

A quarterly newsletter published by "SME Support Services in Priority Regions" - a project funded by the European Union's TACIS programme for Ukraine

Inside this issue:

- > Project shared its plans with the national media **p. 2**
- > The Balanced Scorecard System was introduced to SCURPE **p. 2**
- > First phase of Management Development Training Programme successfully completed **p. 3**
- > Project starts Train-a-Trainer programme **p. 3**
- > Project fosters development of clusters **p. 3**
- > Project cooperates with the Ukrainian Association of Management Consultants **p. 4**
- > Project is about to launch a "Virtual Market" **p. 4**
- > Project supports development of Ukrainian consultancies **p. 4**

**Project analysed SME environment in its priority regions**

The Project has conducted an analytical study of the existing SME sector environment in its three priority regions (Rivne, Zhytomyr, Chernihiv). Based on the study the following findings are worth mentioning:

1) The service sector in the three priority regions is less developed compared to the national level. Whilst the service sector's share in the regional economies of Zhytomyr and Chernihiv are stalling, Rivne's share represented a positive growth rate. With the service sector being the main growth engine in almost all urban areas of Western Europe, regional administrations are, therefore, encouraged to consider additional efforts to promote this sector. The further development of the service sector in the three priority regions could also be linked to a more pronounced business-friendly regulatory framework, in the process making the business conditions more attractive thus leading to an accelerated growth of new businesses, especially in the services sector.

2) The transportation and logistical sectors can be further developed in each of the three priority regions. These sectors could benefit from new business opportunities offered by adjacent new EU member countries who are currently heavily improving their motorway infrastructure up to the borders of Ukraine. In this aspect, the crossroads of the Pan European Transport Corridors III and IX could form the basis for a joint initiative by all three regions in order to exploit and take full advantage of the business development opportunities offered by these sectors.

3) The lack of professional management consultancy support and training education programmes aimed at SME managers in the regions needs to be addressed in order to create a sustainable and effective support network for local SMEs in the three priority regions.

The project has taken the conclusions of the study into account while developing its overall and specific work plans.

**Project signed Memoranda of Understanding with SCURPE regional representatives**



Gennadiy Bilous signing Memoranda of Understanding

On September 5, 2006 the project signed a Memorandum of Understanding with its regional project partners — the regional representatives of the State Committee of Ukraine for Regulatory Policy and Entrepreneurship (SCURPE).

Mr. Anatoliy Yaroshenko, head of Zhytomyr SCURPE, Mr. Mykola Tarasyuk, head of Rivne SCURPE and Mr. Volodymyr Zubok, deputy head of Chernihiv SCURPE went to Kiev to meet with the project, discuss ways of cooperation and sign the memorandum.

By signing this Memorandum, each of the SCURPE regional representatives agreed with the project's overall and specific work plans in the regions and confirmed their willingness to support the project in its regional activities.



Anatoliy Yaroshenko of Zhytomyr and Mykola Tarasyuk of Rivne signing Memoranda of Understanding

The signed Memoranda of Understanding were endorsed by Mr. Gennadiy Bilous, in his capacity as Deputy Head of SCURPE.



This project is financed by the European Union

The project is implemented by  
GFA Consulting Group led consortium



The views expressed in this publication do not necessarily reflect the views of the European Commission

## Project shared its plans with the Ukrainian Media

On Thursday, September 7, 2006 the Project held a well-attended press conference at the UNIAN Information Agency.

The conference intended to inform media representatives on the general and specific action plans the project plans to carry out in view of further developing and strengthening the SME sector in Ukraine. The conference specifically provided information on its

This project is of great importance to the SME sector in Ukraine as it will be implementing European "Best Practices" for SME support", - Gennadiy Bilous

planned regional activities – a key feature of the project.

Mr. Gennadiy Bilous, Deputy Head of the State Committee of Ukraine for Regulatory Policy and Entrepreneurship, Mrs. Helene Chraye, Head of Operations of the Delegation of the European Commission to Ukraine and Mr.

Philip Santens, Project Team Leader, participated in the conference and addressed the assembled media representatives.

Journalists of more than 30 Ukrainian media visited this event. Of particular interest to the media at the press conference was the plan to develop a "Virtual Business Development Services Market". This concept, which has been successfully piloted in a number of countries including new EU Member States, will enable Ukrainian SMEs to identify on-line professional support ser-



Key-note speakers of the press conference (from left to right: Philip Santens, Gennadiy Bilous, Helene Chraye)

vices, business education programmes and business and investment opportunities. This informational database will be available, free-of-charge, on the website <http://vm.ukraineinform.org.ua>.

The project intends to continue having regular meetings with representatives of the Ukrainian media in order to inform about achieved results and on-going and planned project activities.



Mrs. Helene Chraye explains the EU contribution to the development of Ukrainian economy

## Project introduced the Balanced Scorecard System to SCURPE

The project has trained selected staff of its main beneficiary organisation – the State Committee of Ukraine for Regulatory Policy and Entrepreneurship (SCURPE) – on the Balanced Scorecard (BSC) management tool in order to underpin its philosophy of introducing "professional management practices" within the public sector.

The introductory course has been adapted by project experts to suit SCURPE as a public organisation. By applying the BSC principles, SCURPE will be in a position to further increase its transparency within

a complex environment, facilitate the implementation of its activities in various technical fields, and to monitor progress and results made whilst executing activities.

BSC is a management tool (not only a measurement system) that enables organisations to clarify their vision and strategy and translates these into concrete actions. BSC provides feedback on both the internal business processes within an organisation as well as the external outcomes achieved in order to continuously improve organisational performance and results. When fully implemented, BSC transforms strategic planning from an academic exercise into the core activity approach within an organisation.

With the introduction to this professionally, internationally acknowledged management tool, the project hopes to assist in the advocacy of enhanced management processes within the Ukrainian public sector in the process improving the overall



Arman Gamzyan of SCURPE and Igor Ivanov of UCER presenting Balanced Scorecard four business perspectives

and specific performance of the public sector in Ukraine.

The course was delivered from September, 27 till October 1, 2006 in SCURPE's Kyiv Head Office.



Training Participants discussing key performance indicators



This project is financed by the European Union

The project is implemented by GFA Consulting Group led consortium



The views expressed in this publication do not necessarily reflect the views of the European Commission

## Project offers great development opportunity for management trainers in the regions

The project in cooperation with the Consortium for Enhancement of Ukrainian Management Education (CEUME), is currently setting up a **Train-the-Trainer** programme for University and College teachers and Training Institutes' staff who are currently or will be involved in delivering training programmes to owner/managers of Small and Medium-sized Enterprises (SMEs).

The emphasis of the Train-the-trainer programme is the adaptation of the normal training delivery methods and approaches to local entrepreneurs' characteristics. **Marketing** will be the core focus of the training programme and the course content

The project has started to initiate the delivery of a number of targeted management training courses in each of the three priority regions. The first set of management training courses was delivered in October, 2006 and covered such important management topics like Strategic Planning, Business Planning and Marketing. The courses were specifically targeted at SME managers, business owners and private entrepreneurs.

As a result of their participation in these training courses, training participants have acquired the necessary knowledge to:

- Identify the key factors in business success
- Identify the concepts of vision,

October saw the delivery in Kiev of the first of two National Seminars on Business Cluster Development that described the mechanisms and provided "Best Practices" examples for successful cluster development in Europe and beyond.

Mrs. Lana Hopkinson, the European cluster development expert, was the key presenter during the seminar, which was attended by representatives of the project's main beneficiary SCURPE as well as civil servants responsible for economic development within each Oblast of Ukraine. The seminar also saw a presentation by the project "Private Sector Development" financed by the DfID (Department for International Development

will be characterised by the utilisation of case studies jointly identified by the Project and CEUME.

The Train-the-Trainer programme currently being designed by the project will consist of the following inter-linked phases:

Phase 1: Project experts deliver a three-days training in adult learning – concepts and techniques, communication skills training techniques, training styles, case studies, monitoring and evaluation of the impact of training;

Phase 2: Participants get three weeks to develop a training course in marketing;

### Project management training

mission, values, objectives and goals

- Identify the strategic options for a business
  - Be able to prepare a Strategic Planning Worksheet
  - Understand the various reasons why business plans are required
  - Be aware of the requirements of investors
  - Know the components of a business plan
  - Understand the role of the Marketing Function in the business
  - Understand the importance of gathering market information
- Understand the concept of the "4Ps".  
Over 20 mature SME managers

### Project fosters development of clusters

opment of Great Britain), which has been actively promoting cluster development in Ukraine during the last years.

During the seminar the following topics were discussed:

- What is an industry cluster – feasibility, advantages and disadvantages-
- The Cluster development process (vision, development stages, action agenda-
- The role of a Cluster Facilitator
- Cluster development resources
- Cluster Case Studies in Western Europe and Ukraine

Furthermore, three Regional Seminars on Cluster Development were presented in each of the three Priority Regions. The seminars followed a similar programme as for the National Cluster Seminar and the invited audience included representatives from the Economics Departments of each rayon within each priority region. Further follow up Regional Cluster Seminars will target entrepreneurs, NGOs and business organisations.

Phase 3: Participants will present and discuss the developed courses with the project and CEUME experts;

Phase 4: Participants will get three more weeks to finalise the course and prepare for its delivery;

Phase 5: Participants will deliver their marketing courses to identified SME managers in three priority regions.

It is expected that the Train-the-Trainer programme will start as of November 20, 2006 and will be available to selected University and College teachers, start-up trainers of Rivne, Zhytomyr and Chernihiv.

were invited in each region to participate in the training programmes delivered in October, 2006.

The October set of management training courses is an integral part of a more comprehensive SME managers' training programme, which consists of 7 modules covering all the main aspects of business management. The format and content of 7 management training modules has been developed by the project based on the wishes expressed by the business communities in each of the three priority regions during public consultations.

Training participants will receive certificates of Management Training following completion of the training programme.

Linked to the cluster seminars is the production of a Cluster Best Practice Paper that will be posted on the project's web site early November, 2006. Additionally, a study tour to an EU Member State in order to practically visit clusters is being prepared.



This project is financed by the European Union

The project is implemented by  
GFA Consulting Group led consortium



The views expressed in this publication do not necessarily reflect the views of the European Commission

## Cooperation with the UAMC

In line with its periodical project activities the project has assisted the Ukrainian Association of Management Consultants (UAMC) in updating its Code of Ethics. Furthermore, the project has facilitated UAMC's contacts with the European Federation of Management Consultancies' Organisations (FEACO) and the International Council of Management Consulting Institutes (ICMCI) in view of obtaining first-hand information on how to establish and implement management consultancies' accreditation processes. The project will continue to support UAMC in providing relevant information on management consultancy accreditation mechanisms applied in Western Europe and the USA thus allowing UAMC in-the-long-run to establish and carry out similar accreditation procedures within its own organisation and Ukraine.

## Development of a "Virtual Market"

Presently under development and scheduled for an early 2007 release on the website <http://vm.ukraineinform.org.ua>, is a Virtual Market that will bring together Business Consultant and Business Support Provider data. The information, will be structured to enable SMEs to find a deliverer of services based upon specialisation and geographic location. Additionally, the Virtual Market will also offer an avenue for businesses to identify and post business and investment opportunities.



## Support to development of Ukrainian Consultancy

With the help of the Ukrainian Center for Enterprise Restructuring (UCER) the project is currently developing a Business Consultancy Handbook that will be a practical tool to assist local consultants developing their business by employing structured marketing and business services development techniques. The Handbook will in particular focus on one of the major problems facing Ukrainian consultants in the market, i.e. building up permanent client relationships thus ensuring sufficient workloads. The handbook will be posted on the project's Web Site by the end of November 2006.

## Calendar of Project Events—November –December 2006

Date	Subject	Venue	Audience
November 20-23, 2006	Training of Trainers—1st phase	Kiev	University teachers, trainers from the regions
November 22, 2006	Seminar in Benchmarking	Kiev	Representatives SCURPE, Ukrainian Fund for SME Enterprise Support, regional oblast administrations
November 22-29, 2006	Seminar in Regulatory Impact Assessment Methodology	Kiev	SCURPE representatives
November 27, 2006	Media Round Table	Zhytomyr	Regional media, business support services providers
November 28, 2006	Media Round Table	Rivne	Regional media, business support services providers
December 1, 2006	Media Round Table	Chernigiv	Regional media, business support services providers

## About the Project

The European Commission, through EU TACIS programme, has launched a new private sector development project "SME Support Services in Priority Regions", which runs in parallel and builds upon the results achieved through other technical assistance programmes in Ukraine. The partner and main beneficiary for this project is the **State Committee of Ukraine for Regulatory Policy and Entrepreneurship (SCURPE)**. The three project priority regions are Zhytomir, Chernigiv and Rivne. **The project overall objective** is to support the development of a policy environment conducive to SME growth in Ukraine, to stimulate the SME consultancy market and to introduce innovative SME support tools while strengthening existing facilities.

### Project components

A new innovative project concept has been elaborated which is built upon three strategic implementation pillars or work areas

- Capacity building support for SCURPE;
- Capacity building support for service facilitators;
- Capacity building support for service providers

The project started in May 2006 and will be completed in December 2007.

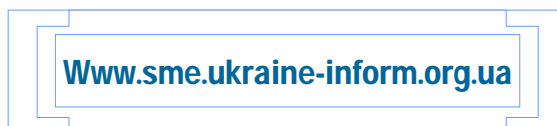
The project is implemented by a consortium consisting of GFA Consulting Group of Germany (Lead Partner), PEM GmbH of Germany, the Polish Office for Economic Policy & Regional Development (EPRD) and the Ukrainian Institute for Rural Development (IRD).

Delegation of the European Commission to  
Ukraine

10 Kruglouniversytetska street, 01024  
Kyiv, Ukraine

Tel.: +38 044 253 3020, Fax: +38 044  
253 45 47

E-mail: [delegation-Ukraine@cec.eu.int](mailto:delegation-Ukraine@cec.eu.int)  
<http://www.delukr.cec.eu.int>




### Project address:

18, Voznesensky Uzviz, suite 3  
04053 Kyiv, Ukraine  
Phone: +38 044 332 41 64  
Fax: +38 044 332 41 65



This project is financed by the European Union

The project is implemented by  
GFA Consulting Group led consortium 

The views expressed in this publication do not necessarily reflect the views of the European Commission