



2002 ANNUAL REPORT

It has been a very exciting year at the LEADER Project! We have had a fantastic team, and we have been able to pursue many initiatives this year. As is true every year in this Project, in order to achieve our objectives it requires a collective effort. We are very proud of how far we have come this year, and want to thank our dedicated team for making it all possible.

Initiatives we are working on include:

Fundraising: Continuing our relationship with Ivey, we will receive \$20,000 thanks to the co-operation of Eric Morse and the Institute for Entrepreneurship this year. We have also developed an exciting new relationship with CIDA, arranging \$105,000 in funding over three years.

Wine Tasting: Our second annual fundraising event will occur this year in Toronto. We are unveiling the new LEADER Award for Dedication to International Development. Inaugural winners are Scott Helloffs, Paul Fitzgerald and Paul Beamish, recognized for founding the Project.

Corporate Training: In an effort to stabilize Project funding, we have developed a framework to enable us to develop this initiative into a paying partnership next year. We hope to provide a one-week pilot of our material and approach in both DP and Lviv in May 2003.

Entrepreneurial Pilot: Our first Entrepreneurial Project will occur this year at Agro-Soyuz developmental farm near Dniepropetrovsk. Twenty-six students will comprise our first class, and we hope to help them develop successful new businesses.

Advisory Board: We re-constituted an advisory board this year, with five outside members, chaired by Alexa Nick, ED '95. They have been tremendously active and supportive, and we have already reaped the benefits of this "new" initiative.

We hope for the next few years to see Corporate Training solidified, and become a strong component of our funding. We also hope to see the Wine Tasting event develop into a strong, annual event for Toronto Ivey Alumni. It has been a wonderful experience for us, and we are excited by the initiatives we have pursued this year. We wish Sarah, Krista and next year's team the best of luck!

Kathy Engle and Jonathan Shell
Executive Directors, 2002-2003

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.

In 1994, a change in government policy eliminated full funding and 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 2001 LEADER struggled with fundraising and had to make a major shift over to public fundraising. The biggest goal was to think of new initiatives to stabilize fundraising for that year and into the future. During this year, LEADER continued to work in Eastern Europe, while also realizing that there was a need for geographic expansion, leading to a successful pilot project in Cuba in 2002. Other significant accomplishments in 2002 included a teaching note review, the first ever LEADER wine tasting event in Toronto, the addition of Moldova as a new site partner, and increased financial support from Ivey.

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

2002 PROGRAM DETAILS

LEADER Teaching Curriculum

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, Eastern European, and Cuban experiences. The course is conducted over three weeks in the month of May. The three 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

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 four to ten 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 six to eight 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

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

LEADER Sites and Partners

The LEADER Project is run in partnership with business associations and academic institutions in Eastern Europe and Cuba. They cover the cost of meals and accommodation for LEADER instructors, as well as the cost of interpreters.

Russia

Omsk – Unfortunately, LEADER lost the Omsk site at the last minute due to problems at the university. They have been a valuable partner to LEADER for many years and LEADER was very sorry to lose them.

Nizhny Tagil - 2002 marked LEADER's third year of partnership with **Urals State Technical University, Nizhny Tagil Campus**. Two classes were taught in English to second and fifth year undergraduate students.

Ekaterinburg – Two classes were taught in Ekaterinburg at the **Urals State Technical University**. 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.

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**.

Dnepropetrovsk – Unfortunately, LEADER did not visit the **Dnepropetrovsk State Agrarian University** in 2002 due to scheduling conflicts, but we will be returning to this school to renew one of our longest partnerships in 2003. LEADER began a relationship with the **Dnepropetrovsk National University of Railway Transport**. LEADER taught three classes - two undergraduate and one to business executives from the National Railway organization.

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 second site was the **Minsk State Linguistic University**, where two classes of third and fourth undergraduate students were eager to learn and embraced the case method.

Moldova

Balti – 2002 marked our first visit to Moldova, where we were wonderfully hosted by a group of young business leaders. LEADER taught two classes to members of this group, and also to local professionals in the city of Balti.

Cuba

Holguin, Bayamo, Las Tunas – LEADER taught at three different sites in Cuba, each for one-week a-piece. As this was the inaugural year in Cuba, the goal was to visit the three different sites and universities in order to build relationships and begin discussions of developing full programs for Cuba. The trip was a great success and in 2003, twelve students will be returning with four teaching at each of the three sites.

REVIEW OF 2002, PLANS FOR 2003, AND LOOKING INTO THE FUTURE

LEADER Teaching Material in 2002

- 2002 LEADER took time to review, in detail, the teaching notes. This led to the creation of LEADER specific teaching notes in order to better help the LEADER teachers teach the cases in their specific environment.
- 2003 LEADER has been undergoing a thorough analysis and revamping of the current curriculum. 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. In addition, LEADER is continuing the work begun last year on the revamping of the teaching notes.
- Future Continue to review curriculum to ensure that each site is teaching cases relevant for their site.

LEADER Events Committee in 2002

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.

- 2002 Organized a number of events on and off campus, the biggest being the first annual "Wines of Ivey" evening held in Toronto in March 2002. The event included a silent auction. It was a consolidation of fundraising efforts into one spectacular evening of wine and prizes that appealed to Ivey's broad alumni audience.
- 2003 Continued to host a number of events both on and off campus, with the second annual "Wines of Ivey" in Toronto on March 22. The committee hopes that this event will continue to 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.
- Future Continue with numerous events and focus on increasing the value of "Wines of Ivey" as a friend- and fund-raising event in Toronto for LEADER and all Ivey alumni.

LEADER Communications Activities in 2002

- 2002 Focused on attracting media attention at the local level and build relationships with the media and public relations specialists at Ivey and at various newspapers. Continued to build a relationship with Canadian Business Magazine and developed relationships with the National Post and National PR.
- 2003 Continue to build media relations and 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), specifically by enhancing the content and format.
- Building media relationships and continuing to attract media attention externally.

LEADER Sponsors and Fundraising Activities in 2002

- 2002 Though fundraising was not able to raise the full project requirements, funds were raised through a combination of resources, including the MBAA and Ivey – a big thank you for their support.
- 2003 Focused on the significant challenge of sourcing new sponsors and creating a more stable fundraising base for LEADER going forward. 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. In addition, we have been fortunate to receive three years of confirmed funding from CIDA of \$35,000 per year, for a total of \$105,000. Also, the Ivey Institute for Entrepreneurship has committed \$20,000 for May 2003 travel. A.T. Kearney returned as a fantastic partner – donating all of our photocopying (\$8,000 in value)!
- Future Continue to build relationships and think beyond the current year and into the future, helping to establish stabilized fundraising.

Advisory Board

- 2002 Began the process of thinking of potential members for a LEADER Advisory Board and began to figure out exactly what the Advisory Board would do.
- 2003 Developed an Advisory Board including Kevin O'Brien, Murray Bryant, Larry Hallatt, Roman Matkiwsky and Alexa Nick as Chair. The Advisory Board has already met twice this year and have provided numerous suggestions that will help LEADER today and into the future.

2003 NEW INITIATIVES

Entrepreneurial Program

A new initiative for LEADER in 2003 is the launch of an entrepreneurship program that will be held outside of Dniepropetrovsk, Ukraine, at the world-renowned Agro Soyuz developmental farm. Agro Soyuz has been host to several international education programs, and has been a critical partner in developing this program. This will be a seven-day, intensive program to develop small business management skills of entrepreneurs in the places we teach. LEADER hopes to help these entrepreneurs evaluate and improve upon their ideas, and to provide the necessary skills for them to compete effectively in the marketplace. Thus, we will be focusing both on entrepreneurial skills such as opportunity evaluation and financing, as well as small business management skills such as cash management, logistics and small business marketing.

Corporate Training

LEADER Corporate Training (LCT) is a new initiative providing high-level business education to managers in emerging regions. LCT provides business training that enables managers to make substantial and lasting improvements in their organizations by providing:

- Customized training programs up to 2 weeks in length;
- Interactive discussions of real business problems, derived from North American and Central and Eastern European experiences; and
- Resulting in improved business decision-making skills through action-oriented business practices.

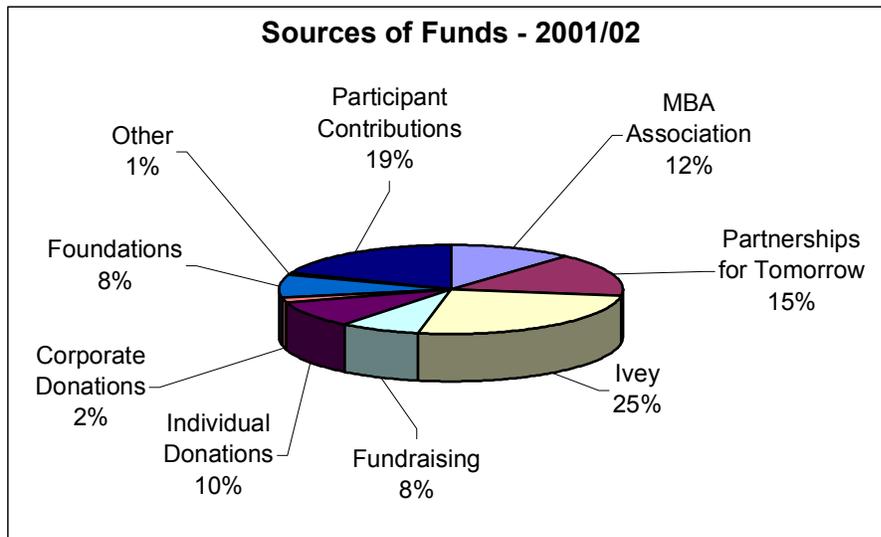
The modules will include Finance, General Management, Accounting, Marketing, Operations, Strategy, Organizational Behaviour, Team Building, Leadership and International Business.

Additional Sites

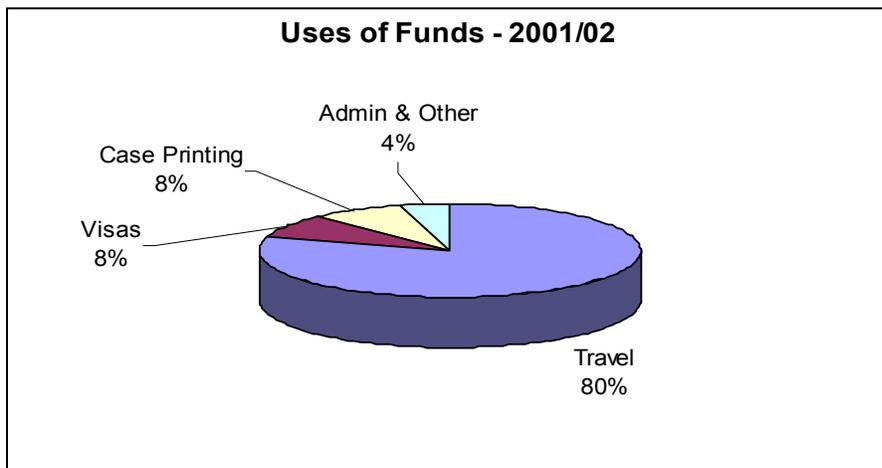
Cuba – In 2003, twelve individuals will be going back to Cuba to teach a revised (for Cuba) three-week LEADER course in each of the three Cuban cities – Holguin, Bayamo, and Las Tunas.

SOURCES AND USES OF FUNDS

The LEADER Project's fiscal year begins on October 1st of every year and ends at the end of September of the following year. For the 2001/02 fiscal year, the Project experienced costs of just under \$85,000 compared to around \$110,000 the previous year. Most of this difference can be accounted for by the fact that the 2000/01 class had fewer participants. The number of participants is a major cost driver for the Project since a majority of its costs (travel, visas, etc) are variable in nature. These expenses were covered by monies from a variety of sources including corporate and private donors, government sponsorship, LEADER alumni and the Project's participants who traveled to Eastern Europe and Cuba. The pie chart below illustrates the relative proportion of various funding sources for the 2001/02 fiscal year.



As graphically illustrated below, most of the Project's expenses involved travel to and from the teaching sites, visas and teaching materials. It is important to note that these figures do not reflect the case material copyright fees (approximately \$80,000), which are 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.



COMMITTEES AND PROJECT PARTICIPANTS

Name	Year	Committee	Site
Kate Archer	MBA 2002	Executive Director	Russia and Cuba
Julie Hill	MBA 2002	Executive Director	Eastern Europe
Kathy Engle	MBA 2003	Executive Director	Russia and Cuba
Jon Shell	MBA 2003	Executive Director	Eastern Europe
Todd Armstrong	MBA 2002	Chair, Treasurer	Minsk Economic
Sean Brown	MBA 2003	Fundraising	Moldova
Amy Cairncross	MBA 2002	Chair, Communications	Cuba
Ewen Cameron	MBA 2003	Events	Lviv
Jaya Chopra	MBA 2003	Events	Lviv
Yoon Chung	MBA 2002	Internal Communications	Cuba
Sonal Doshi	MBA 2003	Logistics	DP Railway
Krista Ewing	MBA 2002	Corporate Fundraising, Chair Logistics	Ekaterinburg
Paul Fitzpatrick	MBA 2002	Chair, Fundraising	Lviv
Leonard Firkus	MBA 2003	Communications	Minsk Linguistic
Dheena George	MBA 2002	Advisory Board	Minsk Linguistic
Danny Goldberg	HBA 2002	Logistics	Lviv
John Khajadourian	MBA 2002	Chair, Teacher Training and Advisory Board	DP Railway
Akash Kapoor	MBA 2003	Teaching Material	Cuba
Julie Karman	MBA 2003	Foundations Fundraising	Minsk Linguistic
Damion Ketchum	MBA 2002	Fundraising	Minsk Economic
Rachel Knight	MBA 2003	Teacher Training	DP Railway
Susie MacDonnell	MBA 2003	Communications	Cuba
Hratch Manavian	MBA 2003	Teaching Material	DP Railway
Stephanie Martin	MBA 2003	Fundraising	Nizhny Tagil
Jacque Newall	MBA 2003	Advisory Board	Ekaterinburg
Erica Nielsen	MBA 2002	Teacher Training	Moldova
Liz O'Neil	MBA 2002	Events	Ekaterinburg
Liane Orsi	MBA 2003	Fundraising	Nizhny Tagil
Jennifer Pun	MBA 2002	Fundraising	Lviv
Rich Rapkowski	MBA 2003	Chair, Teaching Material	Cuba
Ben Rodney	MBA 2003	Events	Lviv
Colin Sawatzky	MBA 2002	Chair, Events	Did not travel
Helmut Schneider	MBA 2002	Fundraising	Nizhny Tagil
Kelsey Scott	MBA 2002	Fundraising	Did not travel
Dave Shepard	MBA 2002	Alumni Fundraising	Lviv
Paul Skippen	MBA 2002	External Communications	DP Railway
Lara Skripitsky	MBA 2003	Communications	Moldova
Dev Srinivasan	MBA 2003	Treasurer	Minsk Economic
Chris Sturby	HBA 2001	Teaching Material	Nizhny Tagil
Paul Szabunio	MBA 2003	Fundraising	Minsk Linguistic
Bryce Tigert	MBA 2003	Fundraising	Lviv
Dion Yungblut	MBA 2003	Events	Ekaterinburg

CONTACT INFORMATION

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

LEADER Project
Richard Ivey School of Business
The University of Western Ontario
London, Ontario, Canada
N6A 3K7

Telephone: (519) 661-3846
Fax: (519) 661-2089
E-mail: leader@ivey.uwo.ca
Website: <http://www.leaderproject.com>