position in terms of vocational training. Germany's vocational training system is particularly popular and successful worldwide. In this process, trainees are integrated into everyday business life right from the start, learning the profession from the bottom up. At the same time, they attend a vocational training centre to learn the theoretical basics there. That's all well and good. But Germany is still feeling the effects of a skills shortage – especially in technical occupations. Effective measures are still needed here to strengthen this sector. Further issues include the demographic decline and the aging of Germany's skilled workforce. At the same time, not enough is being done to make Germany attractive to

foreigner workers who have the skills Germany is looking for.

Many MP partner countries are also suffering from this dearth of skilled workers. Their governments may have high hopes for the German vocational training model, but the firms themselves have to step up to recruit, educate and retain qualified personnel. Doing this will unleash creativity and energy. Here too, it pays to think outside the box: MP participants are gaining some valuable personnel leadership ideas from German enterprises, many of them as applicable in Asia as they would be in Eastern Europe or Latin America. After all, everyone knows that the key to corporate productivity and competitiveness is well-trained and motivated staff.



Overcoming a Skills Shortage



A skills shortage is becoming the greatest business risk in the German economy. The situation is already alarming in the federal states in the south of the country, but the eastern regions are also affected. The German Federal Government is combating this challenge with diverse measures; one of them is the vocational education and training system – today already well-known and recognised worldwide.

Berlin. Numerous studies substantiate something that particularly small and medium-sized enterprises (SMEs) have learned through their years of experience: not only does a skills shortage reduce turnover and profits, it also threatens a business' very existence. According to a study published recently by the German Economic Institute (IW) in Cologne, there is currently a shortage of 440,000 qualified employees on the German labour market. Without this shortage, production potential would be 0.9 per cent, i.e. roughly 30 billion euros higher. In a survey carried out

by the Association of German Chambers of Industry and Commerce (DIHK-Unternehmensumfrage) in January 2018, 60 per cent of the 26,000 polled enterprises considered the skills shortage to be their greatest business risk; general economic framework conditions, in contrast, are only crucial for 40 per cent of them.

Although not all regions are affected by the shortage of skilled personnel yet – there is an urgent need for action. Particularly the south of Germany is affected, but the situation in the new federal states

of Germany is also becoming increasingly critical, as demographic change is already well underway there. Especially in rural areas, the skills shortage is a result of the ageing society. Many young people move to metropolitan areas such as Berlin or Hamburg, thus easing the shortage of skilled staff there. However, in metropolitan areas, there is a strong growth in demand particularly for skilled employees in certain industries. There are shortages of skilled personnel particularly in the health sector (nursing and care of the elderly) as well as occupations in the fields of Science, Technology, Engineering and Mathematics (STEM). In Germany, there are not only too few specialised employees – there is also a shortage of vocational trainees.

The Heart of the German Vocational Education and Training System

In Germany, roughly half of the school leavers each year opt for vocational education and training. This training takes place in two places: at an enterprise and a vocational school. Hence, vocational trainees are both employees and students. They sign a vocational training contract with an enterprise where they receive practical training in one of the 300 recognised occupations in accordance with the German Vocational Training Act (BbIG) or the German Trade and Crafts Code (HwO). Training takes between two and three-and-a-half years, depending on the occupation. After passing their final examination, vocational trainees receive a chamber diploma (or certificate of apprenticeship for the trade) confirming their vocational competence in the occupation learnt. The combination of practice and theory forms the basis of the German vocational education and training system, which has gained considerable international recognition.

The German Vocational Education and Training System as a Blue Print

The skills shortage is not only affecting Germany – it is challenging enterprises all over the world. Other countries also attach high importance to the vocational education and training system and are planning to adapt their own training structures in this direction. The German vocational education and training system provides trainees with the knowledge, capabilities and skills that are required in a changing work environment. The strong interest shows that the vocational educa-

tion and training system has enormous potential for ensuring the supply of skilled employees – worldwide. It already supports employees and employers today in meeting the requirements of tomorrow. This model for success can be transferred to other countries – adapted to local conditions. Thus, participants in the Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy (BMWi) also regularly gain insights into the vocational system in practice when they visit German enterprises during their training in Germany.

Many German firms have international activities and also need qualified personnel abroad. The Federal Ministry for Economic Affairs and Energy supports German SMEs within the framework of the Skills Experts Programme in training skilled employees in other countries according to the vocational training principle. So-called “skills experts” work in selected Chambers of Commerce Abroad (AHKs) or Delegations of the German Economy as local contacts. Together with the member enterprises, they develop needs-based vocational education and training measures based on the German model and implement them. The intention is that “skills experts” worldwide will ensure comparable, quality assured standards for practical training in enterprises and the corresponding certification according to the German model. Particularly German

The number of training contracts concluded in Germany increased again slightly in 2017. The majority of the 523,290 new contracts concluded in 2017 were in industry and commerce (304,272) as well as the trades (143,718). In the freelance professions 45,096 new contracts were concluded, 15,807 in agriculture and the domestic sector and 14,253 in public services. Compared to other European countries, the very low unemployment rate amongst young people of just 6.6 per cent can be attributed to the German vocational education and training system, however, at the end of September 2017 there were approximately 49,000 vocational training positions which remained vacant. In 2016, 426,375 enterprises, i.e. almost 20 per cent of all enterprises, provided vocational training. Vocational trainees make up 5.1 per cent of all employees. In 2016, almost 70 per cent of the trainees received a subsequent employment contract. During their vocational training, trainees earn on average 876 euros monthly.

SMEs, but also the partner countries and young people in those countries benefit from this model. There are already “skills experts” in Bosnia-Herzegovina, Indonesia, Kenya, Croatia, Malaysia, Macedonia and Vietnam, and plans exist for further African countries such as South Africa, Nigeria and Ghana.

Immigration of International Specialists: An Important Component for Securing Skilled Labour

Analyses by the German Federal Government show that the positive strong growth of the German economy over the past few years was mainly supported by internal migration within the EU. According to current forecasts, this will, however, not be sufficient to compensate for the decline in the labour force as a result of demographic change. Thus, the German economy is dependent on the immigration of international specialists. And in its Coalition Agreement the German Government also seeks to strengthen the immigration of skilled workers.

The German Federal Ministry for Economic Affairs and Energy has been providing information since 2017 on legal immigration as well as living and working in Germany for international qualified professionals on the official www.make-it-in-germany.com information portal. These candidates can apply for vacant positions directly via a job portal. A team of experts gives individual and personal support via their hotline, e-mail or chat function regarding matters such as searching for a job, getting qualifications recognised, language acquisition and entry into the country.

Further Selected BMWi Measures for Gaining Skilled Workers

The Federal Ministry for Economic Affairs and Energy is implementing diverse measures to counteract the shortage of skilled workers. The Alliance for Initial and Further Training, the “Passgenaue Besetzung” programme (the right candidate for the right job) and the “Kompetenzzentrum Fachkräftesicherung” (Research Unit on Securing Skilled Labour) are just three of them.

- There is a particular shortage of labour at the intermediate qualification level. In the Alliance for Initial and Further Training, the Federal Government wishes to work in cooperation with trade

unions to strengthen vocational training and make it more attractive to young people. Matches between vocational trainees and enterprises are to become easier – this is a central concern for the Alliance in view of the 49,000 vacant training places in 2017 and, at the same time, 23,700 applicants who could not find a training place. Under a new scheme known as “Assisted Training” (German: Assistierten Ausbildung), which was introduced in 2015, the Alliance also supports enterprises and young people who are experiencing more difficulties in getting started on the pathway to vocational training.

- The “Passgenaue Besetzung” (the right candidate for the right job) programme, which is co-funded through the European Social Fund (ESF) in Germany, also promotes the improved placement of vocational trainees: Consultants at chambers of trade, industry and commerce as well as other organisations help SMEs in filling their vacant training positions with young local and foreign individuals (without refugee status). In 2017 alone, they were able to fill more than 4,000 training places. The “Willkommenslotsen” (the welcoming crew) promotional programme is responsible for finding suitable training places for refugees.

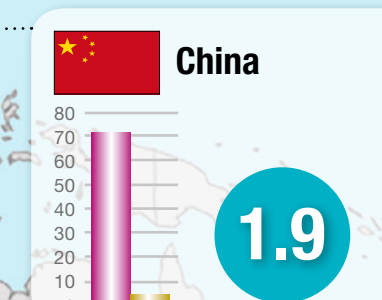
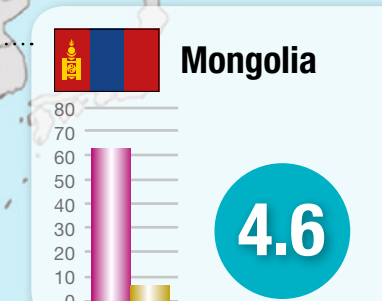
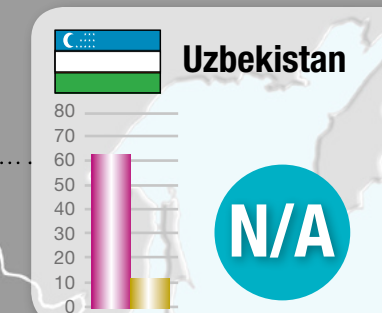
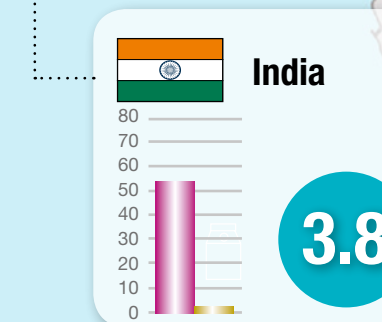
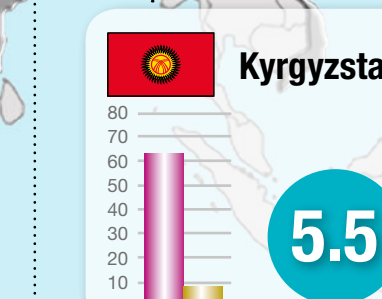
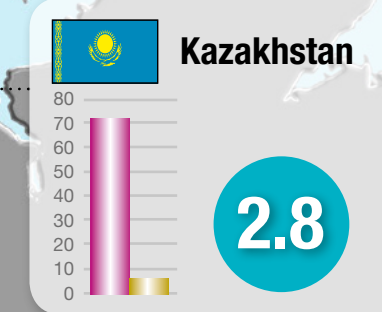
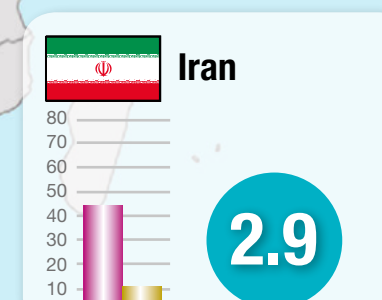
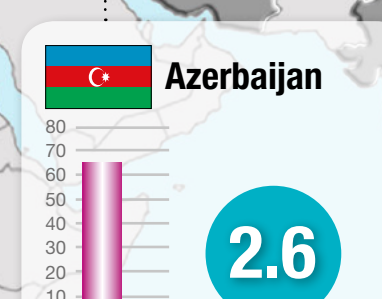
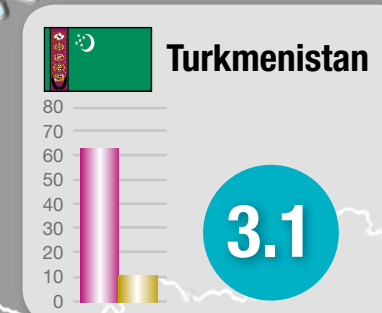
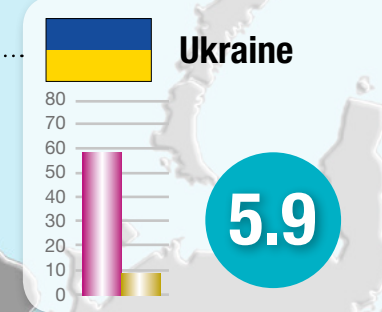
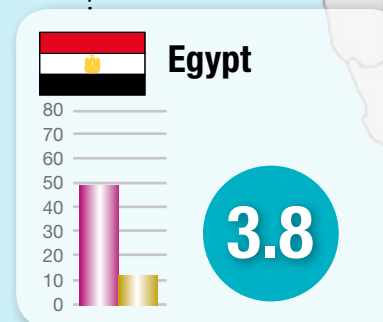
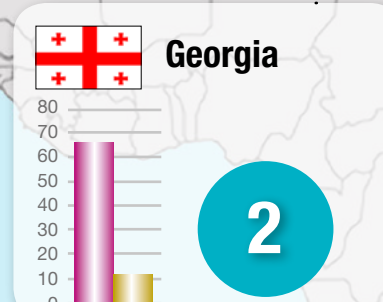
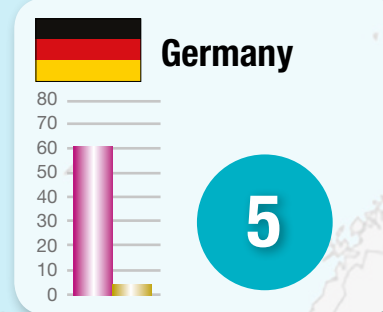
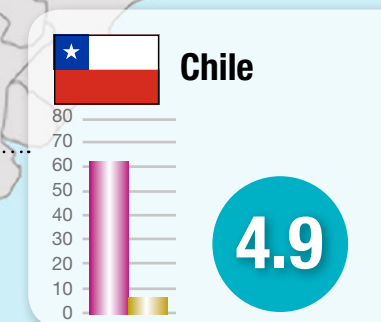
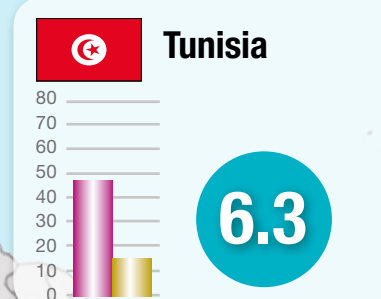
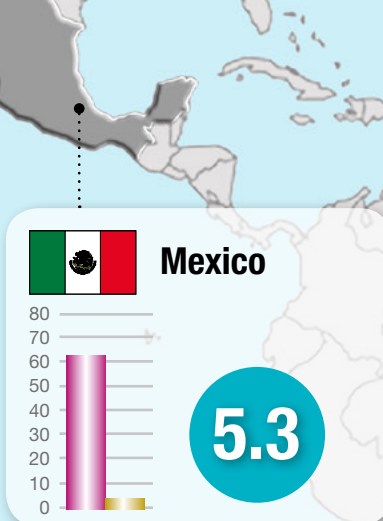
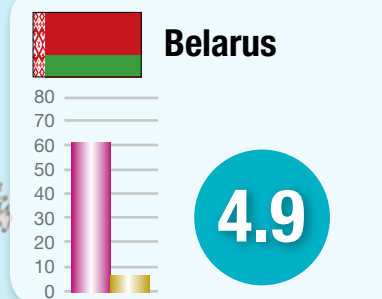
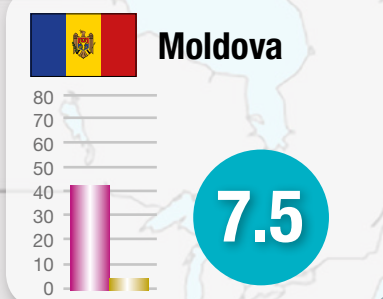
- Through KOFA (Kompetenzzentrum Fachkräftesicherung), the competence centre for ensuring the availability of skilled personnel, the Federal Ministry for Economic Affairs and Energy supports SMEs suffering severely from a shortage of skilled workers. KOFA supports SMEs in becoming attractive employers and remaining competitive with qualified staff. Clear and user-friendly recommendations for action and practical examples for SMEs can be found on the website: www.kofa.de. Moreover, KOFA organises its own events on core personnel topics, for example the focal topics of digitalisation, refugees and inclusion. In recent years, KOFA has become a central contact for SMEs on the topic of ensuring the supply of skilled labour. ■

Dr Malte Ebrich,
Federal Ministry for Economic Affairs and Energy

Education spending and labour situation in the MP partner countries

- Total public spending on education as a percentage of the GDP
- Employment rate in %
- Unemployment rate in %

Source: Federal Statistical Office of Germany





Gaining and Retaining Qualified Employees

Recruitment Strategies for Combating the Skills Shortage

Cross your heart: what shape is your enterprise's personnel management in? In many countries, businesses are finding it more and more difficult to recruit suitable personnel and to retain staff for the long term. In Germany, this topic has been on the agenda for some years now. But in other European countries too, the tendency towards a shortage of skilled personnel is becoming increasingly noticeable, as several studies show.

Cologne. A few years ago, the first firms started complaining that they were receiving less and less job applications and could not fill vacant positions. They have been and are experiencing a shortage of skilled personnel. In so-called "skill shortage occupations", there are less than two unemployed persons for every reported vacancy – and only every second vacancy is reported anyway. And even so, not all factors have been taken into account: Do the available qualified candidates have the necessary specialisation? Are they suitable for the enterprise and the team? Do they live nearby or would they be prepared to move? Here regional imbalances must also be considered. In 2011, 44 per cent

of all job vacancies advertised throughout Germany were in skill shortage occupations. By mid-2017, this proportion, also known as the skill shortage ratio, was 72 per cent – which means that more than every seventh position was difficult to fill. Due to regional differences in social structure, economic performance and further factors, the skill shortage ratio in one region of Baden-Württemberg was 95 per cent; in contrast, it was only 11 per cent in the south of Berlin (see Figure 1).

Research in the form of surveys and official statistics is also carried out in other European countries on the situation regarding skilled workers. The Southern Eu-

ropean countries have not yet had to deal with many shortages of skilled personnel – among other reasons, because economic growth is currently stagnating there. In contrast, Central and Eastern Europe as well as Western Europe are particularly affected. Here especially the industrial and construction sectors, but also the services sector, are increasingly complaining of having difficulties in filling vacancies. In addition, strong economic growth and ageing societies are adding to the shortage of skilled workers. Repeatedly in the media: the most significantly impacted occupations are the so-called STEM occupations, an acronym for the fields of Science, Technology, Engineering and Mathematics (German: MINT: Mathematik, Ingenieurwissenschaften, Naturwissenschaften und Technik). However, other occupations in Germany have also been affected by the shortages for quite some time now, e.g. crafts and trades and the healthcare and nursing sector. While larger enterprises have personnel departments developing ways to make them at-

tractive to qualified employees, small and medium-sized enterprises (SMEs) often cannot take such a strategic approach and have, at the most, just one person responsible for personnel matters. And these SMEs make up a very large proportion of the number of businesses and they are the driving force of the economy, especially in Germany. So what countermeasures can these businesses take in order to also find sufficient skilled employees in the future?

Unfortunately, there is no "one-size-fits-all" solution to this complex issue; the challenges to be mastered differ not only among regions, but also from one vocational field to another. An example from Germany illustrates this well, where there are shortages of skilled personnel in the nursing and care sector, but also in numerous technical occupations (see Figure 2). However, working

conditions and staff composition differ so widely that adopting a "one-size-fits-all" approach and providing the same information for the two occupational fields could have very negative consequences. For example, in nursing – an occupational field in which typically women are employed – the proportion of part-time employees is very high, whereas in industrial occupations – often more of a male domain – part-time work is not particularly common. One possible course of action in nursing could be to offer the existing part-time employees increases in working hours. In technical occupations in industry, however, it would be advisable for employers to offer target groups such as older employees part-time positions in order to retain them longer. Employers in both occupational fields should make equal efforts to attract both women and men.

There are several topics that employers should address sooner rather than later in order to also find sufficient skilled workers in the future. What is particularly worth tackling? The range of possibilities is broad and, as a rule, a single measure alone will not lead to success.

Where to Begin? Defining the Current Status of Personnel Matters

Before concrete measures are taken, those in charge of personnel matters should step back and reflect on the existing organisation of personnel in their enterprise. Large firms have their own personnel departments that continuously devote time to addressing these issues, whereas SMEs often hardly have the time to consider them. But this very reflection is the actual starting point for further personnel policy steps.

For example, starting with the existing employees is one possibility: Who works in the firm? What is the composition of personnel: Gender? Age? Origin? Level of education? This leads to more in-depth questions: Which employees are likely to leave the enterprise – for example, because they are retiring? Are there perhaps target groups that could be considered more closely than they have been so far? And, if so, how can the enterprise reach this target group?

At this point, it is helpful to consider how active the firm already is in its personnel work and what could be improved. Involving the firm's own employees in the process, e.g. within the framework of an employee survey, is recommendable. Here employers can take various points into consideration: working hours, personnel recruitment, perks such as corporate health management, further training and many more. Not every enterprise needs to become active in all these fields. Instead, it makes sense to take a strategic look at what could be helpful for both the enterprise and current as well as potential employees. Then more extensive measures can follow in these specific areas.

The Enterprise Becomes the Candidate: Positioning it as an Attractive Employer

In the past, potential employees were the ones who applied for positions in an enterprise. Today and in the future, it is up

Figure 1: Proportion of Vacancies in Skill Shortage Occupations

Proportion of advertised vacancies in skill shortage occupations out of all vacancies reported in the region. Rolling annual average from 1 July 2016 to 30 June 2017.

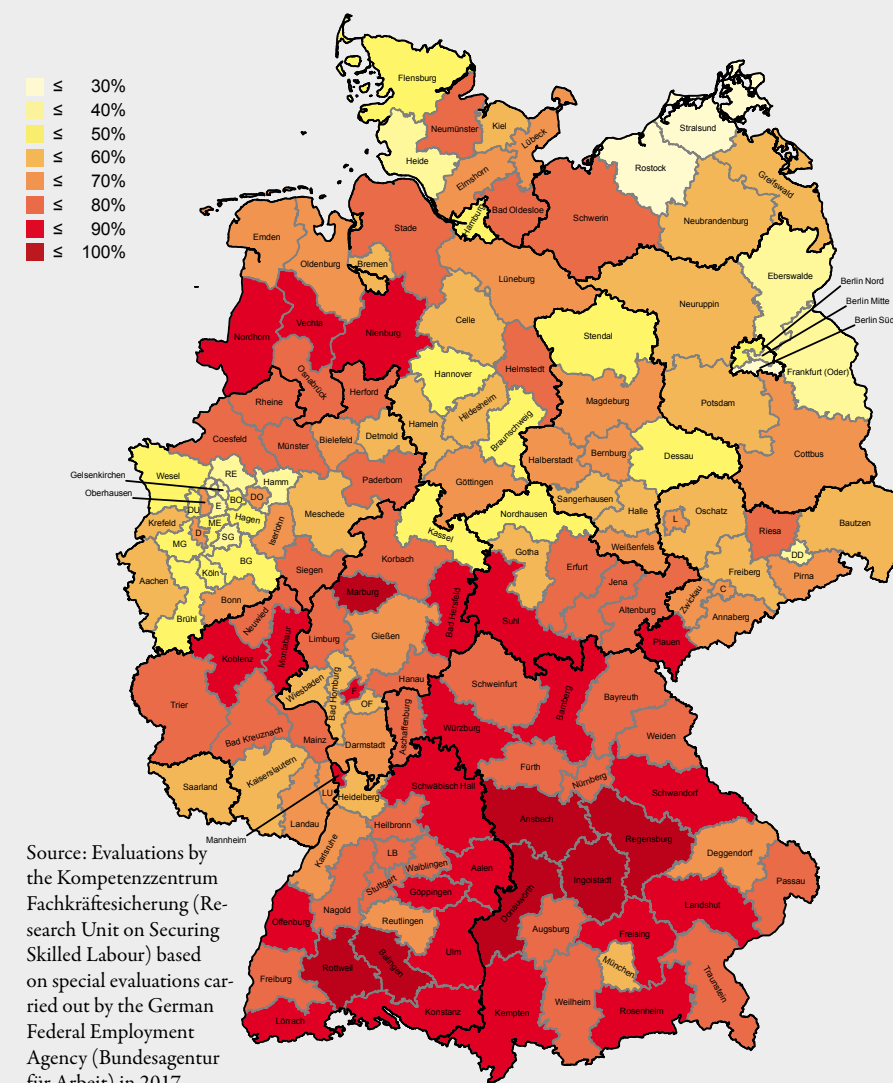
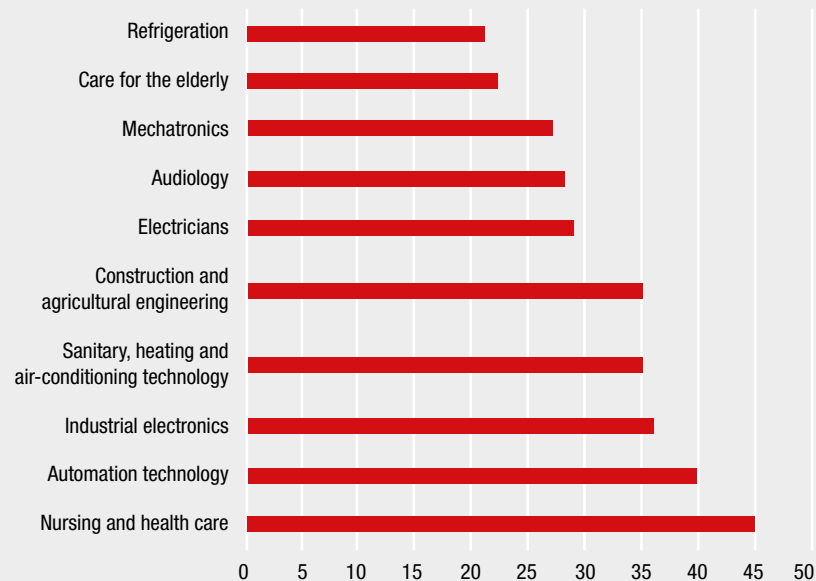


Figure 2: Top 10 Skill Shortage Occupations in Germany

Number of persons unemployed per 100 reported vacancies as of 30 June 2017
Rolling annual average from 1 July 2016 to 30 June 2017.



Source: Evaluations by the Kompetenzzentrum Fachkräftesicherung (www.kofa.de) (Research Unit on Securing Skilled Labour) based on special evaluations carried out by the German Federal Employment Agency (Bundesagentur für Arbeit) in 2017.

to businesses themselves to present their enterprises as the most attractive option. Just a few years ago, some firms were hardly able to cope with the flood of applications they received. But, in the meantime, the “war for talent”, i.e. competition among firms to attract emerging talent, is in full swing. Therefore, businesses not only need to make their mark with their products and services but also to stand out as employers if they want to remain competitive.

This process is called employer branding, and it takes time and money. However, the investment is well worth it in order to survive in the market place in the long term. Besides achieving higher suitability and improving the working atmosphere and corporate image, the enterprises increase brand awareness and their employees’ productivity at the same time. It is particularly important for SMEs to become well known and attractive in order to remain competitive. Quite a lot can be achieved even with a small budget – for example, a mobile-optimised website.

Diverse Teams: Benefiting from a Mixed Workforce

Employers who ensure diversity among their staff reap several benefits from doing

so. The basic idea of a mixed team: no potential is wasted; older and younger, men and women, local and international specialists, people with and without disabilities – many of them might have just the skills the enterprise is looking for. Firms that include several groups of people in their search for skilled employees can draw on a larger pool than others. Moreover, mixed teams achieve innovative results – and they have positive effects on the way in which the public sees the enterprise. And in this business model, diverse teams can help to occupy new niches; multinational teams can be very helpful in tapping into foreign markets.

Personal Life and Work Life: Benefiting from a Culture of Work-life Balance

The compatibility of personal life and work life is a major topic, depending on the individual country. Not only families would like to have more time to attend to their private responsibilities. By offering part-time or flexible working hours, firms can also retain other employees or even attract them in the first place. This applies not only to male and female employees who care for family members or plan to go back to work after parental leave, but also to older employees who no longer want to work full-time but do not yet want to

retire. And younger skilled employees – for instance those who want to study after completing their vocational training – can also be retained by offering them part-time jobs.

A work-life balance is of central importance to many employees. It is even so decisive for some of them that they are not able to or do not want to work at all if part-time jobs are not available. And that is precisely why it is worthwhile for firms to increase their personnel activities in this area.

Qualification within the Enterprise: Training Your Own Future Specialists

Thinking for the long term, benefiting in the medium term: training their own future specialists offers enterprises several advantages. First and foremost, firms providing vocational training ensure that sufficient skilled employees with qualifications in their line of business will also be available in the future. Furthermore, they can equip their vocational trainees not only with general know-how but also with the specific skills needed in the enterprise. Hence, skilled employees trained in an enterprise are best suited to the situation there and increase its competitiveness. And: if they remain in the firm, costs are reduced as they don’t need to learn the ropes as external candidates would.

At the same time, besides gaining young talent, these enterprises also benefit from fresh ideas, creativity and a wealth of knowledge about current trends. The young trainees are innovative – and they know just what the firm is investing in them with this training. That makes them particularly loyal specialists who identify so strongly with the enterprise that many of them convince others to apply as vocational trainees or skilled employees. ■



Paula Risius is a consultant in the field of securing skilled labour at the “Kompetenzzentrum Fachkräftesicherung” at the German Economic Institute (IW) in Cologne. The German Federal Ministry for Economic Affairs and Energy (BMWi) has supported this competence centre for several years now. The centre supports small and medium-sized enterprises with practical examples, recommendations for action, checklists and many other things in their efforts to ensure the availability of skilled personnel. Further information can be found under www.kofa.de

Squaring the Circle

As is already the case all over the world, executives in Ukraine are confronted with the question of how to retain qualified, creative and loyal employees. Which solutions do Ukrainian entrepreneurs have? Alumni from various years describe their experiences.

Finding highly qualified candidates in the Ukrainian labour market is not easy – binding them to the organisation is even more difficult. Every enterprise in Ukraine is familiar with the problem of fluctuation. Teams must have outstanding working conditions and incentives if they are to give their best. Then the employees show 100 per cent commitment, work efficiently and achieve excellent results.

A carefully thought-out, functioning incentive scheme is of fundamental importance for the successful implementation of corporate goals. And here personnel development is the be-all and end-all. Managers should be able to assess their employees’ motivation and know their strengths and weaknesses, just as they do their capabilities and skills, in order to assign tasks accordingly. This challenge is sometimes a little like trying to square the circle – and Ukraine hardly differs from other countries in this respect.

Many Ukrainian MP alumni really take care of their employees and put a lot of energy and imagination into creating pleasant working conditions. Sergei Fedosejew, Director of BUDINVEST in Odessa, participated in the MP in 2017. He provides an open working environment for his staff, in which they are involved in planning and decision-making processes. “This gives the employees the feeling that they are on an equal footing and included in decision-making, plans for the future and other important aspects of the enterprise”. Goal setting and regular appraisal interviews to review goal achievement also help to not only constantly monitor employees’ motivation but to improve it. “Naturally, financial incentives are also important to the employees”, says Fedose-

jew. Andrei Timtschenko, Deputy Director at Woda KP in Kharkiv, completed the MP in 2014. Primarily financial incentives are used in his firm, for example covering the costs of personnel training. “Further training is a priority for me; employees who have participated receive a book from me as a gift”, the manager explains. In addition, he believes in promotions and pay rises. His plan for this year: “If directors achieve their financial goals, they get a Volvo as a company car”. However, he also uses intangible incentives, for instance improving working conditions.

Viktoria Nesterowa participated in the MP in 2016. She owns the firm Pans’ki Möbel in Karkiv. Her emphasis is on per-



a team in which all employees share the same opinion on certain core aspects of their work; this is the basis for the good atmosphere within the enterprise. When it comes to creating incentives, the business owner considers self-fulfilment to be a central factor. “For example, we have a sales consultant who has a problem in dealing directly with customers. Naturally, that affects his work and his mood. On the other hand, he knows everything about all of our products, is meticulous, conscientious and obliging”. In such cases, the firm offers a so-called horizontal career: instead of working in sales and having contact with customers, the employee now deals with suppliers, purchasing, the product range and processing complaints. “His current job is better suited to his personality, temperament and way of thinking. Here he achieves much more and is much more satisfied. This has improved his motivation, he is developing – and will remain with our firm”.

The Ukrainian alumni’s experiences show that there

are many ways of motivating employees, apart from financial incentives. Richard Branson, one of the most successful entrepreneurs of our time, puts it as follows: “Train people well enough so they can leave, treat them well enough so they don’t want to”. ■



The Benefits of Vocational Training



The German labour market is generally in good shape; however, ensuring the continued availability of skilled employees is an ongoing task. Counteracting the scarcity of well-qualified, skilled workers is a long-standing topic in discussions with business and industry – and hence also an important concern for the German chambers of industry and commerce. These chambers have had a statutory mandate since 1956 to represent the collective interests of commerce and industry, to promote them and to champion decency in business according to the principles of reputable business people.



Munich. Demographic change is making it increasingly difficult for enterprises to find skilled workers. A study by the Association of German Chambers of Industry and Commerce (DIHK) from 2017 shows that almost a third (31%) of businesses cannot find sufficient vocational trainees to fill all their vacancies – ten years previously, the figure was only 12 per cent. At the top of the list is the hotel and catering industry, in which 61 per cent of the vocational training positions are currently vacant. The areas of trade as well as transport and logistics are also above the average at 33 per cent. Today, many already see the scarcity of skilled labour as a major risk for economic development. Without suitable measures, the German economy is at risk of experiencing considerable slumps in growth. According to experts, this is due to the fact that the ‘baby boomer’ generation will soon be retiring and there are not enough skilled workers to replace them. The latest MINT Report published in spring 2018 by the German Economic Institute (Institut der Deutschen Wirtschaft) confirms this: almost 500,000 positions in the fields of mathematics,

technology and science throughout Germany could not be filled; this is particularly affecting businesses in the mechanical engineering, medical technology and electrical engineering industries. A dangerous vicious circle: due to the lack of skilled labour firms are investing less than they could be in new technologies. This has a negative impact on their product development and production and, as a result, weakens their international competitiveness. Here Achim Dercks, Deputy Chief Executive of the DIHK, sees a strong need for action: “It is not surprising that firms consider the scarcity of skilled labour to be the biggest risk to future business. We urgently need to take countermeasures and strengthen interest in jobs in MINT fields in the schools. Additionally, skilled workers from all over the world can help to reduce shortages.”

The Chambers of Industry and Commerce (IHKs) as Partners in Germany and Abroad

The work of the IHKs covers a wide range of activities, including diverse supportive

measures for the economic sector. The chambers are committed to ensuring the availability of sufficient skilled workers – not least of all within the framework of initial vocational training and further vocational training.

The relevant departments of the IHKs are responsible for carrying out the chambers’ mandatory functions within the vocational training system, from determining the suitability and authority of enterprises to providing training, right up to organising and conducting interim and final examinations. The IHKs also lend themselves to the promotion of the vocational training system abroad and to showing foreign delegations examples of businesses in which vocational training is put into practice in an ideal way.

“Cooperation relationships abroad are generally possible in countries where the interests of the respective IHK’s member firms are directly involved, i.e., as a rule, if the business has a site abroad”, says Jörg Engelmann, head of the division International Vocational Training at the Chamber of Industry and Commerce for Munich and Upper Bavaria. If Germany is represented there by a German Chamber of Commerce Abroad (AHK), a delegation or representative of the German economy (AHK), the IHK, AHK and DIHK will jointly support businesses in training their own specialists according to the German vocational training model. “We mutually draw up framework training plans or advise the firms regarding the suitability of the training centre and on quality assurance. Moreover, we impart comprehensive know-how regarding job-based vocational training and examinations”, Engelmann explains.

The Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria also attaches importance to the topic of further vocational training. There is enormous potential in education, and there are ways to reduce the effects of specialist skills shortages: employees can acquire the skills they need for their jobs by participating in training courses and seminars. In the area of vocational training, this includes training for trainers, preparation for examinations, seminars for trainees and courses for those wanting to become a master of their trade. But projects abroad and for foreign managers are also not neglected: The Unit for International Training is responsible for this. “We always view the transfer of educational

competencies to other countries from an intercultural perspective”, says Christian Codreanu, head of International Training at the Academy. “The biggest difference is that we cannot rely on prior vocational qualifications. Therefore, we have to adapt our concepts”. If foreign enterprises want to implement elements of the vocational training system, their staff need to be able to provide the training. Work-based learning concepts and train-the-trainer courses are often useful where there are no classical “trainers” comparable to those in Germany. For these projects, gaining experience in Germany is also of vital importance in order to really understand how on the job training is translated into practice.

Personnel Shortage: An Important Topic for the MP

When implementing the MP, the Academy of the Chamber of Industry and Commerce in Munich also places significant importance on the topic of ensuring the availability of skilled workers. Numerous enterprises in the region complain of a shortage of skilled personnel because unemployment is very low in Munich and Upper Bavaria (3.1% in 2017). In some metropolitan areas, SMEs have to compete with global players such as Siemens, BMW, MAN, Allianz and Audi to attract the best school leavers. They have to do their utmost to present their firms as attractive enterprises providing good practical vocational training. Other alternatives are: acyclical recruitment, support in career planning etc. It’s often the small things that make SMEs more attractive than large corporations.

Executives from various countries are therefore impressed by the ways in which firms “home-grow” their own future skilled employees through the vocational training system or even a vocational education programme. This strengthens employees’ long-term commitment to the enterprise. Many vocational trainees remain in the firm after completing their training, and employers do a lot to encourage them: team building, excursions for the vocational trainees or internal competitions to improve products are part of the corporate culture in many firms.

A Joint Effort to Ensure the Availability of Skilled Employees in India

Many managers from Asian countries such as India battle with the problem of poorly trained workers or workers who change jobs to earn more money elsewhere after having been trained. A long-term commitment to and identifying with the employer, which is common in Germany, is not typical of Indian business culture; however, the Indian managers would like to strengthen this.

Ravindra Mahadeokar, an entrepreneur from Nasik, is one of them. During the MP in Munich, he met Helmut Petzko from Strama-MPS Maschinenbau GmbH. It took four years from their first meeting to the founding of their joint venture, but then Strama-Summit Ptv. Ltd. received its first large orders. Something that sounds like a stroke of luck was, however, certainly not easy – particularly finding suitable employees in the area of mechatronics was a challenge. Hence the idea of trying

out elements of the vocational training system was developed. One step was that Mahadeokar sent 18 employees to Strama in Straubing, which cost approx. 150,000 euros. They were trained there for three months. Furthermore, Mahadeokar’s daughter Sanika, a graduated mechanical engineer, spent three-and-a-half years at Strama in Germany to learn as much as possible there and then use her know-how in the Indian subsidiary. Currently, 14 of the 18 trained employees are still with the firm, i.e. 77 per cent of the skilled employees have stayed on and are now training others. In addition, Strama employees from Germany travelled to India to optimise processes in the production area. Mahadeokar has also brought the local vocational training school on board: the young mechatronic technicians, on average 18 years old, now participate in a six-month vocational programme within the firm and at the vocational training school. Other associated firms are also using the facilities of the so-called “finishing school” at Strama India, which has become a type of workshop for learning. Nevertheless, Mahadeokar is not satisfied with the overall situation. “I actually want to develop the vocational training system much further”, the entrepreneur says. “Because I cannot utilise the full capacity to take on the number of orders we could receive”. That is why he is still looking for strong partners in the area of vocational training in and around the German environment.

Other Indian alumni also use diverse measures to improve their employees’ training or to retain them. The German IHKs have a mandate from the government to fully promote the German vocational training system and to support member enterprises with sites abroad regarding the introduction of vocational training elements. While they cannot take on the respective governments’ responsibilities, they can contribute ideas and good examples. ■



The expertise of the Chamber of Commerce benefits the professional development of Ravindra Mahadeokar (on the left)



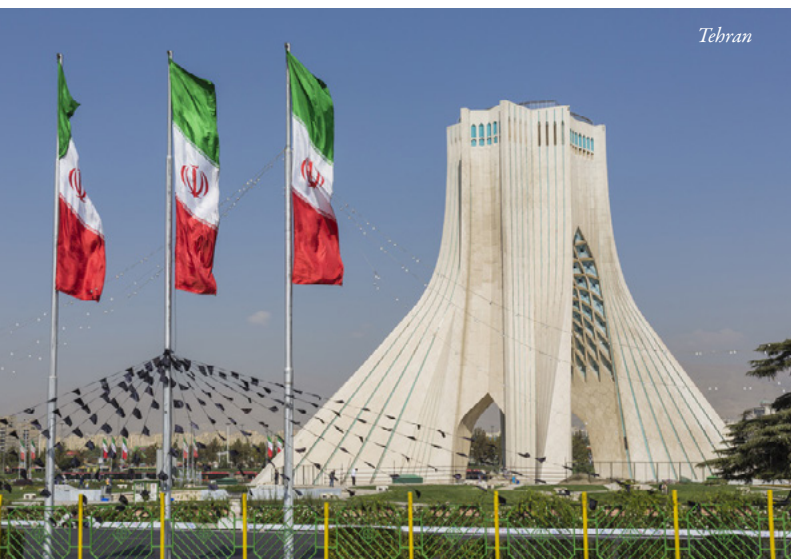
Katharina Bömers is a project manager in the area of international training at the Academy of the Chamber of Industry and Commerce for Munich and Upper Bavaria gGmbH, a subsidiary of the Chamber of Industry and Commerce for Munich and Upper Bavaria. Among other things, she is responsible for organising and implementing the Manager Training Programme there.

iMOVE Initiative: Vocational Education and Training based on the German Model

Iran: “Training – Made in Germany”



The vocational education and training system is a German model for success, and it enjoys international recognition. Programmes have been launched in many countries to implement education and training structures based on the German model. “Training – Made in Germany” is the slogan of the iMOVE Initiative (International Marketing of Vocational Education) of the German Federal Ministry of Education and Research (BMBF); it has also had a contact point in Iran since September 2017. Tilmann Stenger from the German-Iranian Chamber of Industry and Commerce (AHK) describes the latest developments in the Iranian education sector and the status of ongoing projects.



Tehran. The structure of the education sector in Iran is complex. The Technical and Vocational Training Organization (TVTO) provides a large number of vocational courses and training measures following secondary school level I (up to 15 years of age). These measures last from one month up to one year and can be shortened in the case of work experience. They are financed by the government, private sources or the military and are only partly subject to a uniform standard as well as quality assurance mechanisms. Secondary schools with different orientations also provide preparation for technical or general occupations as well as for university courses. The Guardian Council, which assumes the role of the constitutional court in Iran’s political system, passed the “Comprehensive Technical and Vocational Education and Training and Skill System” in November 2017 to achieve standardisation and quality assurance in vocational education and training. The

act introduces a national qualification framework and is based on the International Labour Organization’s classification system for occupations (ILO2008). In addition, the new vocational education and training act also contains some points on which a more developed Iranian vocational educa-

tion and training system can build. And this is where the German-Iranian AHK’s iMOVE Initiative comes in.

The Federal Republic of Germany is an internationally renowned trading partner. In addition to products such as cars, machinery and chemical products, Germany also exports its education and training structures. The iMOVE Initiative is intended to drive this forward and present the advantages of the German vocational education and training system. The Federal Republic of Germany has already been involved in the vocational education and training sector in Iran for decades now; first partnerships in this field date back to 1907. Several technical and industrial apprenticeship occupations were modernised jointly with TVTO in the 1980s. Since 2000, the main focus has been on technical further training for teachers. German firms with operations in Iran, e.g. Knauf or Festo, attach a high impor-

tance to the training of local employees to become specialists according to German standards. Festo, a manufacturer of building materials and building systems, even set up its own training academy. However, these training measures are not subject to any statutory quality assurance and the examinations are not conducted by entities governed by public law, for example the German Trade Boards (Handwerkskammern).

iMOVE – the Drive behind Vocational Education and Training in Iran

It was already noticeable at the opening of the iMOVE Contact Point in the offices of the AHK in Tehran that Iranians are very interested in the German vocational education and training system. The Iranian Vice-Minister for Secondary Education, Ali Zarafshan, and Dr Hamid-Reza Sabetnejad, Deputy Head of the TVTO, were among the 80 guests there. Amir Radfar, Head of the iMOVE Contact Point Iran, Senior Advisor Dr Helge Körner and Sharzad Moshir Akhbari as assistant and contact will accompany the project up to the end of 2019, when the test phase ends. The iMOVE Contact Point Iran represents and markets vocational education and training in Iran as part of the iMOVE Initiative. Its main activity is to establish contact between Iranian enterprises (and German enterprises in Iran) and German providers of education and training. In addition, iMOVE advertises at trade fairs and conferences related to education and training and provides market analyses for education providers as well as a newsletter for interested Iranians. The AHK in Tehran is mainly responsible for the coordination.

iMOVE also established several contacts at the 18th Exhibition of Research and Technology Achievements and Techmart in Tehran and at the didacta education trade fair. At the didacta, iMove even organised a visit of the director general for vocational schools of the Iranian Ministry of Education. Following numerous contacts and talks, Iranian and German partners met in April 2018 for initial

detailed discussions. As a result, German education and training providers travelled to Isfahan and Tehran to pave the way for business, with visits to education institutions, responsible government agencies, interested enterprises, the TVTO and the AHK. Together with GIZ and the German development organisation Sequa, iMOVE is currently looking for partners for the vocational education and training of Afghan refugees in Iran. Besides that, projects are ongoing for initial and further vocational education and training in the fields of refrigeration and air-conditioning technology as well as quality assurance in the automotive supplier industry.

In Iran, a high value is placed on education. As a result, too many young people study at university and too few choose vocational education and training – which leads to an imbalance. Iran is therefore very interested in the German vocational education and training system, which is highly regarded. The intention now is that this education system will provide stronger incentives – combined with the hope that the standing of Iranian vocational education and training will also benefit from it. There is a good chance that the test phase of the iMOVE Contact Point Iran will be extended. Sanctions imposed by the USA do not have a strong impact on education and training providers (especially those

in the medium-sized segment) as they do not necessarily have business operations in the USA. The iMOVE Contact Point confirms the assessment: Knauf and Festo are not the only firms in a lively exchange with Moshir Akhbari; the number of daily phone calls is increasing. ■

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Tilmann Stenger, a student at the Technical University of Dresden, is currently engaged in the iMOVE project at the German-Iranian Chamber of Commerce.

Vocational Training in Kazakhstan



Astana. Kazakhstan is currently reforming its educational system with two clear goals in mind: to reduce the skills shortage in industry and improve job prospects for young people. Here the Kazakh government has decided in favour of vocational training following the German model. The German government and German enterprises are offering their support.

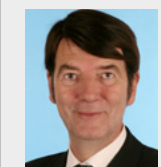
Kazakhstan and Germany are actively

working together to realise the “Nazarbayev-Merkel” initiative to implement a Kazakh model of vocational training. In October 2014, Kazakhstan’s prime minister kicked the project off when he presented the “road map for establishing a vocational education system in Kazakhstan”, an action plan that instructed Kazakh ministries to clarify issues regarding funding, organisation, auditing, and certification. Amendments to the education and labour laws

and the minister of education’s decree on “setting up vocational training” paved the way for the new system to be introduced countrywide in January 2016. The national chamber of commerce, which is legally responsible for vocational training in Kazakhstan as it is in Germany, is helping firms get training programmes up and running.

For enterprises, the new vocational training system in Kazakhstan will bring key improvements. For one, pilot projects are introducing training methods and the necessary skills for modern jobs. Secondly, now more than 60 per cent of vocational training is taking place on the job. Both entrepreneurs and young people seem confident that practical vocational training tailored to meet market need is a positive step forward. In the academic year 2017/18, over 31,000 trainees were enrolled in vocational education programmes.

The German government and German firms have been actively involved in introducing the vocational training system from the outset. They have provided advice and support for pilot projects to introduce select occupations in keeping with German standards, such as industrial mechanics and electricians, and facility and agricultural machine mechatronics engineers. ■



Rainer Goertz has long-standing expertise in international projects. In 2013–2018, he was an adviser to the Kazakh government under the Nazarbayev-Merkel initiative aimed at introducing the German model of vocational education in Kazakhstan.



Team events at MAXNET are part of the corporate culture

Team Spirit is Vital!



During her training in Dresden in 2015, Alla Struchaieva from Ukraine collected new ideas on personnel management with considerable enthusiasm. Once back in Ukraine, she successfully implemented them in her firm MAXNET. Below, she describes what has changed.

Kharkiv. Team spirit is simply vital: MAXNET functions like a living organism and every employee is an essential part of the whole. Although the salaries here are only average, the employees love their work and see themselves as organic components of their team. They are very secure – an important aspect considering the economic situation in Ukraine. And they continuously participate in further training so that our contract customers and partners receive outstanding services. Thus, the enterprise is developing steadily and optimising its processes.

Feedback

Feedback is provided on tasks, goals and the monthly, quarterly, half-yearly and annual results. Praise and criticism are not based on subjective factors but on actual facts. The most important task for our managers is to organise feedback in such a way that mistakes are not repeated. In this

way, the work becomes more efficient and the employees develop further.

And this also means giving negative feedback. However, individual employees are first praised for the progress made, and only then is the non-achievement of clearly defined goals discussed. Discussions on what can be simplified and optimised and how this can be done are part of the

MAXNET is a Ukrainian internet and TV provider with 110 employees; the enterprise has been providing extensive telecommunication services, i.e. internet, TV, telephony and data centre services (among others) in Ukraine and abroad for over 16 years now. MAXNET has developed from being a local to a superregional internet provider and is also well-positioned in other countries. Among its customers are internationally renowned large corporations. MAXNET is connected to the Ukrainian and international internet exchanges DTEL-IX, UA-IX, DATA-IX, KH-IX and Giganet.

process. The executives are not allowed to make subjective, potentially insulting remarks about employees' performance.

Even the best employees need feedback – not only in order to rectify errors or shortcomings, but also to give them recognition. What motivates the employees? If their work is appreciated, they identify more strongly with the enterprise and continue to achieve excellent results. We let our staff members know which of their achievements are particularly valuable for the firm.

The Office as a Place of Well-Being

A year ago, our programmers, designers, service centre staff and employees from other departments informed us, within the context of an analysis, that the offices did not meet their needs. They have to cope with numerous unforeseen situations and complex tasks, for which there are no standard solutions and which require intensive consideration. This often means working overtime. Spending long days at a desk is strenuous; employees need to be able to sit comfortably with their laptops and stretch their legs or change their surroundings, have a cup of coffee, briefly relax and think about something else.

Now large beanbag chairs in every room provide an opportunity for staff to relax

and unwind. This is good for the individuals and the firm. Our offices have a mixed layout; work areas are open-plan, then there are coffee corners and, besides the meeting rooms, also areas for relaxing.

Key Topic: Further Training and Development

The intensive training of our employees is one of our firm's most important strategies. We don't pay particularly high salaries; nevertheless, young, ambitious employees stay with us for a long time. We invest a lot of money in the further training and development of our staff. Employees each have their own annual development plan. After two to three years, the employees are specialists in their segments and are promoted accordingly. This is how we keep the young generation in the firm.

Recognising the Ability to Work under Pressure

An important aspect: Nervousness and constantly worrying about minor issues, pessimism and the fear of failure can cause projects to fail. Nervousness means stress for colleagues, even if everything is running according to schedule. Extremely nervous employees demotivate others and hinder work.

A certain degree of nervousness is acceptable in the case of analysts or accountants because they have individual offices and their work requires accuracy, attention and stamina. Nervous employees often have a solution-oriented approach to their work and avoid mistakes. However, such employees are out of place in positions in which determination and robustness are what count – for example, as sales consultants, in customer service or administration.

Corporate Culture

We regard our corporate identity as a central topic. Team spirit is high on our list of priorities. Each employee must be seen as a member of the large "corporate family". Then the staff enjoy their work, are satisfied and remain with the enterprise. Team performance is also an important aspect and managing it is a process in which the corporate strategy is needed. We make sure that the strategy is understood in the same way at all levels and use the same



There have been several changes within the enterprise following **Alla Struchaieva's** training in Germany. MAXNET is cooperating with Microsoft® within the scope of the licence programs Microsoft® SPLA Partner for providers und Microsoft® Open License. With this cooperation, MAXNET has expanded its range of volume licences for its partners and contract customers. The extensive "Corporate Campus" training project caters for the further training of the enterprise's own employees and their team skills. MAXNET is cooperating with RETN GmbH, a provider of international backbone services which offers data transfer and IP traffic between the largest telecommunication exchanges worldwide and Ukraine. Together the two firms have implemented projects for the expansion of gigabit networks for internet and digital television.

approaches in the appraisal of employees with regard to the realisation of the strategic goals. There are clearly defined criteria for goal achievement at all administrative levels. We involve all employees in the implementation of our corporate strategy. Everyone receives information on the strategic guidelines so that everyone understands the processes, the underlying concept, the tasks and the objective. Employees are familiar with their individual roles in this process and their contributions to the success of the enterprise. The strategy can only be successful if the enterprise has a good organisational and corporate culture based on corporate ethics, moral values and social responsibility.

We have introduced the balanced scorecard (BSC) approach in results management. We have developed objectives, determined achievement criteria, set up algorithms and defined the frequency of data collection and analysis. There are indexes for each department and each employee which is being assessed. Everyone knows the criteria according to which their performance is evaluated and how they are connected with the strategic corporate goals – and what they need to concentrate on in their planning and implementation. Every six months, the results are evaluated using the BSC, successes and failures analysed and, where necessary, adjustments made, e.g. in order to improve market access or regarding internal processes or the priorities for the allocation of resources. This gives employees a better understanding of how important their own contribution to the strategic development of the firm is. Employee motivation is primarily based on their feeling of being included.

The corporate culture influences the employees' behaviour and their attitude towards their enterprise. We choose the people we need; later, once we know each other well, we decide on the allocation of tasks and positions. After all, the success of our strategy and of each one of us depends on the development of our employees and our management team.

MAXNET employees are adventurous and willing to take risks, are innovative and react flexibly to changes in strategies and procedures. They can adapt to the needs of others, be it customers, colleagues, shareholders, suppliers or the public. Mutual trust and respect are the basis for their work.

Additional Benefits for Employees

A few smaller social programmes contribute to the pleasant atmosphere at MAXNET: the firm provides a sports room, regular medical check-ups and the so-called "sweet Monday". Nobody really wants to leave their "comfort zone" after the weekend – here our employees are no exception. To motivate them, we offer them healthy, nutritious snacks on Mondays, e.g. gluten-free bakery products, nuts, dates, raisins. Each week, the employee responsible comes up with a new idea for a delicious energy-snack. This could also simply be a piece of fruit.

We are convinced that we set the right priorities and have the right values and approaches. The most talented people come to us and our market share in Kharkiv is growing steadily. We do our best to optimise the use of human resources – and have low staff turnover, work in a team-oriented way and achieve our business objectives. ■

Boosting Competitiveness through HR



The vocational training system in Germany is a successful model with an excellent reputation outside of Germany. The training system is a decisive factor in Germany's economic success, the cornerstone on which the competitiveness and innovation of German enterprises are built. International competition, technological progress and demographic trends have made the training of skilled workers a critical issue everywhere. This was a particular topic of concern for 20 Indian executives, who visited a number of firms in Lower Saxony in early 2018 as part of their MP.

Celle. The Earth's dwindling resources include not only fossil fuels, minerals and water, but also qualified specialists, who are becoming increasingly scarce due to demographic changes. More than ever before, it is these people who can make or break an enterprise. So management of human resources should feature prominently in every enterprise's strategy. For this reason, all the Indian executives showed tremendous interest in HR management – both during the training and on company visits.

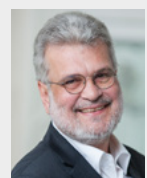
The guests from India were given an insight into the implementation of the vocational training system, the practical on the job training and the academic aspect, on their very first company visit: to Ecoroll AG Werkzeugtechnik, a leading supplier of tools and equipment for surface machining of metal blanks. They were impressed not only by its high productivity, but also its worldwide service network and found the vocational training just as enthralling. Sirko Fricke, the firm's head of quality management, stressed: "Mostly what we are trying to do with the voca-

tional training system is to compensate for the shortage of skilled workers in Germany. But at the same time, this training model is one of our nation's most well-known 'exports'. It was obvious to MP participants that shrewd HR management was responsible for the company's tremendous innovative capacity. Much attention is devoted to upskilling and motivating its workforce. Ecoroll also has well-organised and successful relationships in place with universities. The importance of system planning and development of its management team is evident, both in the organisation of its daily work and in its forward-looking R&D strategy.

NERAK Fördertechnik GmbH has a workforce of over 150 people and produces vertical conveyors for bulk solids and packaged items. Here, too, the visitors were struck not just by the sophisticated production technology, but also the corporate organisation, and what seems to have lingered most in their minds was the openness in the exchanges between management and employees. It was a revelation for Shovan Kanti Kar, owner of the

Design Matrix company in New Delhi, that work-life balance would be taken into such consideration. Full-time, part-time, flexi-time etc. schedules are a key aspect to this policy.

Wherever they visited, the Indian entrepreneurs were amazed by the loyalty, motivation and reliability of the employees. This factors hugely into the success of German firms. So of course, the Indian executives want to take their German experience back to India with them and implement it in their enterprises. They found Germany to be the "land of the family business", where continuity and transfer of traditions play a central role, and most firms foster a family atmosphere. Discussions with German businessmen and their staff clearly revealed the interconnectedness and interdependence of economic and social processes. Indian executives were all in agreement by the end of the Programme that high employee satisfaction leads to better productivity, more creative R&D, better employee loyalty and lower staff turnover. It also results in less sick leave and absenteeism, more favourable personnel and operating costs, higher efficiency, and ultimately the ability to respond more quickly to market changes. ■



Dr. Ronald Pschierer is a DMAN programme director in charge of developing and implementing MP programmes for executives from East Europe, Asia, North Africa and Latin America.



Indian executives during their training in Celle



Doing sports together is good for the team spirit



Care Concept AG

GREAT PLACE TO WORK
2017
Beste Arbeitgeber
Deutschland

Three Strategies to Combat the Skills Shortage



Care Concept AG has a clear mission: to be the global standard for equitable health insurance coverage abroad. But this goal can only be met by finding loyal and qualified employees. They have a shared task: to make medical expenses abroad affordable and help people maintain their health.

Bonn. With over 200,000 insured persons worldwide, the company has grown rapidly and steadily since day one. Sales and employees doubled between 2012 and 2016. Despite the strong and rapid growth, the staff turnover rate in 2016 and 2017 averaged just 6.5 per cent. In comparison, the average turnover rate in German insurance firms exceeds 10 per cent.

Great Place to Work

"Great Place to Work" is an international research and consulting institute that helps enterprises with locations in 57 countries develop an attractive workplace, trust and good corporate culture. Every year, it awards prizes to the best employer in a number of countries. Care Concept AG received the award as "Great Place

to Work 2017", ranking 61st out of 700 participating firms. The institute's survey revealed that 81 per cent of the staff had a positive opinion of their employer. Taking all the survey categories into account (credibility, respect, fairness, pride, team spirit), Care Concept earned an average approval rating of 72 per cent.

Successful Loyalty Strategies

To address the challenge of skills shortages and boost its reputation as an employer, Care Concept developed three successful strategies:

Employee Satisfaction: Since 2008, the company's credo has embraced corporate values that are put into collective practice: **Tolerance:** Employees of various cultures work together in a family environment, with a determination to take into account and understand cultural differences **Honesty / respect:** The company shares its success with staff via bonuses, incentives, active feedback. **Mutual support:** Employees from other departments pitch in where human resources are needed, they are given support outside of their professional lives (balancing of work and family obligations, occupational integration, caregiver leave), and enjoy an instilled sense of mutual social responsibility.

In addition, Care Concept listens to the needs of its people. So, in response to the desire of employees to participate more actively in corporate governance, a "think tank" was created and the company set aside a whole day in March 2018 to give all its employees a chance to speak their minds on the topic of maximising customer satisfaction.

Effective Training and Recruiting Strategy: Vacancies are filled by former apprentices after they complete their internship at the firm. To date, 37 current permanent employees have previously completed vocational training with the company. Six of these work in management positions. The company currently has ten apprentices, selected according to various skill sets, and taking into account their native languages. They train at the firm for 2.5 to 3 years, mastering all the basic processes and gaining experience in each respective functional department. When recruiting new employees, Care Concept looks not only for good professional qualifications, but also compatibility with its corporate values.

Health and Safety: Stable staffing requires attention to the health of its workers. The firm ensures this by providing the following:

Diet: Regular communal meals, special courses in healthy nutrition

Exercise: Free gym membership, private beach volleyball area with a professional trainer, special discounts for bicycle rentals.

Relaxation: Free use of a massage chair once a month during working hours, meditation lessons

Prevention: Workshops, promotion of work/life balance, lectures on various topics

All three approaches are interrelated and are tangible examples of programmes that can be implemented around the world as a solution to the shortage of skilled human resources. Despite the intense competition in the labour market, the company has managed to both attract and keep loyal and highly qualified employees. ■



Jens Naussed has been a project manager for international projects at trAIDe GmbH in Cologne since 2014, and specialises in setting up international business contacts. Naussed supervises the MP and other projects for the trAIDe and RWTH International Academy, with a special focus on the training and coaching of international executives and international business networking.

Foresight for Uzbekistan



Uzbekistan is currently experiencing considerable political change, an opening up of the economy and a re-orientation. Among other things, the government is striving to strengthen the export and innovation potential. However, society will also have to change if that is to be achieved. Visionaries are needed, who can lead the way with ideas and initiatives – they are often people who have broadened their horizons through stays abroad and returned home with fresh impetus. MP alumni also belong to this group.



Tashkent. Representatives from research and teaching, science administration as well as the health and private sectors in Uzbekistan came together for an alumni meeting at the German Embassy at the beginning of June 2018. They all had one thing in common: they had participated in a stay in Germany funded by the German Federal Government, e.g. a DAAD research scholarship, university-level studies in Germany, sponsorship through the Alexander von Humboldt Foundation – or the Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy (BMWi). It is expected of these beacons of hope for Uzbekistan to play an active role in shaping the country's economic re-orientation. Several MP alumni described their entrepreneurial successes and cooperation arrangements with German enterprises – the first steps along this path.

A Look into the Future: Foresight as a Source of Innovation

Where do new ideas for innovation and shaping the future come from? The foresight method is a possible option. It provides an opportunity to have a good look at the future in order to understand and at least imagine what awaits Uzbekistan. What challenges must the country master and

what is the best way to prepare for them? It is very important for the economy to have a picture of changes in the market. The time horizons for this foresight depend on the industries and their dynamics. Commerce, IT and media, banking, insurance and even the education sector as well as the leisure and recreation industries are imminently facing disruptive change worldwide. In comparison, the time frames for industrial production, utilities and also agriculture are still slightly longer. For the time being, changes will be least noticeable in the building and raw materials industries – according to forecasts. Entire occupational fields will disappear or become far less important wherever algorithms are used to steer processes in the future. Robots will carry out large portions of human work with highest precision and consistent quality. Only occupations providing services to individuals will become increasingly important – teachers or nurses

and caregivers for the elderly are not at risk of becoming obsolete. Artists and cooks can also be optimistic about the future.

The Uzbek alumni discussed these and other highly probable effects of digitalisation and globalisation in six working groups. In addition, the MP alumni attempted to analyse their current situation. Which level of industrialisation have Uzbek SMEs reached and where could they stand in 10-15 years' time? The so-called "Taylor-Wanne", an illustration of the market dynamics, was used as an aid. It depicts the differences between the four industrial revolutions. At the time of the first industrial revolution, what was decisive was who was involved in value creation. The qualification and the ideas of the masters were of prime importance. During the second and third industrial revolutions, economic success depended on how work processes were organised, for instance with regard to efficiency. The fourth industrial revolution stands out through maximum complexity. In times in which information is available at all times and attractive products can be bought all over the world, creativity is what matters. It is not the manufacturing of a product that is the most demanding task but its invention. Creative people with a systemic way of thinking and qualified specialists who take the right decisions in complex situations are therefore particularly sought after.

The exchange on the possible future of their enterprises in a globalised world provided the Uzbek managers with valuable food for thought. Even if they will not be using robots in the near future, international trends also affect their business models. The conclusion of the discussion was that the maximisation of customer benefit will become even more important in the coming years. Providing diverse individualised products and services that meet the highest demands regarding speed, comfort, quality and cost efficiency will determine success in the market. ■



MP alumni from Uzbekistan during the foresight discussion

New Approaches to Increasing Productivity



Improving work efficiency is a central issue for any business. Innovative technologies are just one aspect of this topic. At a follow-up seminar in Moscow in April 2018, Russian MP participants discussed how carefully planned human resources management can promote topics such as individual initiative and personal responsibility. In doing so, they confirmed the experiences of the Volkswagen Group Rus.



A good mood at the follow-up in Moscow

Moscow. The Volkswagen Group Rus team had set themselves the goal of becoming one of the most efficient companies in Russia. Within five years they succeeded in increasing productivity at their business by almost 50 per cent. Three factors influenced this increase in efficiency: new technologies, the people themselves and cultural idiosyncrasies, noted Dr. Dieter Neuhäuser, HR Manager at Volkswagen Group Rus GmbH from Kaluga. Cultural factors can be a major obstacle to knowledge and technology transfer. The high degree of power difference characteristic of Russian corporate culture saves time because the staff receive announcements from management regarding new work approaches or organisational changes without much criticism or resistance. On the other hand, this power difference, coupled with Russian collectivist tendencies, inhibits individual initiative and reduces personal responsibility. Without these two elements, improvement of either individual or group work efficiency is not possible.

How can you increase employee commitment and clear barriers to improved work efficiency out of the way? Olga Vesnina, the financial director at oil and gas industry supplier Perm and the interim managing director of Holding Ural-Invest, had maintained a very severe leadership style and placed great importance on employee discipline prior to attending training in Germany. During her visits to German firms, she realised how much emphasis the businesses attribute to creating a pleasant working environment and how common flexible working times and remote working programmes are. Back at Perm she decided to introduce flexible working times in the tender management department and offer the option of working from home to employees with young children. "It was difficult for me to take this step," reports Vesnina. "I was very worried about endangering established workflows with this decision". But her concerns proved to be unfounded: the employees achieved much more under the improved conditions. Vesnina made major changes in

other areas as well, which had an overall positive effect on work efficiency in the enterprise. She optimised the number of people working in management and dissolved redundant structure, and also increased decision making competencies, flattened hierarchies and introduced automated processes in order management and reporting.

Alexander Uglyov, who works as the head of the IT and analysis department at the firm Agroinnovationen, which organises agriculture trade fairs for example, put the processes in trade fair management to the test after attending a Manager Training Programme. By optimising and automating them, it was not only possible to complete preparations for the most recent trade fair two weeks before it started, but also to acquire more exhibitors, thereby significantly improving the overall results of the trade fair.

Alexey Shadrin is the managing director of the trading firm Simako. His impressions regarding potentials for improving work efficiency confirmed the experiences of other MP participants: trust in employees, more independence at work, promotion of individual strengths, and division of tasks according to skill sets. Prior to automating the administrative processes, a process analysis was conducted to reduce redundancies. Shadrin recommends not using any absolute performance indicators in evaluating the individual productivity of the employees. "Improvement indicators are much more reliable in excluding the influences of external factors on the results of the employees".

So that human resources management and organisational changes can contribute to increased productivity, the managers themselves must overcome the mental barriers originating from their organisational culture and inhibiting the developmental potential of their employees. This is where the MP can contribute as well. ■



Dr. Anna Suchkova is an economics lecturer at Lomonosov Moscow State University. She has advised on and helped to shape the implementation of the MP in Russia since 1998.



Funding for Machinery Imports

Machine manufacturing represents an essential export source for German business. According to the Mechanical Engineering Industry Association (VDMA), during 2017 the industry achieved sales in excess of €220 billion for the first time, three quarters of which made its way across international borders. 2018 is also shaping up to deliver another increase in export sales for German machine manufacturers. However, not every country is easy to export to. Various limitations make it difficult to export machinery to some CIS countries. How to achieve success in a complicated business environment? This is a specialty of Fred Ludolph, whose company finds ways to fund machinery exports. At a follow-up seminar in Bishkek, he shared his experience with Kyrgyz executives.



Bishkek. When SMEs from Russia and other CIS states are looking to import machines and equipment, they find themselves confronted with a range of restrictions currently affecting business. These apply in particular to the financing deals behind these transactions, given the current wave of sanctions in place against Russia and the increasingly strict host of statutory provisions dictated by export credit agencies and financial institutions. German machine manufacturers can still fill export funding gaps, especially for medium-term funding (5-10 years) which can make or break a deal.

Simply relying on the expertise of one's own bank often fails to have the desired effect. Many contracts in the one-digit million range are simply waved off by banks for reasons of cost or inadequate staffing. This creates a situation where so-called "small ticket financing" fails to obtain the necessary funding – even when a Hermes guarantee or a private insurance policy could be considered appropriate collateral. Which prerequisites and steps are important to ensure successful medium-term funding when exporting machines and equipment to CIS countries?

One essential prerequisite is careful due diligence for the investment project in question, as well as towards the parties involved (supplier and customer) – including a detailed risk appraisal. Such an approach then allows for a collateral portfolio and a due diligence report to be created. This report forms the key foundations for negotiations with state (e.g. Hermes) and private insurance providers. The report should also be accompanied by the following documentation for the purposes of assessing creditworthiness: a) the enterprise's annual accounts for the last three years with KPI analyses, b) a professional business plan, c) a feasibility study when concerning larger-scale investment projects, d) a draft export contract, e) the CVs of the customer's top managers and, if required, f) a legal opinion.

Another prerequisite concerns Hermes coverage or the coverage of political and payment default risks by way of a private insurance policy, as well as potentially a policy covering manufacturing risk. Projects with a scope of up to €10 million are predominantly subject to a prepayment arrangement of 15 per cent and 10 bi-

annual instalments, payable upon delivery or the mean weighted delivery date. Those projects exceeding the €10 million mark can see the term increase by up to 10 years (20 biannual instalments). The better the due diligence, the faster the internal appraisal by Hermes or a private insurer. When dealing with contractual volumes in excess of €5 million, Hermes demands audited balance sheets that adhere to international financial reporting standards (IFRS) – making such a change in accounting practices is well worth it.

The negotiations with banks in order to obtain supplier or purchaser loan financing are also held in tandem with the application for insurance cover. The primary objective here is to ensure that the supplier, through the non-recourse sale of receivables (forfeiting) to the financial institution, avoids the risk of a potential default on payment by the customer at a later date. Once the financing has been confirmed by the financial institution, the customer can be offered an attractive cash flow financing option given the favourable interest rates currently available. Debt servicing can then be rendered from the cash flows stemming from the use of machines and equipment (interest plus redemption). Bank guarantees on the part of the customer come at considerable expense, and potentially represent too much of an obstacle to overcome, meaning that they should be treated as an exception to the rule. If, however, the customer business is part of a holding, then a so-called "strong letter of comfort" could potentially function as an alternative, free form of collateral.

Once the financing and insurance are in place the export contract can be implemented – assuming that the prerequisite for a potential export licence by the Federal Office of Economics and Export Control (BAFA) has been issued. A monitoring system would play a critical role here up until the payment of the last instalment, in order to ensure that a solution could be found quickly should problems with the customer arise, e.g. the agreement of an extension on financing terms or a repayment-free period (grace period). ■



As a business trainer with over 20 years' experience, Fred Ludolph works for DMAN, Akademie International and GIZ. His own company, OET GOLDEX Finance GmbH, is based in Elmshorn, north of Hamburg.

Driving Corporate Diversification Forward

Nguyen Trung Nghia founded his firm, TAMIHA Co., Ltd., almost ten years ago. The engineer sells foreign technologies to the port and offshore industries in Vietnam. The decline in shipping traffic encouraged him to also serve other industries, for example the fertilizer, mining and cement industries. He used the MP as an opportunity to press forward with the diversification of his range, strengthen an existing business relationship and gain a new partner.



Nguyen Trung Nghia with his German partner

Hanoi. The order that Nguyen Trung Nghia landed for the German company Rhewum GmbH is worth 350,000 euros. This is the price of the screening machine for a fertilizer production plant ordered by Nghia's customer Petrovietnam Camau Fertilizer Joint Stock Company (PVCFC). PVCFC is a subsidiary of the state-owned company Vietnam Oil and Gas Group (PVN), the country's largest oil producer. The company is one of Nghia's old customers from the offshore industry. The plant will be delivered at the end of 2018 – following a delivery period of six months. To ensure that everything runs smoothly, an engineer from Rhewum will travel to Viet-

nam to instruct Nghia's employees on the technology so that they can carry out subsequent maintenance work.

Nghia has been an official dealer for the mechanical engineering firm in Remscheid since 2016. "The materials or produce sieved doesn't stick together and can be packaged quickly", Nghia says, who convinced himself of the quality of the equipment during the MP and was able to intensify the contact with the German partners during his stay. The range of uses for screening machinery is diverse in Vietnam, and Nghia sees demand in the sugar and cement industries, for example. "Our sug-

ar industry competes with products from China and Thailand. If the industry wants to grow, it must improve its machinery", Nghia says. The Rhewum sales manager responsible for Vietnam recently visited and met with enterprises in the sugar, cement, mining and recycling industries.

Businesses with foreign investors are Nghia's main target group because they prefer to buy foreign technologies, especially those from Germany. The manager, who has an MBA degree, knows this from first-hand experience because he worked in German-run firms before starting his own business. According to customs statistics, enterprises with foreign investors accounted for roughly 60 per cent of all imports in 2016, although they only make up a quarter of all firms.

New Partner and New Structures

Through the MP, Nghia was able to gain MKG Maschinen und Kranbau GmbH in Garrel as a new business partner. That firm's range of marine cranes will replace those of a Danish firm previously in Nghia's portfolio. "The customers were not quite satisfied, especially with servicing", says Nghia. With the new German partner, this should change: Nghia is not only the official dealer in Vietnam for the medium-sized firm in Lower Saxony but he also does servicing and maintenance.

Following the MP, Nghia has implemented a few restructuring measures. For instance, he has altered his sales agents' responsibilities. In the past, he had one sales representative for the domestic market and one for foreign markets. Now both sales agents serve the markets abroad, with clearly defined country responsibilities. This creates stronger ties to the respective countries and improves reliability and knowledge of the countries, the businessman explains. ■

Hanoi



HR: Leeway and Self-Responsibility



His experiences in Germany confirmed the vision one MP participant from Chile has of holistic business management – and gained him two new business partners.



Santiago de Chile. Being about 12,000 km away from your own enterprise for three weeks is no easy undertaking for a manager or managing director – despite social media and the internet. Alfredo Zepeda is an exception. “How do you manage to leave your firm without worrying?” the other participants from the Chilean MP pilot group (2017) repeatedly asked Zepeda. “I was the most relaxed member of the group”, he says, “because my employees work and make decisions independently”. That is why they like working for him.



Zepeda is the Managing Director of Equipos Médicos Zepeda y Cia. Ltd. The firm sells and services medical equipment. The family business was founded three decades ago by Zepeda’s father. Zepeda took over

the enterprise in 2010 and restructured it fundamentally with the help of an external consultant, particularly with regard to human resources. In doing so, he was able to increase turnover from roughly one million to over eight million euros in 2017. The employees are at the centre of his philosophy for success: The Chilean entrepreneur gives his employees sufficient leeway and autonomy for decision-making. His 60 employees work independently and effectively and are thus able to get by without their boss when necessary, for example during the MP. And Zepeda can concentrate on the further development of his firm.

“Great Place to Work”

Not only the figures prove that he is on the right track with his holistic corporate approach – the numerous awards in competitions on employee satisfaction (e.g. fourth place in Chile, in the global “Great Place to Work” employer competition), and his stay in Germany validate Zepeda’s vision of corporate leadership. “I have seen the role employees in Germany play as an important factor for corporate success”, he says. The manager was impressed by the extent to which enterprises respond to their employees’ needs, for instance with benefits, mobile working or flexible working hours. Employer attractiveness is important to him because there is also fierce competition among Chilean firms to find

skilled candidates. “As a medium-sized enterprise, I have to offer my talented employees something so that they don’t leave and go to Coca-Cola”, says Zepeda, who has lately also begun devoting 50 per cent of his time to working as the managing director of Sistema B. This firm belongs to the globally active “B Lab” NGO. With its “B Corp” label, B Lab certifies enterprises that have a positive corporate culture, in which not just profit, but the benefit for the world is paramount. Transparency and sustainability are only two of the assessment criteria. The “B Corp” certificate is a further distinction for Zepeda’s firm.

Fit for the Future

The managing director wants to quadruple his turnover by 2023. An ambitious goal, for which he not only needs new partners, but also an effectively positioned enterprise. Hence, Zepeda introduced lean management after the MP. He was able to halve repair times by streamlining processes and reorganising the service and repairs department. This is an important step for the business because the technical department receives a large number of orders within the guarantee period as a result of very strong sales over the past two years. “Customers had complained that waiting times were too long, and we had to take urgent action”, says Zepeda, who has mainly sold Japanese technology up to now.

Zepeda’s goal was to find partners for surgical equipment in Germany to expand his range. He has now concluded cooperation agreements with two firms: one in the field of gastroenterology and the other a provider of instruments for gynaecological operations; for the latter, this partnership means gaining access to the market in Chile. The Chilean economic engineer explains why he decided on these two firms: “Germany is a leader in surgical technology. But it was also important to me to have partners who pass on their know-how. There are numerous firms with good technology but not all of them share their knowledge”. And that is important because, as soon as the technology has reached the customer, the responsibility for it passes to Zepeda. ■

A Familiar Face



The positive effect the MP has on business is often already apparent during or right after training. But the Programme’s considerable impact can still be felt even years down the road. Andreas Steinborn, an alumnus of the 2011 “Fit for Business with Russia” programme, took the Mongolian MP alumni association up on an invitation to attend an event back in 2014. In 2017, he opened a branch office there, and has made a name for himself as the only German credit management expert.



GIZ: Congratulations on your successful entry into the Mongolian market! How have things been going in this first year?

Andreas Steinborn: I am really satisfied. Our software, the DELCREDIX credit management program, is selling well. And there is a lot of interest in financing imports, especially in the transport, mining and agricultural technology sectors. We have repeatedly been asked to handle financing backed by an export credit agency (ECA).

What makes Mongolia an interesting market for German and European firms?

For one thing, it is rich in raw materials. There are significant deposits of copper, coal, gold, and some rare earths there. You need good technology and the right financing to mine them, which opens up a lot of potential for German SMEs. In addition to mining, other sectors are also growing, like agriculture, light industry and tourism.

What are your targets for 2018?

We have planned to host a lot of private-sector delegations in Mongolia with

business partners who are world market leaders in their branches. I have worked with many of them in the past, or know them through my networks or other contacts, including the MP network. We’re also gearing up to push credit management. Projects with ECA-issued financing will take up a lot of space. And we are still active on the Russian market. I founded DELACREDA in 2012 right after the MP, and we have been growing steadily ever since. We are on track to surpass last year’s turnover of around 800,000 euros and plan to reinvest most of the profits. We have been the official representative for Thuringia’s regional development enterprise since 2017, and other regional development enterprises have expressed an interest in working with us as well.

This sounds like a successful growth plan. Is anything else in the pipeline?

Yes. We are ready to start marketing our “DELCREDIX” credit management database solution in Russia, the Baltic States,

Germany and Mongolia this year. Right now it is available in four languages: German, English, Russian, and, as of last year, Mongolian, with additional languages probably coming soon.

Is doing business in Mongolia different from say Russia?

Personal relationships are very important in Mongolia. I am quite lucky that my face is pretty well-known, and my Mongolian partner Zolzaya Puntsag’s profile is even higher in this country of just three million people. Customers contact us because they have heard of me and need some help navigating the rather complicated financing requirements. We also get a lot of business through recommendations.

Do you act as a business broker sometimes too?

Yes, quite often actually. I bring German and Mongolian firms together, which is a bit beyond the scope of my core credit management business. Mongolia is an exotic market for a lot of people. So the work I do here and my skill set for this country has had a positive effect on my reputation and is boosting business in other countries. Right now the DELCREDIX Group is active in Germany, Russia, Mongolia, Southeast Europe and the USA.

In 2011, you completed the “Fit for Business with Russia” programme, although you’d already worked there for five years in a few capacities including as head of trade at the credit insurer Euler Hermes, in their Moscow office. As someone already familiar with the country, what attracted you to the Programme?

Until that point, I had pretty much focused solely on central Russia. I was fascinated by the idea of expanding my knowledge and horizons, and establishing new contacts too, of course. Back then our group was active in Siberia, specifically in Novosibirsk. Ultimately I can also trace our activities in Mongolia back to the MP. Without the Programme, I would never have been invited to Ulaanbaatar and so would not have set up a subsidiary in Mongolia.

Thank you for taking the time to talk to us. We wish you continued success in Mongolia! ■

Egypt Gaining Ground in Organic Peanuts



Awareness of ecologically produced foods has been steadily growing in industrialised countries. The market for organic foods is booming in Germany too. In 2017 it achieved double-digit growth. In the ingredients list it often says: origin in EU/non-EU countries: Germany is dependent on imports for many products. As far as peanuts are concerned, they have mostly come from China. But that could change soon. A producer from Egypt is looking to conquer the German market with organic legumes. With his commitment to the project he is also contributing to the development of new agricultural land in other African states.

Cairo. Mostafa Salem knows peanuts. He was himself a peanut farmer for many years before founding Kernile S.A.E. in 2013. The business produces and processes peanuts from seven African countries and employs 55 people. Since mid-2016 the 30-year-old biotechnologist has been increasing his attempts to get his goods on the European market. But it has proven difficult. "There's no trust in African products as far as quality and production processes are concerned", he says. With the help of the MP he managed last year to close a long term supplier agreement with one of the leading natural food providers in Germany. The German firm will now replace about 50 per cent of the peanuts that used to come from China with nuts from Kernile. As a result, Salem estimates a 20 per cent increase in sales over the previous year with the new deal making up ten per cent of his revenue. His new partners had visited the business

before signing the contract and personally inspected the production conditions. "The business was looking for alternative suppliers because the quality of the Chinese goods didn't always meet their requirements," reports the Egyptian CEO. Plus, the organic food providers fear bottlenecks in the future because global demand is increasing and the growing middle classes are demanding high-quality, health foods, also in China. To be able to deliver a consistently impeccable level of quality, Salem has recently added new equipment and purchased a metal detection instrument for the processing stage. His partners from Germany helped advise him during the selection process.

"One Hundred Per Cent Organic by 2022"

Half of Kernile's peanuts still come from conventional agriculture methods,

though. Salem would like to change that: "One hundred per cent organic by 2022 – that's our goal." Therefore, together with the German firm, he is supporting farmers in Africa in the development of ecological agriculture, for example in Tanzania. Peanuts from Africa have the advantage of growing with two harvests. Depending on the country, there is a first harvest in October and another one in April to July. Competitors from China and the US can only offer a single harvest season. "By making more farmland in Africa fertile and by farming ecologically, we can contribute to guaranteeing global nutrition with foods that are healthy and environmentally friendly", explains the entrepreneur. At the moment, only a quarter of the agriculturally viable land has been cultivated in Africa, while in other countries, like the US, 85 per cent is already being used for agriculture, reports Salem.

Trade experts realise that the world of organic foods is small. Once you've managed to gain a good reputation, the customers will come to you. Especially getting a key customer in Germany is like a seal of quality that will attract new customers. Salem has just signed another contract and delivered samples to six new potential customers. "Every month we get new requests", he happily notes. The peanut market in Germany is estimated to be worth about 200 million euros. The manager plans to achieve a market share of five per cent by 2020. But to do that, Salem also needs to expand his capacities. He is now in negotiations for a new roaster, because the firm can currently only produce 12,000 tonnes per year. With the recently completed plant he would expand his capacities to 35,000 tonnes. ■



Mostafa Salem



Innovative Brake Linings Made of Volcanic Rock



Several thousand tonnes of fine particulate matter are released from brakes in road traffic every year in Germany. About ten per cent of traffic-related fine particulate matter emissions are due to brake abrasion. One MP graduate from Georgia has now developed an innovative component for brake linings that could be a "breath of fresh air" – and not only for the brake lining industry. The material, which is basalt-based, is now being tested in German firms.



GIZ: Mr Gogoladze, what is special about brake linings?

Giorgi Gogoladze: The development of brake linings is an engineering masterpiece: A brake lining must be able to withstand both sudden stops and journeys up and down mountains where it can reach a temperature of up to 500 degrees Celsius. To perform like that, the linings consist of about 30 different materials, including copper, mercury, cadmium, brass and antimony. They used to even contain asbestos. Unfortunately, when the brakes are applied this cocktail of heavy metals is released, through friction, into the air and groundwater.

What are the brake linings that are produced using basalt made of?

I unfortunately cannot share the exact recipe. It's a well-protected business secret of the friction lining manufacturers. Through the use of our material we hope to largely replace the fibres that are used in the friction linings and thereby contribute to the substitution of some of the heavy metals and improve the mechanical performance indicators – and ultimately produce less brake abrasion. I can't give you

concrete figures, though. This is currently being comprehensively tested in Germany.

Did your stay in Germany meet your expectations of the Programme?

Yes, I'm very satisfied with the results. We were able to establish contact with important businesses in Germany in the friction lining industry, and we have delivered initial samples and will soon be providing further samples. We don't have any supplier contracts, but we didn't expect that yet. I hadn't set myself the goal of shipping so many containers of fibres after the MP. My intention



Giorgi Gogoladze

was to draw the attention of the friction lining manufacturers to basalt fibres and deliver samples. And then to test out product together with the customer and make adjustments based on their needs as necessary.

What role does personal contact play in your business?

It's enormously important. International customers worry about the risks of supply security due to the political instability in the Caucasus region in the recent past. Also, we are in a very demanding sector on the basis of our product. Brakes are safety-related parts and brake linings are inspected especially carefully. It really helped me to be able to reference the Ministry for Economic Affairs through the Programme: it was that that gave me and my business the opportunity to start talks with the friction lining manufacturers.

Why did you decide to attend the MP?

I lacked modern business expertise. I was trained as an engineer. I finished my studies in Aachen by the way, so the knowledge of the country was therefore less important to me in the training. The packaging technology and in logistics solutions for the B2B sector were valuable. I had a critical look at our packaging and put it through a quality check. Especially now, where we want to be exporting more strongly, it's important that the product doesn't just look good, but that it also arrives unscathed. One innovation, for example, is that we now pack our support grids vertically, which increases their stability and protects them against deformation.

What are your further plans?

I'm about to found a graduate club together with another alumnus. And I'd like to support young talent in the field of technology. We've had talks about setting up a co-working space where we could showcase our materials and organise seminars. But that's not yet been finalised. As far as the linings are concerned, we are waiting for the results of the current testing. The whole thing is a very involved process, and in addition to the tests we will also have approval processes to deal with. That's why we aren't counting on having supplier contracts before 2020. We see the German market as a door-opener to the EU. If we can make it here, it would be a real accolade for our product. The friction lining industry in Germany has a high quality standard and is the leader in Europe. ■



Digitisation in Industry



In 2015, Amir Mamdouh founded the Sayyal Sazan Azaran Tadbir (Satco) consulting firm in the city of Tabriz to work with clients in the metal industry. The 32-year-old Satco managing director and engineer completed the MP in 2017. While in Germany, he established contact with a Berlin-based firm now involved in digitisation for a Satco customer. Mamdouh also succeeded in bringing another member of his MP group on board to support his firm's expansion inside Iran.

Tabriz. Loyal Satco client, Iranian Ferro-Godaz-Tabriz (FGT), manufactures cast-iron automotive parts. The firm recently agreed to take part in a pilot project in which software developed by the Berlin-based company deZem GmbH will analyse the enterprise's energy consumption. Energy audits used to be a time-consuming manual process that forced FGT employees to evaluate a huge number of reports. The digitisation project will help the firm to save on both resources and energy. "Energy prices went up by 15 per cent in Iran last year. My clientele, foundries and other energy-intensive plants are really feeling the pinch", Mamdouh says. So the material sciences engineer was very interested in identifying new ways to cut back on energy consumption during his time in Germany. Once the pilot phase has been completed and evaluated, Mamdouh, who is now deZem's exclusive partner in Iran, plans to roll the product out to clients and other customers outside the metal industry too.

Joint Product in Development

Mamdouh plans to offer a package that combines the analysis software originally designed by deZem with a quality management program for which Mamdouh will provide the code. The programming is complete and the QM software is undergoing testing in another project. This new component monitors an enterprise's entire workflow from raw material procurement to employee efficiency. Mamdouh plans to market this combined energy and quality management tool to customers as a comprehensive digitisation solution. His firm has also built the necessary hardware. "The new hardware is an important aspect of our joint venture with deZem. Once we have the CE label, we'll be able to export it to Germany too", he says.

New Business Partner in Iran

A fellow MP alumnus will soon be supporting Mamdouh in realising his ambitious plans. 44-year-old engineer Sepideh

Sarrafan from Mashhad has agreed to act as Satco's sales manager in the Razavi-Chorasan province in Northeast Iran on the border to Turkmenistan. Mashhad is more than a 20-hour drive from Tabriz, and Mamdouh is very happy to have Sarrafan on board helping his firm expand into this part of the country. "Sepideh Sarrafan will primarily be involved in marketing our digital solutions", Mamdouh says. "She is a well-respected quality management supervisor in Razavi-Chorasan and has built up an impressive network of business contacts over the past 20 years. This makes her a very valuable and welcome member of the marketing team".

"Today I am more interested in results"

The MP also changed Mamdouh's management style. As a trained engineer, he freely admits that there were a few gaps in his management skills which the MP helped him close. Now he focuses more on empowerment in his firm. "I used to want to know exactly how productive each employee was, how much they worked and when. Today, I am much more interested in results", he says. Mamdouh is also working to promote team spirit. Now the team as a whole divvies up assignments, and there is more overall communication. Satco's office space has undergone a transition as well, and is now a more attractive and pleasant place to work. Mamdouh is more than happy to pass his new project management expertise on to his employees and customers, and has already organised two training seminars on the topic in the cities of Zanjan and Mashhad. ■

"Fit for Business with Mexico"

Fire Protection and Disinfection Made in Germany



Heinrich Schäffler has developed innovative water misting technology together with industry, research and business partners that can be used in fire protection systems and in the field of disinfection. Major risks are rendered economically viable to insure through the use of this technology. Heinrich Schäffler, who graduated as an insurance specialist, has been driven, especially in more recent years, by his desire to deliver his water-saving and low-cost solution, also to countries suffering from water scarcity. He has now signed an agreement with a firm that would like to launch his technology on the Mexican market.

Frankfurt. "Over 40 per cent of enterprises file for bankruptcy following a fire that results in the interruption of their operations", notes Heinrich Schäffler. The 65-year-old has often witnessed such a fate throughout his more than 40 years of work as a self-employed insurance broker. In addition to the damage directly resulting from the fire, it's the damage resulting from extinguishing the blaze in particular – coupled with interruptions to business operations – that can break an enterprise's back.

Water Misting in Fire Protection

Schäffler's method of fire protection can prevent such damage. He is working with a misting technology that only requires two per cent of the volume of water that conventional fire extinguishing systems need, and also detects fires faster. Due to the low damage forecast, the customer's insurance cover is 60 per cent less. "It pays for itself twice over", says Schäffler, who joined the MP in 2017 in order to offer the benefits of his product to the Mexican market.

Mexico has a massive problem with water supply, especially in the megalopolis of Mexico City. Dilapidated systems result in supply failures time and time again. It's hard to imagine what might happen in the event of a major fire. Additionally, the climate to the north of the country has periods of drought and there is flooding in the south during the rainy season. Mexico is therefore one of the countries that would benefit most from Schäffler's technology. One of the Mexican firms that Schäffler met during

the MP has also realised this. The firm's origins are in the oil business. In early 2019 they would like to convert to the systems provided by Heinrich Schäffler GmbH.

A Signed Letter of Intent

To accomplish this, both partners signed a comprehensive letter of intent at the Hanover Trade Fair in April 2018. The exact form of the business relationship has been intentionally left open. "I'm flexible in that regard", says Schäffler, who can imagine either renting his equipment through his partner, exporting it or licensing it for local production. The decision will ultimately depend on costings on the part of the partner for the start-up of the business. Thanks to his previous business activities, he has a lot of valuable business

contacts and knows many potential customers in industry.

Wide Range of Business Options

The misting extinguisher system can also be used for disinfection. There is a lot of potential in Mexico for that application – for example in health management. Using optical detection, the system can both detect fires early on and, in the future, also sense contamination in the air. In cases of air contamination, the water in the system is disinfected using hypochlorous acid and then the pathogens in the air are attacked by misting the room. This area of application is now being tested in Germany, and has been in testing in India since July 2018.

Hypochlorous acid is also part of another technology used in the purification of drinking water and industrial water. This application frees the water of viruses, bacteria and fungi and their spores and is marketed under the brand LiquidClean LC. Its most important customers in Mexico are the food and beverage industry, as well as the pharmaceutical, paper and textile industries. Some firms even have their own wells to be more independent from the country's water supply. However, their water still needs to be purified before use. One of Mexico's biggest food businesses has already expressed written interest in using the technology for disinfection and detection. Schäffler expects a growth in revenue of 20 per cent as a result of his innovation. And by internationalising his company, which was spurred on by the MP, he is now counting on further significant increases in revenue in the medium term. ■



Heinrich Schäffler at the Hanover Fair

Belarus Mobile Network Operator Modernises Online Shop Using German Software

“Now we’re open to the whole country!”



Velcom is the second largest mobile network operator in Belarus. For the past 19 years, the telecommunications firm has been providing its land-locked citizens with mobile and broadband Internet. As in other countries, the online market currently offers a lot of potential for growth. So Velcom recently modernised its online shop with an e-commerce solution which IT executive Alexander Veramkovich brought from his MP training in Germany. This new tool will allow the industry giant to process large volumes of customer data in real time and double its online revenue.



Alexander Veramkovich

GIZ: Mr. Veramkovich, it has been 3 years since your MP and 6 months since the new IT shop was launched. How’s business going? **Alexander Veramkovich:** Very good. Our investment in the e-commerce solution SAP Hybris, which is what our B2C shop runs on, was very worthwhile. We have had twice the number of orders compared to the old system.

Why is that?

Our old system was very limited in its performance. It would get overloaded once the number of visitors to the shop went

over 2,000. Obviously it’s a no-go for our business if we can’t serve interested customers. Now we have up to 150,000 visitors a day. And no more restrictions – we’re open to the whole country! Even with high order volumes, the new architecture won’t let us down: millions of products, customers and prices can be processed in real time. We currently have about five million customers. At any given second, someone in Belarus is using Velcom – and we’re a nation of only 9.5 million people. In addition to the online shop, we also have 97 sales outlets.

That sounds like a quantum leap! How did your partnership with SAP come about?

We have been working with SAP for many years actually, in different divisions. During my manager training in 2015, though, I got to go to an SAP forum in Munich. At that time, I was looking for a new solution for our online shop. SAP had expanded its product line at the time, because it had just bought the e-commerce provider Hybris. We got into a conversation, and the partnership developed out of that. Then finally, in September 2017, we were able to open the new shop.

Crunching numbers, how has the new platform affected your sales?

We currently employ around 2,000 people and had sales of € 390.5 million in 2017, up 15.2 per cent from the previous year. So the new application significantly boosted our online sales.

What was the Programme’s added value for you personally?

Since 2007, we have been a wholly owned subsidiary of the A1 Telekom Austria Group. Three of our top administrators speak German; one comes from Germany, two from Austria. The intercultural training has helped me understand their culture and work practices a lot better. At the time, I was just starting out with the firm, and so many things were foreign to me. The whole thing interested me so much, though, that after the MP in Germany, I started studying German in the evenings, in my spare time. Not that it was absolutely necessary, because our business language is English. In the meantime, I now have an A2 certificate in German and can get by in everyday situations and at work and follow conversations in German. This is quite a gain for me, both professionally and personally.

Thank you for the interview, Mr. Veramkovich! ■



Andrey Fialkovsky

Employee Satisfaction: The Key to Success



Andrey Fialkovsky is managing director of a Ukrainian engineering firm specialised in the area of aircraft and airport construction. The severe economic crisis that recently hit his country has also affected his business. Due to limited economic relations with Russia, the medium-sized enterprise lost important customers. When Fialkovsky attended the Programme in 2015, his primary intention then was to find new partners to fill this gap. However, the biggest benefit he got from the Programme, he states, was in the area of HR management.

Kiev. The employees at Progresstech-Ukraine are satisfied – a fact they also like to share on social media. “It’s cool to work at Progresstech,” they enthuse on national job portals like work.ua or networks like Facebook and vk.com. Andrey Fialkovsky is proud of this digital marketing success because his staff’s positive attitude is no coincidence. It is the result of the innovations he himself introduced after noticing how German firms generally recognise and appreciate their employees. “Now we regularly run questionnaires and conduct staff surveys”, the business economist said.

He holds staff meetings twice a year. The suggestions and criticisms submitted at these times are often the catalyst for actions aimed at optimising production processes or social programmes. Fialkovsky also established an expert council, based on the German model, which is composed of retired employees. They are consulted on difficult cases or strategy matters. Keeping them in the loop retains business know-how.

“My experience in Germany shows that there is no value in knocking on every door. You should start with building trust”

There was no skimping in the area of personnel development, either. His HR managers created an individual development plan for each of his 500+ employees. A corporate benefit plan comprising a performance-oriented points system was set up, where employees cash in their points at the end of the year, for example in the form of insurance or fitness programmes. There are also more and more social projects being initiated, for example employees have collected donations in-kind from within the firm and passed these on to children’s homes. “The colleagues who coordinate these fundraisers have some very moving moments when they visit the children”, says Fialkovsky. His innovations have resulted in less staff turnover, increased motivation and better cohesion.

Through these pioneering management measures, Fialkovsky was able to strengthen his business and enter new markets. In 2016, the Progresstech Group opened a branch in Warsaw to serve the European market. “We needed a European face”, the managing director explains. Poland was the perfect location, as it was an EU country, but at the same time similar to Ukraine in terms of its mindset and language. For example, it was based out of Poland that Progresstech managed the conversion of a Boeing 787 to a VIP jet for a Bavarian engineering firm. Progress-tech has also been a service partner for an aircraft repair and service enterprise since 2015, providing support for the maintenance of heavy and large freight machines in Leipzig. The Ukrainian firm also counts France and Great Britain among the countries in its EU portfolio.

“My experience in Germany shows that there is no value in knocking on every door. You should start with building trust”,

concluded Fialkovsky.

Big firms can be won over with an impressive presentation. But medium-sized family businesses in Germany, he continued, choose their partners differently – they value personal relationships.

The forty-year-old executive regularly attends the relevant trade fairs in Germany and Europe, helping to build this trust in his enterprise and his country. ■



Four Questions for Executives

Finding the Right Further Education and Training Programme

“Knowledge is Power”: This statement, postulated by the English philosopher Francis Bacon towards the close of the 16th century, paving the way for the Enlightenment, is more relevant today than ever before. However, it has long since become impossible to acquire all of the accumulated knowledge available. In the (for the most part) highly developed society of the 21st century, highly specialised knowledge is what is needed. For entrepreneurs, this means life-long learning in relevant fields of knowledge. But what is really relevant and how can individuals find what is right for them? Professor Dr Angela Witt-Bartsch, expert on corporate organisation and personnel development, shares her own experience and formulates four guiding questions that help to narrow the focus as far as possible when looking for further training opportunities.

My grandfather’s words have accompanied me from childhood: “No one can take away your knowledge”. And that is why I have participated in numerous diverse further education and training programmes over the past years – to gain new knowledge, to be able to take on interesting tasks in the future and also to advance my career.

Deciding on which training programmes I should participate in and when to do so has not always been easy. There were plenty of opportunities within and outside the enterprises, just as there are today. I was spoilt for choice, but I also had the chance to select those that helped me in my personal and professional development.

Answering the following four questions helped me with my respective decisions:

1. WHAT KNOWLEDGE FROM MY PREVIOUS TRAINING PROGRAMMES DO I UTILISE TODAY?

An exciting and, at the same time, sobering reflection. On the one hand, it helps you to remember the many different and partially almost forgotten training courses. On the other hand, it sometimes becomes clear that today you only actively and consistently use a part of the knowledge gained.

Hence, this reflection helps you to also remember methods and techniques that you

can use in fulfilling your current tasks. It also provides a very good overview of the skills already obtained. You can decide for yourself which of these skills you want to reactivate or expand.

This is an excellent spring board for clearly defining your qualification wish list.

2. WHAT DO I WANT TO ACHIEVE IN THE FUTURE?

Everybody is talking about life-long learning. My experience is that it is more fun if you have a specific goal in mind which you can achieve sooner with the right training.

- Perhaps as an executive you would like to be able to cope better with difficult situations and therefore choose a conflict management seminar.
- Or you want to reach the top of the career ladder in the long term, and a degree would be an advantage.
- Or you decide to do a course to become a trainer to enable you to work in a completely different area in the future.

It is worthwhile to direct your thoughts a few years into the future in order to gain an exact idea of the direction in which your professional and personal development should lead you.

- Where do I want to be in my personal and professional life in five, ten, ... years?
 - What do I definitely not want to do anymore?
- The more specific your ideas are, the more precisely you can formulate your goals.

3. WHAT ELSE DO I NEED FOR THE PROCESS?

With your concrete goal in mind, it makes sense at this point to take a look at future responsibilities and requirements. The details provided in a job or function description for the desired position are often a good basis.

Now it is up to you to carry out a realistic self-appraisal and answer the following question: Which knowledge/skills do I need to refresh or expand for this position?

And this is where the blind spots lurk! Many people tend to put the things they are already good at or that interest them personally at the top of the list of possible training options. And, of course: strengthening strengths is a good thing. However, particularly your personal shortcomings and uncertainties will assist you in promoting the development of your personality and in gaining essential skills.

Feedback from superiors, colleagues and staff or the results of a personality test also provide starting points for defining your personal development needs.

Using this as a basis, the more specific you can be about the topics for and content of your next training programme, the easier your search will be.

4. WHAT CAN I DO TO ACHIEVE THE GOAL?

You have identified what your training should cover. Now it is time to think about the type of qualification. Define your selection criteria; this will help you to find the training measure best suited to you from among the thousands of training programmes offered.

By the way: here less is more. You probably want to manage the training in addition to your day-to-day work. Moreover, perhaps you are not only thinking of a single training measure, but have put several “weaknesses” and goals on your list. Now is the time to prioritise!

Determine whether you want to complete the respective training ...

- ... in the form of webinars or classroom seminars?
- ... alone or in a group?
- ... during working hours or in your leisure time?
- ... within the enterprise or at an external training centre?
- ... close to home or your workplace or in another town, which means travel and accommodation?

In addition, three further decisions must be taken in advance:

- How much time altogether do you want to invest in your training? Here you should not only consider the time needed for the actual training, but also include time spent on preparation and follow up.
- What documentation should be provided on completion of the training programme? Is a simple certificate of attendance sufficient or do you need a recognised qualification to achieve your goals? If relevant, find out whether you fulfil the prerequisites, e.g. for a university course.
- How will the training be financed? Will you pay the full amount yourself, will your employer (partly) finance it or are there other means, e.g. a government subsidy (one example in Germany is known as a “Bildungsscheck”).

Now it is up to you to use your criteria to find the measure that is best suited to you and will benefit you most among the numerous internal and external webinars, individual consultations, coaching, mentoring, (in-house) seminars or training courses offered.

Use recommendations, support from the HR Department in your enterprise or consultancy services provided by advanced education and training institutions to make your search easier. Once you know what you want, you can examine each offer and decide on the one that is most advantageous for your personal development and the achievement of your goals.

As already mentioned: no one can take away your knowledge, and it will help you to achieve your goals.

I wish you every success in finding the further training programme that will advance your career and benefit you personally!

Additional Tip
We have prepared a wish list for you to fill in, which will help you to carry out a more targeted search for the right further training programme.

As a first step, determine the area in which you need to further develop your skills and formulate this need as specifically as possible in the “brief description” column. Then consider whether you want to gain this knowledge on your own initiative within your daily business surroundings, in the course of ongoing projects/assignments or as part of a further training programme.

Wish List: My Need of Further Training in the Future

	Brief Description	Daily Business Surroundings	Projects/Assignments	Further Training
Specialised knowledge – information, developments, trends, etc., required to be up to date				
Methods and skills in a specific area				
Knowledge of the industry				
Knowledge regarding products/services				

Supplementary offer:
Are you still undecided as to which form of advanced training will help you best in your future professional development? You can order our questionnaire to help you determine your advanced training requirements here: office@3e-netzwerk.de ■

 Professor Dr Angela Witt-Bartsch, expert on corporate organisation and personnel development, is the founder of the 3E-Netzwerk, 3E-Trainingsakademie and a lecturer at the FOM University of Applied Sciences. She has been successfully supporting individuals and organisations in their further development for more than 25 years now. Further information at: www.3e-netzwerk.de

An Overview of E-Commerce in Europe

About 20 years ago people said that e-commerce would become a normal part of reality for society. That communication across the globe would be easier, cheaper and more democratic. And that marketing would drastically change with the advance of the Internet. Now, cut to 2018. Well, they were right. All three things have indeed happened. Although this whole process did not happen overnight, there are many medium-sized businesses and even global players missing out on many chances offered by the digital revolution says Flavio Amancio, Global Account Director at morefire, a digital agency based in Cologne, Germany. And this has to change.



Staying ahead of the competition is not possible anymore, if your enterprise does not have a comprehensive Digital Marketing Strategy. “Strategy” does not mean having a Blog or a Social Media Channel, which is updated every 3 weeks or a slow, not optimised Website. Or doing an isolated AdWords campaign just for the sake of saying that something is being done. A winning online marketing strategy must be in line with the business’ long-term vision and with its departments, for example sales, marketing and customer services.

One of the greatest advantages of the new digital world is the possibility of entering new markets and selling products worldwide without huge financial pressure as it was years ago. Back then, a B2C enterprise needed to make huge investments in offline marketing, distributors and local infrastructure. Businesses working on a B2B level also had to invest in offline marketing, but mainly in strong local networking via the sales department. Many of these steps have been drastically simplified since

the dissemination of the digital economy, making an international operation realistic for many organisations.

Europe is one big, mature and welcoming market for foreign investment. According to the recent Attractiveness Survey Europe, from Ernst & Young, the foreign direct investment (FDI) in Europe hit a new record and created more than 250,000 jobs between 2015 and 2016. Between 2012 and 2016, around one million jobs

were created by FDI. This vigorous influx of investment shows a strong recovery of the continent since the 2008 financial crisis. The UK leads as a destination for those firms, followed closely by Germany and France being in third place. Not surprisingly, the survey also reveals that sales and marketing represents 49 per cent of all FDI projects in Europe.

B2C E-Commerce

According to the European E-Commerce Report 2017, produced by Ecommerce Europe in partnership with the Ecommerce Foundation, the B2C e-commerce in Europe increased from €176 billion in 2009 to €530 billion in 2016. The internet penetration has reached an impressive 81 per cent across the whole continent, which represents 631 million people. A business considering entering the European market can expect to deal with a highly connected population, which is surely a positive aspect because people are used to buying services and goods online. It is always harder to work with regions where the internet penetration and the online purchasing behaviour is still picking up. In this case the revenue tends to increase only with the maturity of the market.

Another very interesting finding of this whitepaper is the E-GDP. This figure represents the participation of the e-commerce in a country’s GDP. The UK leads with a staggering 7.25 per cent E-GDP, followed by Denmark with 5.39 per cent, Finland 4.51 per cent, France 3.39 per cent and Norway 3.26 per cent. Germany occupies the 8th position with 2.75 per cent. Some may think that the participation of the e-commerce is still low, but remember that we are talking about new behaviour in our society. The first smartphones were introduced in the mid-2000s and their mass

adoption started in the late 2000s. Since then, our media and purchasing habits have changed radically. This is only an example of the huge e-commerce growth waiting for us in the next 10 years.

Opening an e-commerce operation in a European country also offers a big advantage for firms: the high level of cross-border online purchases within the continent. Developing a comprehensive sales and marketing strategy is a key factor in identifying potential new markets and increasing the revenue in other countries. Luxembourg leads the cross-border purchasing in Europe, with 74 per cent of the e-consumers buying products in other countries. In the top five you have Russia (62%), Switzerland (61%), Malta (48%) and Austria (47%). Logistics is a key element here and the service providers in this segment are already offering appropriate solutions for retailers and e-consumers.

The global player UPS, for example, invested £120 million and recently opened a new parcel sorting and delivery centre in London. According to UPS Europe president Lou Riveccio the “E-commerce growth, cross-border trade expansion, and unique customer needs are accelerating the demand for UPS’s services”.

The Awakening of B2B

Many of the businesses, from all kinds of industries, willing to go digital realised that it has been a hard task. Of course, we have the big players investing a lot of money and energy in their digitalisation process. They are shaping their industries and starting new trends. But on the other hand, we have the small and medium-sized enterprises, which are extremely relevant for the European economy. As a matter of fact, the German Federal Statistical Office (Statistisches Bundesamt) reported that in 2015 the small and medium-sized enterprises represented 99.6 per cent of all businesses, employed 58.5 per cent of the labour force and generated 35 per cent of the revenue. And it is exactly these businesses which struggle the most with the new digital mentality. There are several reasons for this. A lack of recognition by the top management of the potential created by the digital economy is one example, fear of change, a lot of decision makers do not recognise the challenges ahead and this is also related to a fear of

Quick Tips for an International Digital Strategy

For those interested in an international presence and a meaningful digital strategy, here are five quick tips:

1. Develop the Personas

Personas are fictional characters representing the different types of users who might be interested in your product or service. It may sound banal, but any marketing and sales manager must keep in mind that their target group in a new country might think, act and behave differently. This is why you should develop the personas. In this document you will have a full description of a potential customer with details such as age, marital status, profession, online behaviour and the type of content consumed. This will help you to know for whom you will create your marketing campaign, where you will find them and how you will communicate with them. It’s simply a must.

2. Build your International Team

Having a team dedicated to international expansion generates better results in the medium and long term. They will be able to recognise the local cultures, the particularities of the market, design an appropriate sales strategy and use the synergies to make the international growth more sustainable.

3. Localise the Website

Creating a globally friendly website is essential to being successful and generating more business. The translations must be professional and accurate, the colours must be adapted

because they have different meanings for different cultures, the layout and the conventions (systems of measurement and sizes etc.) are some aspects to be considered in the process. Do not try to do this on the cheap – it is a false economy.

4. Verify the Most Popular Forms of Payment

Did you know that in the Netherlands they prefer iDeal rather than paying with credit card? Did you know that Germans prefer to pay their online purchases by invoice instead with a credit card? These two examples show that your financial department must be prepared to adapt itself to the most popular form of payment in each country. This will cost a lot of energy in the beginning, but will pay off. From a client perspective, there is nothing worse than not finding the preferred form of payment right at the checkout.

5. Pay for Professional Digital Marketing

Here you will need some external support if the market is new to you. A digital agency which specialises in the market will be able to help you understand the market and create a comprehensive digital marketing strategy based on the goals, personas, product characteristics and particularities. Having the support of paid advertising, SEO and web analytics experts will be crucial in defining a realistic roadmap, choosing the meaningful key performance indicators to evaluate the performance, increasing conversions and finding ways to grow your online business as a whole.

change. A lack of talented professionals with the right skills is also an issue. It is no wonder that governments, not only in Europe but all over the world, are pushing the digitalisation of their economies like a mantra. It is a matter of survival.

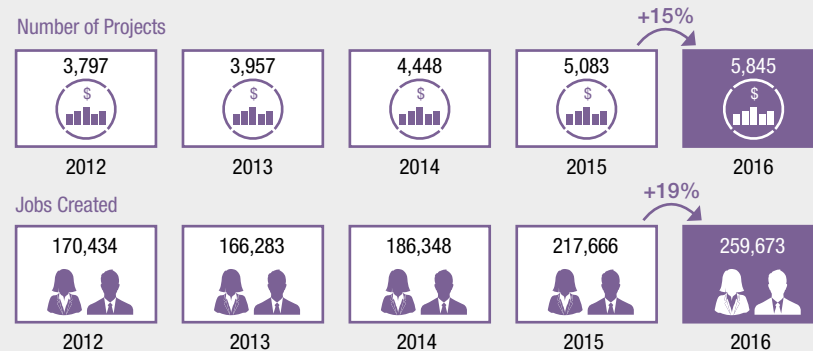
From the perspective of a digital strategist, the most effective way to deal with such a challenge is to make clear to the top managers of the enterprises the big risk they are taking by neglecting the digital transformation. Because the competitors are not lying dormant. The competition is awake and taking action. They are getting all the leads out there through Google, LinkedIn and Social Media. They are rebuilding the processes within departments to follow digital strategies. They are entering new markets. They have a highly qualified digital marketing manager and not the classic

“IT guy” who was quickly put in charge of anything “internet-related”. In simple terms, the threats to the existence of the business must be made obvious, but at the same time the possibilities available to the enterprise should also be made clear, so that business owners take these issues seriously. This will help to create a willingness to develop a digital transformation strategy and digital marketing. ■



Flavio Amancio is a Global Account Director at morefire, a digital agency based in Cologne, Germany. His main role is to develop digital strategies for clients from several industries and bring B2C and B2B businesses successfully to an international level. In the past, Flavio was an e-commerce manager for the South America region for global players like Lufthansa and Emirates Airlines. Born in São Paulo, Brazil, he holds a business administration degree and several Google Certificates.

FDI Projects and Jobs Created in Europe

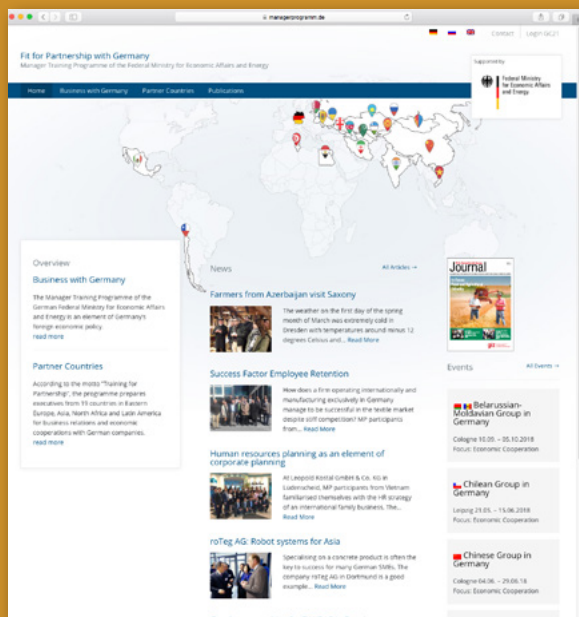


Source: EY European Investment Monitor (EIM), 2017

The Manager Training Programme of the German Federal Ministry for Economic Affairs and Energy on the Internet:

Lots of information at a glance for participants or anyone interested in the Programme!

www.managerprogramme.com



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