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BFR Alumni Conference

On November 30 and December 1, the Business for Russia Alumni Conference was held for alumni from the Moscow City and Oblast. This was the first time that a conference of this size was organized for BFR alumni. Over 130 alumni attended the conference and among them were participants from other business training programs as well: over 40 alumni of the Presidential Management and Training Initiative (PMTI); four alumni of the Special American Business Intern Training Program (SABIT), run by the Department of Commerce; and four alumni from the Productivity Enhancement Program (PEP), which is run by the Center for Citizens Initiatives (also funded by ECA).



Alumni conference participants listen to presenters

The BFR Alumni Conference consisted of two days of presentations from a variety of speakers: representatives from both Russian and American governments, as well a number of experts in specific fields, such as business ethics and e-commerce. (Please see page 5 for the conference agenda and speakers). The conference provided a wonderful opportunity for alumni from all of these programs to see each other once again or meet for the first time, but most importantly, to share with each other personal and professional experiences since interning in the U.S. In some case useful business contacts were made.

We received over forty letters from participants following the conference and many participants reported specific outcomes that will potentially help them and their businesses in the future. One alumna wrote that she will be "working more closely with the Center for Citizens Initiatives to find regional partners among alumni." Another enjoyed "meeting with John McCaslin of the Foreign Commercial Service to discuss working more closely with U.S. companies," one alumnus reported finding "six new partners" and developing plans "to implement e-commerce" in one alumnus's business.

For many of the presenters, this conference represented an opportunity to learn more about the Business for Russia program and meet with BFR alumni. For example, representatives from the Foreign Commercial Service (FCS) who presented at the conference, saw a great opportunity to work more closely with alumni. The FCS has even generously offered to provide BFR alumni with a free subscription to their newsletter! Similarly, representatives of other programs such as SABIT and PEP are inter-

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Dear Alumni:

We are happy to announce that the first newsletter in 2002 will be available to professional alumni as well as alumni of our business program. As many of you may know, BFR is only one part of a larger program called "Community Connections." Every year, the Community Connections program provides internships not only to businessmen (under the BFR program), but to a large number of people from various sectors, including education, non-commercial organizations, and health. This program is not limited to Russians alone. Community Connections is administered in Ukraine, Azerbaijan, Belarus, Armenia, Georgia, Uzbekistan and Kazakhstan as well.

In an effort to reach our growing number of alumni from professional programs, the Business for Russia newsletter will be renamed and include articles by alumni from other sectors in addition to business. In addition, it will be available in Russian as well for those alumni who do not speak English. We hope you enjoy this new and improved newsletter and will look forward to any comments or feedback you would be willing to share.

The Community Connections Russia staff at IREX/Moscow and IREX/DC would like to wish all of you a Happy New Year. We hope you enjoy health, happiness, and continued success in 2002!



Jeremy Busch, Helen Szpakowski and Steven Mackey discussing recruitment results from Astrakhan (photo by Jeremy Busch)

In November IREX wrapped up recruiting for 2001. Over the year, we recruited in the following regions:

Altai Republic, Arkhangelsk, Astrakhan, Chelyabinsk, Irkutsk, Khabarovsk, Komi, Kostroma, Krasnodar, Murmansk, Nizhny Novgorod, Novosibirsk, Omsk, Tver, Vladivostok, Volgograd, Yakutiya, Yaroslavl.

The total number of semi-finalists selected to participate in the Business for Russia Program totaled 295. Some groups have already returned from their internships in the U.S. and others will depart as late as mid-2002.

Business for Russia Newsletter

Compiled and edited by Anna Poluarshinova and CCR staff

The Business for Russia Newsletter is produced by the International Research & Exchanges Board (IREX) with support from the Public Affairs Section (PAS) of the US Embassy in Moscow. Funding for the publication is provided by the Bureau of Educational and Cultural Affairs (ECA), US Department of State. The Newsletter is available free of charge from IREX offices in Moscow, Vladivostok and Washington, and from ECA/PAS. The Newsletter is a quarterly publication. Its purpose is to disseminate information about the Business for Russia program and its participants, and to facilitate communication between and among program participants and their American hosts.

Submission of announcements, feature stories, interviews, and photographs is encouraged, if the materials are in the spirit of the Newsletter. We are currently accepting articles for upcoming issues of the BFR Newsletter. If you would like to contribute an article, please contact Anna Poluarshinova at IREX/Moscow. Photos are also welcome. We would also be interested in any comments or suggestions that you may have.

Business for Russia is a bilateral government-sponsored program providing five-week internships for Russian entrepreneurs at American businesses in communities across the United States. The program is organized and funded by ECA. The recruitment and selection of the candidates is administered by IREX for ECA with support from the Ministry of Labor and Social Development of the Russian Federation.

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<http://www.irex.org> (English)

"Beautiful" Results

Evgeny Ivanov (Moscow - Dallas, TX, Fall 1999)

When in Autumn 1999 I went to Dallas to participate in the BFR Program, our company was distributing cosmetics and skin care products for several domestic manufacturers, desperately looking for the best ways to organize and expand the business. We were two years old at that time.

I spent the first two weeks of my program with the well-known US retail chain Neiman Marcus. That company gave me ideas as to how to better structure and organize my business and how to attract and keep the attention of consumers, and how to promote our goods properly. In other words, they gave me a lot of useful ideas, which I successfully implemented on my return to Moscow.

My third week was with AND & Co., an importing company dealing mainly in ceramics. I spent the whole week working with the President, Daniel Schmalzer. He was the person who really helped me make big changes in my business.

Daniel schooled me well in international business, including how to make international contacts and how to create understanding between partners. In other words, how to work with people who may not necessarily have the same mentality as you.

Thanks to Mr. Schmalzer I met with Tournier Billon S.A. – a world-known manufacturing company of hair accessories and beauty products. Right after the program we met with the owner and they later appointed us their official exclusive distributor of the CIS and Baltic country markets.

We have now been distributors for Tournier Billon S.A. for more than one and a half years, dealing with all the better-known domestic and international retail chains. That occupies a significant share of the market. Among our clients there are such well-known stores as Sedmoi Kontinent, Arbat Prestige, Tvoi Dom, Rivoli, and Lux.

In conclusion, I have to say that our current revenue with just one client French manufacturer is far greater than the overall revenue of my whole company two years ago.

Everything Will Be Okay

Svetlana Suchko (Syktyvkar – Boston, MA, Fall 2001)



“Everything will be okay”, I answered when I came to say “good bye” to my Mom before leaving to the U.S. in response to her proposal to cancel the trip. Yes, she had a reason to worry, as only one month passed after the tragic events in America, and it didn’t seem to be the best time to travel to the U.S. When I saw a lot of people on board the plane, I felt more comfortable, as it looked like people had stopped being

afraid of flying. People’s benevolence and kindness made me more optimistic. I thought: “How different we are”, watching my neighbors.

We spent the first week of the internship at the Sawyer School of Management in Suffolk University, where we acquired knowledge in marketing, management, and human resources. Our teachers were professors and successful businessmen, and we established friendly relations with each other. They advised us to call if any questions arose.

WorldBoston placed me with Birmingham Associates, a Public Relations company, and arranged business meetings with different people engaged in graphic design. I was impressed by the American sense of dignity and ability to show the positive side of their company. When I looked for Birmingham Associates on the Internet, it seemed to me that at least twenty employees work there. But later I saw that the company is really very small, with a part-time staff consisting mainly of students. I participated in the company’s life, and studied its activities from

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Bridge Across the Ocean

Rustem Fatikhov (Ufa – Kalamazoo, MI, Winter, 2001)



Why do busy people fly across the ocean for more than a month, leaving behind their businesses, families, and homes? According to the aim of the “Business for Russia” program they go to gain overseas experience, to see the American way of business, to compare their knowledge and share it. Yes, that’s right. The professional effect of the trip is self-evident.

Yet, there is another side to the program. It’s human relations. We live on a small planet named Earth, and we Russians want to know more about Americans. The USA is a great country, with a great history and with its own culture. I am glad that I had an opportunity to experience it.

I met absolutely friendly and hospitable people. Of course, we were like tourists, but if you live with people in one home, and they share with you their meals and time for more than two weeks, you become a member of their family. The same held true with my host businesses. I was amazed at their friendliness, their willingness to communicate, to help us understand everything.

My hosts seemed to enjoy the experience as well. Before I left they said to me, “Having you here was for us like traveling to Russia.”

The ‘Jewel’ of the Urals

Raquel Kangas, IREX Field Coordinator



Chelyabinsk Oblast: a region that unites Europe and Asia, industrial, though unbelievably beautiful and hospitable. This is how I describe Chelyabinsk Oblast. I arrived in Chelyabinsk in August and was immediately impressed by the city, with its wide variety of businesses, entertainment centers, restaurants, and with the friendly service I received there.

During my time there, I traveled throughout the oblast to different towns and was able to see the beauty of the region. Every Employment Service that I visited was extremely hospitable and helpful. They planned everything for me from the press conference, to lunch, to tours throughout the city and countryside. I was lucky in the fact that I arrived and did most of my traveling in the fall when the leaves were turning their beautiful colors and the rivers and lakes not yet frozen.

I would like to take this opportunity to say thank you to the people of Chelyabinsk Oblast and say that they have a lot of reasons to be proud of this ‘Jewel’ of the Urals.

"CONFERENCE" continued from page 1

ested in working more closely with BFR on planning alumni events. We are excited by this opportunity to cooperate more closely with people and organizations with whom we share common goals and interests.

Conference organizers, both from IREX and the U.S. Embassy, hope that this successful event can serve as a model for future alumni activities, perhaps in other regions. If you have any ideas on alumni events for 2002, please let us know. Your input is very important to us! We look forward to staying in touch with all our alumni and hope that for those of you who did not attend the BFR Alumni Conference, that there will be a similar event, which you will be a part of in the future.



Opening remarks: Anne Chermak, Brent Beemer and Rebecca Bryan



Future of Small & Medium Business in Russia: Viktor Yermakov



Discussions at the coffee break



American Perspective on the Current Russian Business Climate: Andrew Somers and Stefan Wasylko



Questions from the audience



U.S. Government Support for Russian Business: John McCaslin



Business Ethics: Petr Shikherev and Alexander Ikonnikov

BFR Alumni Conference Agenda

Friday, November 30, 2001

Opening Remarks

Anne Chermak, Minister Counselor for Public Affairs, Public Affairs Section, U.S. Embassy Moscow

Brent Beemer, Senior Program Officer, Bureau of Educational & Cultural Affairs, U.S. Department of State

Rebecca Bryan, Director, Partnership and Training Division, International Research & Exchanges Board

U.S. Government Support for Russian Business

Edward Kulakowski, Cultural Affairs Officer, Public Affairs Section, U.S. Embassy Moscow

Kevin Armstrong, Director, Office of Business Development and Investment, U.S. Agency for International Development, U.S. Embassy Moscow

John McCaslin, Deputy Senior Commercial Officer, Foreign Commercial Service, U.S. Embassy Moscow

Irena Staniak, Coordinator, Special American Business Internship Training Program, Department of Commerce, Moscow

Embassy Support for Alumni

Helen Szpakowski, Assistant Cultural Affairs Officer, Public Affairs Section, U.S. Embassy Moscow

Steven Mackey, Director, Business for Russia, International Research & Exchanges Board

David Koenig, Director, Internet Access and Training Program, Project Harmony

Marisa Fushille, Director, American Center

Svetlana Osipenko, Assistant Coordinator, Special American Business Internship Training Program, Department of Commerce, Moscow

Yulia Rastopchina, BFR Alumna/1996

Svetlana Kokashvili, Representative, Professionals of Cooperation Alumni Association

Russian Government Support of Small & Medium Business

Sergei Ilyushin, Deputy Head of Department for Government Support of Small and Medium Business, Ministry of Antimonopoly Politics, Russian Federation

E-Commerce

Pavel Borokh, Technical Marketing Manager, Eastern Europe, Intel Technologies Inc.

Sergei Yegorov, Deputy Director, "Gonetz"

Alumni Presentations



Sergei Yegorov, BFR alumnus/1996

Saturday, December 1, 2001

American Perspective on the Current Russian Business Climate

Andrew Somers, President, American Chamber of Commerce
Stephan Wasylko, Minister Counselor for Commercial Affairs, Foreign Commercial Service, U.S. Embassy Moscow

Sources of Financing for Small & Medium Business

Oksana Yevtushevskaya, Vice President, DeltaLeasing
Dmitry Kizenkov, Head of Currency Relations Department, Central Bank

Andrei Kiseliyov, Project Management Specialist, U.S. Agency for International Development, U.S. Embassy Moscow

Legal Environment of Small & Medium Business

Valery Driga, Auditor, Firestone Duncan Law Firm

Relations Between NGOs & Business

Sergei Turkin, Director, Center for Social Reinvestment Initiative

Sergei Tishkin, Chair of Investments and Consulting Committee, Moscow Chamber of Commerce

Business Ethics

Petr Shikherv, Professor, Higher School of International Business

Alexander Ikonnikov, Executive Director, Investors Protection Association

Future of Small & Medium Business in Russia

Viktor Yermakov, President, Russian Agency for the Support of Small and Medium Business

Alexander Vilenskii, Director, Institute of Small and Medium Business

Alumni Presentations

Closing Remarks

Anne Chermak, Minister Counselor for Public Affairs, Public Affairs Section, U.S. Embassy Moscow

Steven Mackey, Director, Business for Russia, International Research & Exchanges Board



Closing remarks: Steven Mackey and Anne Chermak

Community Connections Russia (CCR) Alumni Events



CCR alumni from Irkutsk cleaning the beach of Lake Baikal during Community Service Day

Irkutsk

On December 1, alumni of the Irkutsk CC Education Administration group arranged a community service day for disabled children on December 1. Alumni organized a special sporting event for the children and conducted a training seminar for parents of disabled children dealing with the psychological aspects of the difficulties encountered in raising children with disabilities.

Blagoveschensk

On November 15, Internet training took place for alumni at the Soros Internet Center located at Amur State University. Twenty seven alumni attended. The workshop, "Internet Training - II", focused on using current Internet resources in the fields of economics, business, and professional training. A specialist in Internet technologies trained alumni of the Business for Russia and Community Connections Programs from Amur Oblast on how to use the Internet in general and, more specifically, how to find business information on the web.

Yuzhno-Sakhalinsk

On November 16, a seminar on Russian banking took place at the American Business Center in Yuzhno-Sakhalinsk. It was conducted by Aleksey Chernov, Head of the Credit Cards Department of the "Sakhalin West" Bank. The ten alumni who participated learned about the history of the first bank cards abroad and the first Russian payment systems. An overview of the "Gold Crown" system in Sakhalin was also provided. Alumni received seminar materials, and perspectives of payment systems in Sakhalin.

On December 11, the director of the American Corner spoke to CCR alumni about the corner's services: what resources are available for alumni and what kind of events will be held at the corner.

Rostov-on-Don

On November 17, a seminar on "Business in NGOs" was held at the Don Public Library. Twenty-one alumni attended. The seminar was conducted by Elena Bortnik and Anastasia Nikitaeva, specialists from the Department of Economics and Management of Rostov State University. The Agenda of the meeting included: a discussion on the problems of NGO's founding their own businesses, different forms of NGO business activities, and forms of small business support in the Rostov region.

On November 24, twenty four alumni attended a seminar "Promotion of the Efficacy of Your Business" at the Don Public Library. It was conducted by Vladimir Usatyuk, PhD, Deputy Director of the Russian-British Consulting Center and an RSEP/1995 alumnus. The agenda consisted of discussions and presentations of different businesses as well as essential principles of strategic planning, and business ethics. Alumni received seminar handouts, and had a chance to meet with Project Harmony representatives who offered new Internet training possibilities for alumni of U.S. government programs.

Vladivostok

On November 22, the seminar "Leadership and Personnel Management" was attended by 63 CCR alumni from Primorsky Krai. The Seminar took place in the Emerald Room at Hyunday Business Center. The seminar was conducted by certified trainers of the "Kholodinamika" Consulting Center. It concentrated on promoting team-building skills and improving organizational and personnel management. Alumni stressed the importance of such seminars for their careers and enterprises.

Tomsk

On December 1, a round table discussion took place on December 1 during which alumni discussed common problems or positive results associated with implementing experience gained during internships in the U.S.



Alumni round table in Tomsk

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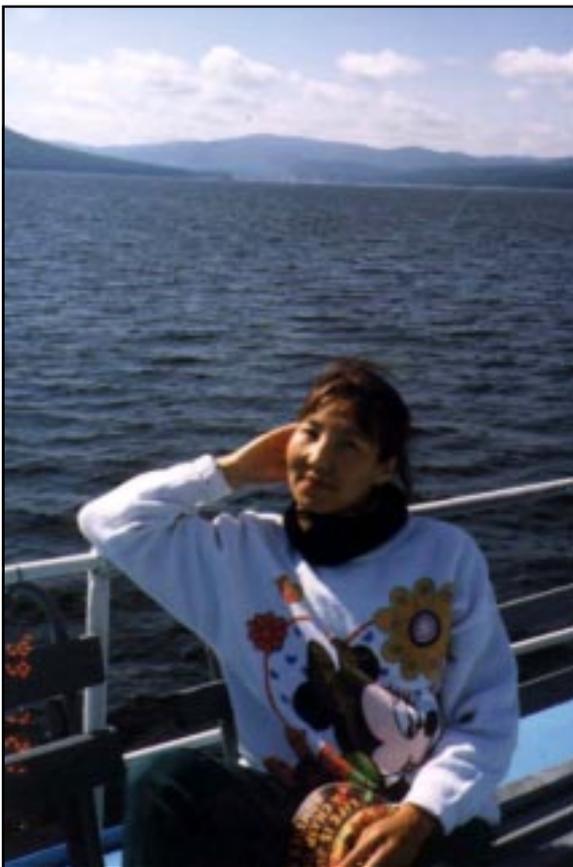
the inside, paying attention to PR aspect and graphics. I also had a great chance to intern in Hill and Holiday, well known for its advertising campaigns for Dunkin' Donuts, John Hancock, and Minolta, and visited some web design companies. I learned a lot of useful information – how to work with customers, how to advertise yourself, how to manage the company and to solve problems. Thanks to my new friends my company "Shar.k" Design bureau obtained orders from U.S. companies!

Now I have a lot of friends in the U.S., and I hope that some day they will come to the Komi Republic. We are very similar. We like to learn about new places and get acquainted with new people. We are grateful to those who help us. I'd like to use this opportunity to thank once more all those who organized my internship – IREX, WorldBoston, and especially to Jenya Krein and Josh Piery, thanks to my "mom" and "dad" Eve Sullivan, and Liz and Ray Stevens, and Nina Breygin. You all get me acquainted with America, and made my internship edifying and interesting.

And now – Welcome to «Shar.k Design Bureau», a company rather known all over the world. We achieve good result, as we do not force our staff to work from 9 till 17, but work only under inspiration – day or night, never missing a deadline. We love working, and our clients become our friends. And it does not matter that our company currently has only two employees...



BFR group from Syktyvkar, Komi Republic



Valentina Ochirova at the Baikal Lake

An Intern's Look at NAHH

Valentina Ochirova (Krasnoyarsk - Huntsville, AL, Fall 1997)

I was chosen, along with seven other Russians, to participate in the Community Connections BFR Program conducted in Huntsville and Madison, Alabama. I come from Krasnoyarsk, a Siberian city with a population of about one million. Currently I am a manager at the Center of Oriental Medicine. This private firm offers the following services: medical treatment using methods of traditional Tibetan medicine, reflexotherapy, pulse diagnostics; distribution of multi-compound herbal preparations made from ecologically pure herbs; medicinal, ecological, and educational tours and organization of seminars on oriental medicine in cooperation with researchers. At the center, I am responsible for the travel department, educational programs, information and computer support.

North Alabama Home Health was my first place for interning from November 3 to 12, 1997. I had a chance to learn more about the American health care system. I sat in on several management meetings and was impressed to learn that NAHH provides free flu vaccines for the community. I also participated in a conference held by the North Alabama Business Group on Health. I learned that diversified insurance systems are of great importance for both health care providers and clients.

I appreciate Joe Caruso's excellent supervising and tutoring during this period. His family was my host family, and I am very thankful for their friendship and hospitality. Conversations with Rhonda Epps were of great interest for me. Horseback riding at Kathi Arnould's farm was an unforgettable experience. I can't list in this report all the people I met at NAHH, but I am grateful to all of you. I enjoyed working with everyone very much.

SABIT Specialized Programs - 2002

www.mac.doc.gov/sabit/sabit.html
www.sabitprogram.org

Russian Far East: Renewable (alternative) Energy Program: May 11 – June 1, 2002

Participant application deadline: February 15, 2002

Transportation Infrastructure - Russian Railroads: May 18 - June 15, 2002

Participant application deadline: February 15, 2002

Technology Commercialization - Telecommunications/IT: May 25 - June 22, 2002

Participant application deadline: March 1, 2002

Standards - Oil and Gas:

June 1 - June 29, 2002

Participant application deadline: March 15, 2002

Energy – Gas Pipelines:

June 15 - July 13, 2002

Participant application deadline: March 22, 2002

Technology Commercialization - Plastics:

August 10 – September 7, 2002

Participant application deadline: May 31, 2002

Energy - Oil Pipelines:

September 7 - October 5, 2002

Participant application deadline: June 14, 2002

Standards - Information Technology:

October 19 - November 16, 2002

Participant application deadline: July 26, 2002

Productivity Enhancement Program (PEP)

Productivity Enhancement Program (PEP) is administered by the Center for Citizen Initiatives (CCI) and funded by the Bureau of Educational and Cultural Affairs (ECA). The PEP program provides intensive internships in management for top managers in businesses that produce products and services. Detailed information about the program terms and contact for CCI representative offices in Russia are available at www.cci.dubna.ru. You might be also interested in the CCI Leaders' Institute activity at www.ccileaders.ru.

IREX Webpage Database

In order to increase the usefulness of the BFR webpages on the IREX/Moscow server, the BFR staff has undertaken a project to present information about our participants and their businesses throughout Russia. When the project is finished, we will have a context-sensitive database of information about you and your business activities available to anyone with Internet access.

If you would like to take part in this, please send the following information **in Russian** to us via e-mail <bfr@irex.ru> or by regular mail, to the IREX/Moscow office, attention BFR:

Region:.....
Participants Name:.....
Name of Business:.....
Business Mail Address:.....
Phone (w/city code):.....
E-mail (optional):.....
Description of Professional Activities (max. 2 paragraphs, use separate sheet if necessary):.....

You may also send a small graphic file with your company logo or a picture of your staff to be displayed with this information. If you do not have these items in an electronic format, you may send them by surface mail; however, **ITEMS SUBMITTED BY REGULAR MAIL WILL NOT BE RETURNED.**

We hope you will find this service interesting and will want to share information on your activities with alumni. Thank you.

Project Harmony IATP Small Grants

Project Harmony and the Bureau of Educational and Cultural Affairs of the U.S. Department of State (ECA) are pleased to announce Internet Access and Training Program (IATP) grants for alumni of exchange programs sponsored by ECA.

Beginning in January 2002, the IATP will award organizations grants of up to \$5,000 for projects created and directed by alumni to develop and enhance the use of the Russian-language Internet in local communities. Grants will support training courses that strengthen and build online communities, as well as allow people to present valuable information online about their local communities. Grants may fund the creation of websites, but websites themselves should not constitute the sole result of a project. Priority will be given to projects that emphasize Internet education and training.

Project Harmony will distribute grants evenly throughout all regions of Russia. Applications will be accepted on a rolling basis until July 2002. Alumni are encouraged to visit the IATP site at <http://iatp.projectharmony.ru> after January 20, 2002 for detailed instructions and downloadable materials related to the application process.