



*2001 Annual Report*

## *Letter from the Executive Directors*

May 2001 marked the eleventh successful year of the LEADER Project. We sent 52 Ivey student teachers to 11 schools in 8 different cities in Russia, Ukraine and Belarus, bringing the total number students who have graduated from the LEADER Project to 3,500.

As we reflect on last year's activities, we would like to highlight a number of accomplishments that we are particularly proud of, as well as extend our thanks for the support we received in helping to make the LEADER Project 2001 a success. Our energetic fundraising team, as well as a number of dedicated individuals, helped us to raise over \$75,000 (or 75% of our total costs) required to fund the Project. Our donors included a variety of companies, corporations, and generous individuals, with alumni donations making up more than 10% of the contributions we received. We are grateful to Ivey for its support and assistance in a variety of different capacities, especially to Ivey Advancement for its help with fundraising and to the school for donating our teaching material. The Project also benefited from the publicity it received this year from being featured in Canadian Business magazine. Scott Steele, the magazine's Executive Editor, travelled with the LEADER Project in May 2001, and recounted his three-week adventure at three Russian teaching sites in a 5,000-word article published November 12<sup>th</sup>.

As we look forward to 2002, we anticipate that this year will be especially challenging for the LEADER Project. We can no longer rely on public sector funding and we expect that the weak economy will prevent many of our regular corporate donors from giving this year. Additionally, the poor job market has prevented several of our experienced teachers from returning to the Project.

On a more positive note, we have a terrific team in place and are excited about a number of new initiatives underway for 2002. We plan to reinvigorate LEADER's Advisory Board thereby adding greater continuity and strategic direction to the Project. This winter we will initiate our search for qualified individuals from among the business community, LEADER alumni, Ivey administration and faculty to provide advice and guidance to the Project as it moves into the future. We anticipate that the structure for the Advisory Board will be in place by the end of April and that the Board will be operational by September 2002.

LEADER is constantly searching for institutions whose students would benefit from LEADER's curriculum. This year we are adding a new site in Moldova that combines both university students and entrepreneurs from Balti, the 2<sup>nd</sup> largest city in Moldova. We hope that this unique combination of students and entrepreneurs sharing the same classroom will provide a great forum for discussion and enhance everyone's learning. It may even put potential employers in contact with a new talent pool, helping both groups simultaneously.

Our search for future sites that fit with LEADER's educational and social goals has led to the creation of an Expansion Committee to explore opportunities in Latin America. With the support of Paul Beamish, the Dean's office and members of Ivey faculty, we have contacted several possible universities and are hopeful of finding a suitable partner this year. Twenty-five Ivey cases translated in Spanish have been made available to us by Ivey publishing for this endeavour.

To reflect the future of the project and its endeavours to expand into new regions, we decided to change the name of the project to Leading Education and Development in Evolving Regions, as opposed to Emerging Regions.

Although this upcoming year promises to be challenging for many reasons, we are convinced that the LEADER Project will be able to weather the storm. Our new initiatives have generated a great deal of excitement from both our members and our supporters and we are confident that this promises to be another stellar year for the LEADER Project.

Best Wishes to everyone for 2002.

Sincerely,

Kate Archer    Julie Hill

*Executive Directors 2000-2002*

## ***History of the LEADER Project***

May 1991 marked the beginning of the LEADER Project. Scott Helloffs and Paul Fitzgerald, two graduating MBA students at the Western Business School (now the Richard Ivey School of Business) recognized that the new market economy emerging under Gorbachev's Perestroika would require fresh managerial skill. These two graduates responded by organizing a group of 27 volunteers from the MBA program, creating Project USSR. These volunteer instructors, paying their own way, taught the basic skills of finance and accounting, marketing, and general management to selected Soviet officials and hopeful entrepreneurs at various institutions in Moscow and Leningrad.

A year later much had changed. The Soviet Union had dissolved, and Project USSR (renamed the LEADER Project: Leading Education in Eastern Europe) sent 51 Western MBAs to teach business in former Soviet republics. Two years of full funding from the Canadian Department of External Affairs allowed the Project to grow rapidly. By 1993, there were 61 Canadian participants, including instructors and case writers, and the number of students being taught exceeded 600. The scope of the Project had expanded to include cities in Russia, Ukraine, Belarus, Lithuania and Latvia. An extension of the Project took several LEADER instructors to Mongolia to deliver a similar course with support from the World Bank.

When a change in government policy eliminated full funding in 1994, the LEADER Project returned to a more modest size of 44 participants, while maintaining a number of the partnerships established in the previous year.

In subsequent years, the Project has maintained a similar size and scope, each year sending teaching teams to approximately eight to ten partner sites. In 1998, LEADER officially changed its name to 'Leading Education and Development in Emerging Regions' and developed a working draft of its Constitution. In 1999, the LEADER Constitution was officially ratified.

In 2000, the LEADER Project celebrated its 10<sup>th</sup> Anniversary. A dinner was held in the Lithuanian Community Hall in Bloor West Village in Toronto. This dinner brought LEADER alumni from the past ten years together with the current participants. Memories and stories were recounted and all had a good time. Mr. Mykhail Lyssenko, Minister Councillor of the Russian Embassy in Ottawa, was the keynote speaker. In his speech, Mr. Lyssenko commented on the state of Canadian-Russian business relations, and commended LEADER on the impact it has had in its first 10 years of existence. He urged past and present LEADER participants to build on the ties established by the project in order to further Canada-Russia business relations.

Looking into the millennium, the LEADER Project is committed to internal growth and development, while focusing on the spirit in which the program was created 12 years ago.

## ***LEADER Teaching Curriculum in 2001***

The LEADER Project is modeled on the Richard Ivey School of Business case-study method, which places emphasis on effective action-oriented business practices and decision-making. Learning occurs through interactive discussion of real business problems derived from North American and Eastern European Experiences. The course is conducted over three weeks in the month of May. The 3 one-week modules focus on the principles of finance, marketing and general management respectively. As a final assignment, each student prepares a comprehensive and practical business plan for a venture they intend to begin, or one that fulfills an equivalent requirement.

## ***LEADER Instructors in 2001***

LEADER instructors are drawn primarily from Ivey's MBA program, and are carefully selected through a rigorous application and interview process. Throughout the school year, they typically spend 4 to 10 hours per week on LEADER preparations, as all aspects of the Project are student initiated, developed and executed. Upon arrival at their sites, instructors spend 6 to 8 hours per day on teaching duties and preparation for the following day's classes. Instructors are not paid for their work with the LEADER Project, and ultimately forego a month's earnings in order to participate. The instructors pay any costs not covered by sponsorship.

## ***LEADER Students in 2001***

The students are diverse in terms of age and experience. They range in age from 20 to 65 years old. They are entrepreneurs, government and military officials, managers of former state enterprises, university students, and academics with a variety of backgrounds including engineering, economics and business administration.

## ***LEADER Sites and Partners in 2001***

The LEADER Project is run in partnership with business associations and academic institutions in Eastern Europe. The partners are leading players in economic reform movement. They cover the cost of meals and accommodation for LEADER instructors, as well as the cost of interpreters. In addition, partners provide a three-day cultural orientation program for the instructors upon their arrival.

On May 1st, 2001, 58 LEADER participants from the Richard Ivey School of Business boarded their flight bound for Eastern Europe. In Frankfurt, the teaching teams parted ways to travel to nine cities throughout Russia, Ukraine, and Belarus. Over the course of three weeks, instructors taught classes in business decision-making skills to over 400 students.

### ***Russia***

**Obminsk** - Our fifth year of partnership with **FRIDAS (French-Russian Institute of Business Administration)** was a success. In this centre of private enterprise in the Kaluga Oblast, Southwest of Moscow, we taught two classes of fourth year, undergraduate Business Administration students. LEADER teachers had the unique experience of living in student dorms, which greatly enhanced their cultural appreciation.

**Omsk** - The LEADER Project taught third year undergraduate students at **Omsk State University** for its fifth consecutive year. Two teachers were also assigned to teach middle managers at Omsk Energa, State-run Energy Company that is currently undergoing deregulation. The many cultural and social events organized by the students were a great introduction to the beautiful city of Omsk.

**Nizhny Tagil** - 2001 marked LEADER's second year of partnership with **Urals State Technical University, Nizhny Tagil Campus**. Two classes were taught in English to second year undergraduate students. LEADER teachers appreciated the warm hospitality they received from their students and the University administration. We look forward to a long and successful relationship with Ural State.

**Ekaterinburg** – Four classes were taught in Ekaterinburg: two at the **Urals State Technical University** and two at the **Gold Platinum Institute (GPI)**. The Urals State classes consisted of fourth year undergraduate business and economics students. As most of these students spoke English as a second language, classes were taught in English with English case materials. Classes at GPI were taught in Russian to a group of business managers and executives. Students in both locations were responsive to the material and happy to share their ideas and culture with the instructors.

### *Ukraine*

**Lviv** – LEADER taught three classes, an evening executive MBA class and a full-time MBA class and an undergraduate class, at the **Lviv Institute of Management**. Both sets of students were energetic and keen about the opportunities that LEADER offered them to develop their business skills. Staff and students provided LEADER participants with ample opportunity to learn about Ukraine's culture and to visit sites of interest, both within the city and in the surrounding areas.

**Kyiv** - The **International Institute of Management** (formerly the International Centre of Privatization, Investment and Management) provided LEADER the opportunity to teach talented students with extensive business experience. The students were keenly interested not only in the lessons in our cases and Western business methods, but also in the relevant career experience and insights provided by the instructors. The school has advanced considerably since Ivey first arrived and are now developing cases on their own and attracting both foreign investment and professors. This progress has led to the decision to discontinue the partnership and look for new sites that will similarly benefit from the LEADER Project.

**Dnepropetrovsk** – At the **Dnepropetrovsk State Agrarian University**, competition to get into the LEADER program is intense, and is reflected in the students' and faculty's dedication to continuing the program. LEADER taught three classes, two undergraduate and one to business executives in the community. All of the students were eager to participate in the program, learn about Canada, and share Ukrainian culture, history and business developments.

### *Belarus*

**Minsk** – LEADER taught at two sites in Minsk. The second year at **Belarus State Economic University** was another success. The classes were comprised of talented undergraduate students in the marketing and finance streams. The students were enthusiastic and the hospitality offered to the LEADER team was tremendous. The second site was the **Minsk State Linguistic University**. The two classes of third and fourth undergraduate students were eager to learn and embraced the case method. LEADER instructors were treated to numerous outings and cultural experiences. Both institutions are looking forward to LEADER's return.

## ***LEADER Teaching Material in 2001***

After adding a number of new cases and lectures to the LEADER curriculum last season, our goal for 2002 is to conduct a thorough review of our instructor manual. This will help to ensure that our instructors are well equipped to offer comprehensive lectures and to facilitate relevant case discussions. Each member is participating in this review and suggesting improvements that will help to maintain our high-quality standard for teaching.

## ***LEADER Events Committee in 2001***

This newly formed committee manages all social events endorsed by LEADER for the purposes of fundraising, communications and team building.

Events are a primary source of funding for the LEADER Project, and it is the committee's responsibility to devise an event calendar and business plan for each event, complete with detailed timelines and budgets. All events must be executed efficiently and be self-funding to maximize fundraising efforts.

This year, LEADER's primary fundraising event will be a "Wines of Ivey" evening to be held in Toronto in March 2002. Besides featuring wines from around the world, this event will include a silent auction. This consolidation of fundraising efforts into one spectacular evening of wine and prizes is sure to appeal to Ivey's broad alumni audience. It is the committee's hope that this event will raise awareness of the LEADER Project, build on LEADER's history of strong alumni relationships, and ensure that the event stays on the calendars of Ivey alumni in the coming years.

## ***LEADER Communications Activities in 2001***

The LEADER Project communications committee successfully attracted publicity both internally and externally. Major media coverage included:

- An article in Winter 2002 InTouch, an alumni network magazine published by Richard Ivey School of Business;
- An article in December 2001 issue of Canadian Business;
- An article in Tsing Tao Daily, a Chinese-Canadian newspaper in April 2001.
- Interview and spotlight on the television station the New PL in January 2001.

The plan for 2001-2002 communication activities aims to enhance both external and internal communications. Specific initiatives currently underway include:

- The development of the Intranet LEADER site within eZone with the focus of enhancing internal communications among LEADER participants. The site contains Executive Directors' Greetings, progress on committee activities, coming events, as well as links to external web sites such as corporate sponsors, and news on FSU.
- Improving the external LEADER web site ([www.leaderproject.com](http://www.leaderproject.com)), specifically by enhancing the content and format.

## ***LEADER Logistics in 2001***

The LEADER Project extended its relationship with Uniglobe Instant Travel for the 2001 project travel plans. This was the second consecutive year that LEADER has partnered with Uniglobe Instant Travel. Mike Foster and his staff at Uniglobe should be commended on their efforts, as they were successful in building on their experience generated from the previous year. We are looking forward to continuing our relationship with Uniglobe Instant Travel during the years to come.

## ***LEADER Sponsors and Fundraising Activities in 2001***

The 2001 Leader Fundraising committee focussed its efforts on continuing to create longer-term stability in the fundraising structure through broadening fundraising targets. Though fundraising was not able to raise the full project requirements, over 75% of necessary funds were raised through a combination of corporate, foundation/association, individual, and alumni support. Corporate Fundraising efforts were successful in securing 3 sponsors at the \$5,000 level. We thank Ford Canada, Mercer Management Consulting, and Accenture, our lead corporate sponsors in 2001, for their generous support.

### **Fundraising Events in 2001**

- The LEADER Project held a very successful gathering of alumni in Toronto. The theme of the evening was vodka tasting, and event was attended by Ivey alumni, students, and their guests, and was a huge success. A great time had by all!
- An interfaculty gathering hosted by Leader at the Wave
- An 80's party was held at the infamous "70's House". This event was open to all Ivey students, and the support was tremendous. This great night will likely become an annual event.

### **Fundraising Initiatives for 2001 and Beyond**

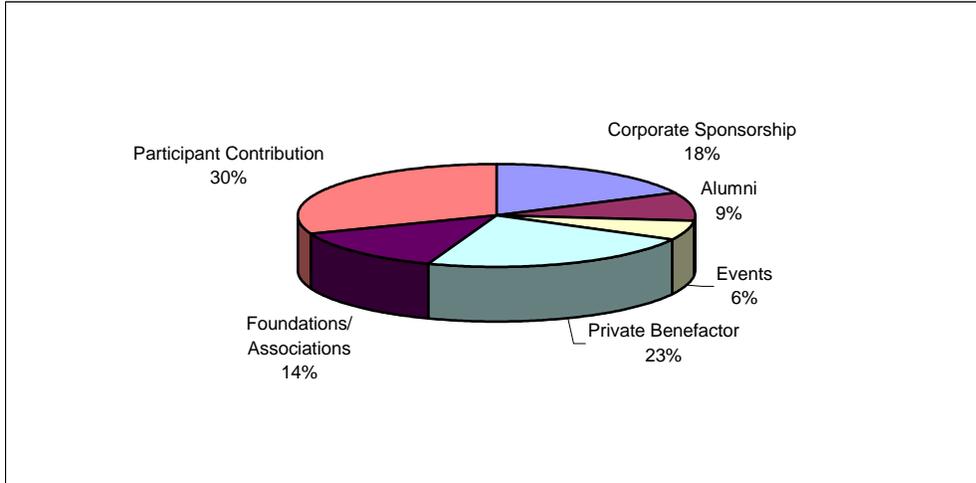
As we look to 2002, the fundraising committee is focused on the significant challenge of sourcing new sponsors and creating a more stable fundraising base for Leader going forward. The loss of funding from CIDA has represented a significant challenge for the program and has been difficult to replace. The success of Leader in recruiting the best candidates, and in delivering a high quality program each year requires sufficient funds to make the program accessible to all potential participants.

This year we have focussed our efforts on defining Leader's value proposition to four potential target sources of funds: Corporations recruiting at Ivey, Foundations with an interest in international development and entrepreneurial support, Leader Alumni, and Events. While the economic climate has impacted our efforts, we are working hard to build support within Ivey, to strengthen our fundraising network, and to develop high quality events. Our hope is that these efforts will yield necessary funds for this year's project, and make significant progress towards transitioning the project to a stable funding base going forward.

## Sources and Uses of Funds

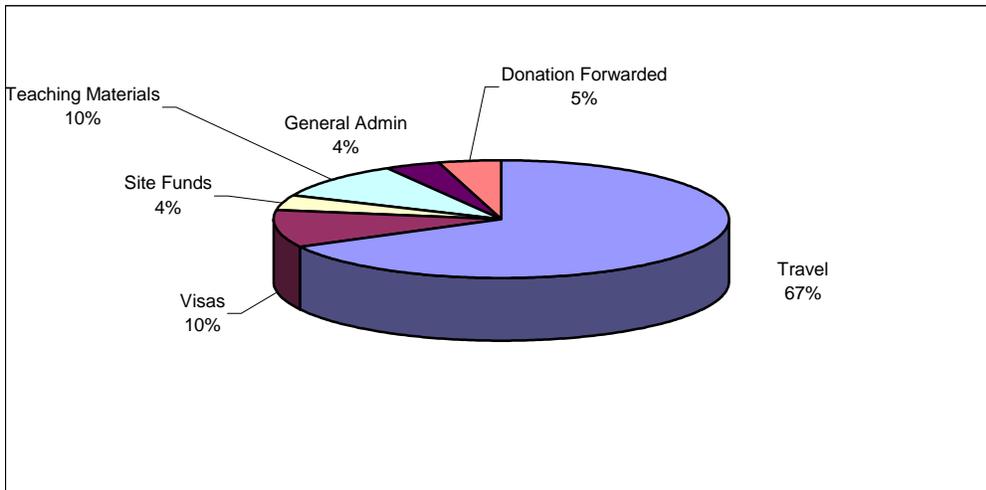
During the school year, LEADER Project raised a total of \$110,287 to cover the Project's costs. Funds were raised from a variety of sources including corporate and private donors, government sponsorship, LEADER alumni and the Project's participants who traveled to the Former Soviet Union.

### Breakdown of Sources of Funds



The overall cost of the Project totalled \$110,287. Funds raised were used to pay for travel<sup>1</sup>, teaching materials and general expenses<sup>2</sup>. It is important to note that these figures do not reflect the case material copyright fees (approximately \$60,000), which is generously waived by the Richard Ivey School of Business. In addition, our partner institutions are responsible for the provision of food, accommodation and local travel to the teaching sites.

### Breakdown of Uses of Funds



<sup>1</sup> Represents air and land transportation costs from Toronto to and from teaching sites in the Former Soviet Union.

<sup>2</sup> General expenses associated instructor development and project overhead (phone, postage, etc.)

## 2001 LEADER Project Participants

### Executive Directors

Alain Huneault, MBA 2001

Peter Neufeld, MBA 2001

Kate Archer, MBA 2002

Julie Hill, MBA 2002

### Site Instructors

<b>Dnepropetrovsk</b>	<b>Nizhny Tagil</b>
Sebastian de Meel, MBA2001	Scott Malone, MBA 2001
Rob McGowan, MBA 2001	Anna Rea, MBA 2001
Matthew O'Keefe, MBA 2001	Erica Nielsen, MBA 2002
Dheena George, MBA 2002	Ryan Ungemach, MBA2002
Collin Sawatzky, MBA 2002	
Amy Cairncross, MBA 2002	

<b>Kiev</b>	<b>Obminsk</b>
Paul Randelsome, MBA 2001	Peter Busse, MBA 2001
Collin Edwards, MBA 2001	Stephen Grant, MBA 2001
Krista Ewing, MBA 2002	Andrew Pettit, MBA 2001
Julie Karman, MBA 2002	Eric Sun, MBA 2001
	Phyllis Ioannou, MBA 2002
	Natasha Questel, MBA 2002

<b>Lviv</b>	<b>Ekaterinberg</b>
Brian Pollard, MBA 2001	Lachlan MacQuarrie, MBA 2001
Brita Carnell, MBA 2001	Gillian Whitebread, MBA 2001
Irene Wong, MBA 2001	Lisa Lum, MBA 2001
Paul Fitzpatrick, MBA 2002	Maral Ashdjian, MBA 2002
Todd Armstrong, MBA 2002	Ivan Guillen, MBA 2002
Rich Rapkowski, MBA 2002	Derrick Bartel, MBA 2002
Walter DeTorres, MBA 2002	Albert Yang, MBA 2002
	Paul Skippen, MBA 2002

<b>Minsk Economics</b>	<b>Omsk</b>
Kevin MacAuley, MBA 2001	Peter Klosch, MBA 2001
Andrea Kocianic, MBA 2001	Tom Hamza, MBA 2001
John Khajadourian, MBA 2002	Dave Shepard, MBA 2002
Deanna Foell, MBA 2002	Damion Ketchum, MBA 2002

<b>Minsk Linguistics</b>	
Leslie Thun, MBA 2001	
Sandra Bolton, MBA 2001	
Yoon Chung, MBA 2002	
Christopher Sturby, HBA 2001	

## ***LEADER Project 2002 Committees***

<b>Executive Directors</b>	
Kate Archer	
Julie Hill	
Kathy Engle	
Jon Shell	

<b>Logistics</b>	
Walter deTorres	Chair
Danny Goldberg	
Sonal Doshi	

<b>Communications</b>	
Amy Cairncross	Chair
Yoon Chung	Internal
Paul Skippen	External
Leonard Firkus	
Susie MacDonnell	
Lara Skripitsky	

<b>Teaching Material</b>	
Rich Rapkowski	Chair
Chris Sturby	
Hratch Manavian	
Akash Kapoor	

<b>Teacher Training</b>	
John Khajadourian	Chair
Erica Nielsen	
Rachel Knight	

<b>Fundraising</b>	
Paul Fitzpatrick	Chair
Dave Shepard	Alumni
Krista Ewing	Corporate
Julie Karman	Foundations
Damion Ketchum	
Sean Brown	
Stephanie Martin	
Liane Orsi	
Jennifer Pun	
Helmut Schneider	
Kelsey Scott	
Paul Szabunio	
Bryce Tigert	

<b>Treasurer</b>	
Todd Armstrong	Chair
Dev Srinivasan	

<b>Advisory Board</b>	
John Khajadourian	
Dheena George	
Jacque Newall	

<b>Expansion Project</b>	
Ryan Ungemach	Chair
Amy Cairncross	
Kathy Engle	
Akash Kapoor	
Susie MacDonnell	

<b>Events</b>	
Collin Sawatzky	Chair
Liz O'Neil	
Ewen Cameron	
Jaya Chopra	
Ben Rodney	
Dion Yungblut	

## ***Contact Information***

If you have any questions, or require further information please contact the LEADER Project at:

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Internet: <http://www.leaderproject.com> or log onto the Richard Ivey School of Business website ([www.ivey.ca](http://www.ivey.ca)) and follow the Ivey International link to the LEADER Project.

For more information on making a donation or becoming a sponsor please contact Paul Fitzpatrick, Sponsorship Coordinator at (519) 474-4388 or [pfitzpatrick.mba2002@ivey.ca](mailto:pfitzpatrick.mba2002@ivey.ca) Alternatively, you can go to the Leader Website [www.leaderproject.com](http://www.leaderproject.com) and make a donation on-line. Donations to the project qualify as a charitable donation and thus receive a tax credit.