



SABIT Exchange



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SABIT is pleased to announce that its 2003 funding round opens in December.

Download applications on the SABIT website.

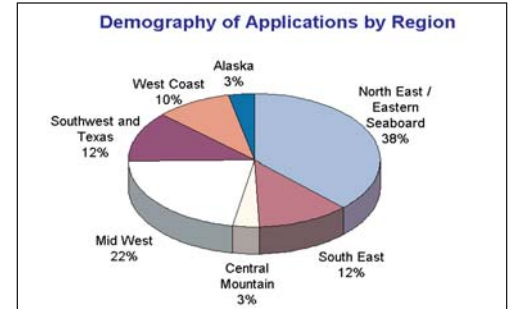
Results From 2002 Funding Round

Melissa Jordan, Grant Coordinator

SABIT is pleased to announce that applications for its 2003 funding round will be available in December. Over \$1.5 million in grants will be awarded. Register to receive notification when funding is available at www.mac.doc.gov/sabit. The following story details results from the 2002 funding round.

Since its inception in 1992, SABIT has awarded competitive grants to U.S. companies and organizations to train Eurasian managers and scientists. Over the years, interest in the SABIT Grant Program has grown tremendously. More than 2,500 individuals have been trained by 1,000 organizations. In 2002, a record number of applications were submitted, with nearly one hundred applications received. Approximately \$1.5 million dollars in grant funds were awarded to 44 applicants.

Not only have the sheer number of applications increased, but the range of industries represented has expanded as well. Applications came from sectors as diverse as telecommunications and product standards to agribusiness and automotive parts. Traditionally strong interest came from the energy, IT, medical, and environmental sectors, which represented



nearly fifty percent of all applications received. Industries where interest continues to grow include banking, construction, and manufacturing, reflecting the growth of these sectors in Eurasia. In all, applications came from more than fourteen industry, research, and non-profit sectors.

The majority of applications came from the Northeastern and Mid Atlantic states, with the Midwestern states following closely behind. For the upcoming round, a strong response from these areas is expected again. Companies from other industries and areas of the United States are encouraged to apply.

More on our website

Learn more about SABIT grants at www.mac.doc.gov/sabit

SABIT Unveils New Website

Wesley Schwalje, Marketing Coordinator

We are pleased to present an important new tool for the U.S. business and scientific communities - the enhanced SABIT website will make our funding opportunities, informational resources, and services much more accessible to all of those who use them. The private sector has made great improvements in customer service, in part because of technological innovation. Government has sometimes lagged behind. With the redesign of our website, we make a great stride forward. *[Continued on page 3]*



Screenshot of the redesigned SABIT website.

Delegation Attends CleanGulf Conference

Erin Crouch, International Trade Specialist

Eighteen delegation members from Russia, Georgia, and Kazakhstan attended the CleanGulf conference in Galveston, TX on November 5-6 as participants in the SABIT Environmental Technologies: Oil Spill Clean Up program. Accompanied by two simultaneous interpreters, the delegation members attended conference sessions covering EPA regulations, coastline rehabilitation, and a case study analysis of a fictional oil spill.

Trainees formed valuable contacts with vendors and other industry specialists. Garner Environmental, a full-service environmental company, hosted a special reception for the group on November 4. Elastec Corporation, an oil spill equipment manufacturer based in Carmi, IL and a former *[Continued on page 2]*

SABIT Exchange

About

SABIT Exchange is published quarterly by the Special American Business Internship Training Program (SABIT) as a service to its clients. Founded in 1990, SABIT is a U.S. Department of Commerce initiative that awards grants to American organizations to train Eurasian managers and scientists.

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Impact

**"The SABIT interns of today
become the entrepreneurs
of tomorrow."**

WILLIAM H. LASH, III
Assistant Secretary of Commerce
for Market Access and Compliance
U.S. Department of Commerce

- More than 1,000 organizations have trained over 2,500 Eurasian managers and scientists.
- SABIT has facilitated \$220 million in export revenues and overseas investment since 1990.

Articles by non-U.S. government employees express the views of the authors and should not be construed as a statement of U.S. government policy.

Letter From SABIT's Director

I would like to welcome readers to this reintroduitory issue of the *SABIT Exchange*. I would also like to acknowledge the efforts of those individuals that have made the reintroduitory issue of this publication possible. We encourage former host companies and other stakeholders to contribute to future issues so that the content of this publication reflects the quality of the programming that SABIT offers to the U.S. business community.

Today, in 2002, SABIT continues to provide U.S. organizations with innovative training programs that reduce market access barriers and minimize commercial risks. More than 1,000 organizations have trained and developed relationships with over 2,500 individuals in Eurasia. These relationships have directly resulted in more than \$220 million in export revenues and overseas investment.

SABIT recognizes that the U.S. business environment has changed, that small and medium-sized businesses are playing an expanding role in the exporter population.

Delegation *[Continued from page 1]*

SABIT host company, was also an active participant in the conference. Elastec Corporation President Donnie Wilson commented, "We now have an office in Moscow. We first found out about SABIT about five or six years ago at the Neftigaz trade show."



During a Hazardous Waste Operations and Emergency Response Standard (HAZWOPER) training session, Patrick Brady and David Dolgin (both second row, far right) of OMS Environmental posed with the delegation as it donned a variety of Personal Protection Equipment.

In 2001, Elastec gave a two-hour presentation to the Environmental Technologies: Offshore Oil Spills delegation. As a result of its contact with SABIT delegations, Elastec has sealed several deals. Elastec now makes a special effort to host delegations whenever a program covers marine oil. "SABIT is a worthwhile project, and I believe it supports American manufacturers in the export of our products," added Wilson.

Such new-to-market exporters or first-time exporters require innovative approaches to enter Eurasian markets.

We hope that the *SABIT Exchange* will once again become a valuable resource to our clients and other stakeholders. We very much encourage your feedback and welcome any ideas for story suggestions.

I would also like to announce that our newly redesigned website - www.mac.doc.gov/sabit - will be unveiled in the coming weeks. The site will significantly ease the grant application process and serve as a valuable resource for both past and future hosts to access up-to-date information on SABIT funding opportunities and successes.

Sincerely,

Liesel Duhon
Director, SABIT Program



The delegation was honored at a reception hosted by the City of Lake Charles and the Mayor's office. Over 60 local business and government officials attended. Here, Mr. Zhoshibek Duisebalaev, from Kazakhstan, plays chess with Jerry Nash, Director of Global Pawn Promotions during the reception.

Delegation member Elena Radtchenko, who heads the Environmental Safety Department at OAO Transneft [a Russian pipeline transport company], was especially impressed with the case study session and the level of cooperation displayed between the parties involved. "They were all so open and very concerned about the people involved," said Radtchenko.

While in Texas, the delegation also visited ChevronTexaco and the Texas Railroad Commission. Delegation members received a great deal of information on specific companies and products.

More on our website

Learn more about this program
at www.mac.doc.gov/sabit

SABIT Q&As - Advice on Eurasian Markets

Paul Tashner, President of SAITCO, Inc., decided to leverage the resources of the U.S. Department of Commerce's SABIT Program to expand his automotive sales and service business into the emerging markets of the former Soviet Union in 1995 - a time of political and economic uncertainty that blinded many investors to potential opportunities. SABIT Program Officer Tanner Johnson recently spoke with Tashner about his experiences with SABIT and what he expects to face as he continues the expansion of his business into Central Asia and Russia. Following are edited excerpts of their conversation:

Q: What has been your involvement with the SABIT Program?

A: In 1995, we trained an intern, who developed a sales and service center upon returning to Kazakhstan, resulting in \$3-4 million in exports over the next 6 years. He returned to his country, became our partner in business, and has generated U.S. exports and created over 20 new jobs in his country. Profits from the operation were reinvested in Europe and America, and have generated an additional 4 jobs in the West. In 1999, we worked with a delegation of SABIT visitors from Russia for a few days, and we have since worked with several delegations, generating approximately one million in exports to Russia. In 2001, we trained 3 SABIT interns, resulting in approximately \$750,000 in sales to Kazakhstan.

Q: How has SABIT helped you expand your business?

A: SABIT has allowed us to examine and work closely with our interns and to assess if they will be a good match to work with us. They develop a good understanding of what is required to be successful with a Western company, and the interns consider how to apply this to their home situation. When we continue to work with the individuals, we are able to reinforce their training and build upon it. As a result, they become more competitive in their markets, and we have new dealers and representatives for our products.

Q: How has SABIT helped you as a small to medium sized enterprise?

A: SABIT brings us into close contact with qualified people that we would not otherwise be able to meet or develop long term relationships with. Government sponsorship of business activities is necessary in many CIS countries, and the U.S. Department of Commerce's sponsorship of SABIT shows that we [Americans] support and are doing business in these countries. SABIT is a program that helps

small businesses and to which our interns and we as a small business can relate.

Q: Please describe some of the results of your participation in the program?

A: With our first intern, we set up a sales and service center to sell new Chrysler and Jeep vehicles. This has developed into a distribution network specializing in the sale of Chrysler and Jeep vehicles and spare parts across Central Asia. We have sold several hundred vehicles in Kazakhstan. This business continues to expand today with a new company that we formed in partnership with one of our interns from 2001, and we expect to open additional dealership locations in Kazakhstan in 2003.

"We applied hands on training. Interns worked in our office, took relevant field trips to other sites to consider multiple business opportunities, and built business plans to guide them upon their return."

Q: What advice would you give a small to medium sized enterprise interested in market opportunities in this region?

A: I would suggest the following: Use U.S. Government resources to help get a better feel for the region and to form contacts. Go to the region and spend time getting to know the culture and the people and making friends. Apply for a SABIT grant and invest in getting qualified CIS managers here. Develop personal relationships with the interns as trainees and as friends - these relationships may last a lifetime. Business development is sometimes slow in this region, but it is possible to build a successful business with dedication and perseverance. Expect everything to take 3 times longer and more energy than expected.

Q: In your opinion, what is the potential of these markets for American businesses?

A: Very good. Over the past 10 years we have worked in the former Soviet Union, we have seen the professionalism of the managerial corps increase dramatically, as have the expectations of the population as a whole. Over the next 10 years, we expect this region to continue to integrate into the international community. There is no better time to invest time, energy, and capital in this region.

More on our website

Get more advice and read additional stories of how SMEs have established a business presence in Eurasia at www.mac.doc.gov/sabit

Website [Continued from page 1]



SABIT's redesigned website puts the latest technology at the service of its stakeholders, providing information they need when they need it. The official web-site address is www.mac.doc.gov/sabit.

Potential host organizations can easily find timely information about our programs and funding opportunities on the site. Organizations will now be able to download all application materials and supporting documentation directly from the site. The redesigned website also allows users to register to receive periodic e-mail updates which will alert them to upcoming programs and deadlines. Other features include:

- Downloadable forms, applications, and executive summaries.
- Detailed instructions on applying for SABIT funding, including a substantive Frequently Asked Questions document that explains the program from start to finish.
- Recent client success stories detailing the tangible results organizations receive from participation.
- A list of past participants in the Grants Program.

SABIT clients can turn to the website for critical and timely guidance on how they can take advantage of emerging business opportunities in Eurasia. The website puts the latest technology at the service of our stakeholders, providing information they need when they need it.

The official website address is www.mac.doc.gov/sabit. Log on today to explore the innovative approaches that SABIT offers to organizations interested in exploring Eurasian market opportunities.

2003 Funding Round

Applications for SABIT's 2003 funding round will be available for download in December and will be accepted on a rolling basis until March 1, 2003

George Avilkin,
Logistics Coordinator

Counted among the various SABIT successes are stories of trainees founding associations to promote the interests of small and medium-sized enterprises, implementing standard western business practices and standards, and forming joint ventures, distributorships, and research partnerships with American companies, universities, and institutes. Some of the most recent alumni success stories are featured below.

- **Tatyana Usatova**, a trainee from Kazakhstan who completed a three month training program with Virginia-based automotive dealer SAITCO in 2001, has an ongoing working relationship with her host.

- **Aleksandr Nesterenko** (1999, Automotive Aftermarket) recently signed an agreement with a major Ford dealer in Moscow to become a sub-dealer in Ryazan. Nesterenko will open a service center in 2003.

- **Lev Shtilman** (1998, Russian Far East: Renewable/Alternative Sources of Energy) and fellow alumni Sergey Bukhanovskiy (2002, Russian Far East: RASE) are involved in a multi-million dollar project to build a number of wind/diesel power plants throughout Chukotka.

- **Olga Zubchenko** (2002, Standards: Consumer Goods) was promoted to Deputy Director for Production at Henkel-PEMOS company in Perm, Russia.

- **Igor Valinov** (2001, Quality Management for Manufacturing) from Ukraine now heads the Standardization and Certification Department at his company.

More on our website

See how American organizations have used SABIT to achieve commercial success in Eurasia at www.mac.doc.gov/sabit

Submitting a Proposal for SABIT Funding

SABIT Staff

SABIT funding helps to defray the cost of training mid- to senior-level managers, scientists, and engineers from Eurasia by providing funds to cover: a) roundtrip international airfare; b) per diem; and c) up to a \$750 per month housing allowance.

As SABIT gears up for its next round of programs, U.S. companies seeking to establish long-term contacts or training for partners in the former Soviet Union should consider hosting an intern through the SABIT program. Although the application process is fairly simple, following some basic guidelines can greatly improve a company's application.

Be Thorough

SABIT requires that a proposal address five substantive points: 1 - training objectives, 2 - host company commitment to the intern's return to his home country, 3 - work plan activities, 4 - profile of the proposed intern, and 5 - background on the industry sector and the company applicant. In addition, several important issues must be addressed, including adequacy of the company's financial resources, provision of emergency medical insurance, record of performance in agreements and grants with the federal government, and completion of three *Standard Forms* (SF). All of the requested information is crucial, but the most important aspects of the proposal are the substantive components.

Answer the "Why" Questions

Some of the most important questions to address in the application include: Why does the applicant want the grant? How will the taxpayer-provided funding be spent? Will it be spent in accordance with SABIT's mandate to provide substantive managerial training? Will interns be able to effectively utilize the training upon return to their home countries?

Companies should also be specific when describing their goals and desired outcomes. An objective such as "ABC Company wishes to enhance the Former Soviet Union's transition to a free market economy by exposing NIS professionals to a new paradigm of business management," is less effective than "ABC Company hopes to become more competitive in the region by training executives from Eurasia who are predisposed to doing business with companies in the United States. In particular, ABC would like to expand its overseas presence into Russia and believes

training executives from potential partners or customers is the best way to introduce them to our high-quality products."

Grant applications should be no longer than 15 pages. In fact, a successful grant application is often much shorter.

Focus on the Work Plan

The work plan is by far the most important piece of the grant application. Applicants should take the time to develop this section and provide a "realistic work plan describing the training program to be provided . . . including the intern's (interns') duties and responsibilities, preferably on a week-by-week basis." While it may seem to be a daunting task, once a company has determined exactly why it wants to provide training, everyday activities should become clear and the week-by-week outline will practically write itself.

The work plan should include an explanation of specific duties and tasks the intern will undertake. If the general description of a day's training is "sales and marketing," an appropriate task for the interns may be to shadow a marketing manager and develop strategies to be presented at a staff meeting by the intern. Thus, the intern would learn about marketing techniques and apply the new skills in a practical manner.

Pay Attention to Detail

There are no "tricks" which guarantee a company's grant-writing success. What reviewers seek is a realistic and practical work plan/proposal that is clearly written. Attention to detail in the proposal is important, as a panelist may feel that if small details are overlooked, the training program will be similarly inferior. "Application lacks detail" is a common notation on many of the grant applications that have failed.

Although substance is more important than style, a well-written proposal for a weak idea will be denied as quickly as a great idea packaged poorly. Also, grammar and spelling errors should be checked carefully before submitting the materials. If the training program description includes industry-specific terminology, definitions should be provided.

Contact SABIT with any questions about the application process.

More on our website

Download an application and get answers to common questions at www.mac.doc.gov/sabit