



***2003 Annual Report***

## LETTER FROM THE EXECUTIVE DIRECTORS

---

It has been a very exciting year at the LEADER Project! We have worked with a fantastic team of people, and we have been able to pursue many initiatives this year thanks to their insights, passion and time. 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 the Project operated as an organization and a team this year, and want to thank our volunteers and supporters for making it all possible.

Initiatives we are working on include:

**Fundraising:** Building on our relationship with Ivey we have secured \$24,000 in funding from the general Ivey budget to support our project this year. Additionally, The Institute for Entrepreneurship has agreed to fund the Entrepreneurial Program of the project as it enters its second year. Our agreement with Eastern European Division of CIDA is entering our second year and going forward we plan on reapplying for this funding as we believe our project is directly in line with their mission for educational development. In addition to our loyal Alumni, faculty supporters, and associated companies, we are also pleased to announce a major sponsorship from Air Canada Vacations this year in the form of air tickets to Cuba.

Overall, the support and response we have received this year has been amazing and we look forward to continuing these partnerships for years to come. We have also begun a Toronto Fundraising Committee which will be comprised of alumni, current LEADERites and Advisory Board members to further streamline and benchmark our efforts to create funding stability.

**Toronto Event:** Our third annual fundraising event in Toronto on March 20<sup>th</sup>. The main event is a fantastic silent auction with many exciting prizes that were donated by a variety of sponsors. Once again we would like to thank all of the people and organizations who have donated items to the silent auction and who supported us by coming out to the event.

**Entrepreneurial Program:** We are pleased to announce the addition of a Russian site near Togliatti, Russia this year to the Entrepreneurial Program. Like the original site in Agro-Soyuz near Dniepropetrovsk, Ukraine, we will teach a one – week intensive course to current and potential entrepreneurs. We are hoping to teach approximately 45 students in total this year.

**Vision and Mission Statement:** We spent the first half of this year developing the Vision and Mission statements for LEADER to try and communicate who we are and where we are going. The completed statements are:

***Vision:*** LEADER envisions a world in which all regions have the tools, skills and abilities to participate in a free-market economy.

***Mission:*** Using case method instruction, LEADER aims to give students, entrepreneurs and managers in emerging regions practical decision making skills. LEADER also strives to create cross-cultural understanding and provide participants and LEADERites with opportunities to learn from each other.

Additionally, our focus this year was on putting processes in place to ensure the continuing success of several initiatives started by our predecessors. We have created a new and improved recruiting system, established our Mission and Vision, started a Fundraising Board, and institutionalized more governance practices for the organization, all with the help of our peers and Advisory Board. In short, we feel LEADER has truly been the result of a team effort this year and we thank everyone for their work. We wish Tineke and Carl the best of luck as they take over the reigns in June 2004!

Sarah Kirzinger and Krista Pettit

Executive Directors, 2003-2004

## **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 helped the Project 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 3 Cuban cities in 2002. The Cuban pilot project led to a full expansion in all three sites (Holguin, Las Tunas, and Bayamo) for 2003, with new sites being explored. 2004 has also been an important year for the Project in terms of advancing the level of curriculum and receiving greater 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 13 years ago.

## 2003 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 each spring. 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

**Nizhny Tagil** - 2003 was LEADER's fourth year of partnership with **Urals State Technical University, Nizhny Tagil Campus**. Two classes were taught; one undergraduate and one mixed class comprised of advanced students and experienced general managers. Both classes were conducted in English.

**Ekaterinburg** – Two classes were taught in Ekaterinburg at the **Urals State Technical University** in 2003. The Urals State classes fourth-year undergraduate students. Most students spoke English as a second language, and so classes and case materials used were in English.

## Ukraine

**Lviv** – LEADER taught two classes of 25 students each at the **Lviv Institute of Management** in 2003, both at an undergraduate level. A third executive MBA section was taught in the evening, and a one-week intensive conducted by LEADER's Entrepreneurial team was held in Lviv as well. All classes were conducted in Ukrainian through translators.

**Dnepropetrovsk** – LEADER was pleased to offer its curriculum at both Dnepropetrovsk sites in 2003, after being unable to visit the Dnepropetrovsk State Agrarian University in 2002.

- Dnepropetrovsk State Agrarian University**- LEADER taught 2 classes of undergraduate students in 2003, one first and second year students, the other third and fourth years. Classes were also conducted with the aid of translators.

- Dnepropetrovsk National University of Railway Transport**- LEADER taught two classes in 2003, both taught in Russian via translators. One class was novice, the other more advanced with undergraduate students from various disciplines. Students were selected to partake in the Project based on academic excellence. LEADER will not be returning to this site in 2004.

**Odessa**- 2003 was monumental in that LEADER secured Odessa as a site for 2004 for the first time at the **Odessa State Economic University**. Curriculum for this pilot city will be geared towards third and fourth year undergraduates, and case discussions will be aided by translators.

## Belarus

**Minsk** – LEADER taught two sections of 20-24 undergraduate students at the **Minsk State Linguistic University** in 2003. The participating students primarily studied linguistics full time, with the majority of them working towards becoming translators, working for trans-national companies, and thus benefited from LEADER as an introduction to business concepts and terminology through Ivey's case method.

## Moldova

**Balti** – LEADER had two sections of undergraduates at the **Centre for Assistance and Support of Young Economists** in 2003, marking only our second visit to Balti. Participating students were primarily undergraduate students in their later years of study. All case discussion was managed through a translator, converting Romanian and also some Ukrainian.

## Cuba

2002 was LEADER's inaugural year in Cuba, having taught at three pilot sites- Holguin, Bayamo, Las Tunas – for 1 week each. Based on the success in 2002, LEADER was successful in holding its first full, three-week programs in each of these sites in 2003. We are returning to all three sites in 2004, and attempting to form relationships that will allow for new sites in 2005.

**Holguin**- Two class sections were held at **UHOLM and Institute Superior Minero-Metalurgico de Moa** in 2003. One was an advanced undergraduate business class, the other a

mixed group of PhD's, young professors, and professionals. All classes were conducted through a Spanish translator, with students' ability in English ranging from very strong to very novice.

**Bayamo-** Two smaller classes (12-15 undergraduate students each) were held at the **Universidad de Granma**, in Bayamo, Cuba in 2003. All course material was in Spanish, and all class discussion facilitated with a translator.

**Las Tunas-** 30 participants, consisting of undergraduates, professors and the business community (bankers and manufacturing sector) made up LEADER's inaugural class at **Centro Universitario de las Tunas**. All materials were provided in Spanish, and translation was required for classroom facilitation.

## **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 underwent a thorough analysis and revamping of the current curriculum. This helped ensure 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 continued work begun the previous year on the revamping of the teaching notes.
- 2004 2004 has built upon 2003's thorough curriculum upgrade, and has customized curriculum to different regions' needs and preferences. All recommendations from 2003 have been examined and appropriate changes made to cases, lectures, and teaching notes. Further progress has also been made within LEADER's Entrepreneurial stream.

### *LEADER Events Committee in 2003*

Events are an important source of funding and exposure 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-funded 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.
- 2004 Many traditions begun in the past few years have been built upon in 2004 including an

MBA-wide fundraising party, welcome dinner, and site Olympics events. Events have been a tremendous means of team building and fundraising. The largest fundraising event, on March 20<sup>th</sup> at the Steam Whistle Brewery in Toronto, was LEADER's third annual event, aimed to attract alumni working in Toronto, family, and friends. The 2004 event did not include a wine tasting component, but still the major fundraising auction which has been successful in the past.

### *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](http://www.leaderproject.com)), specifically by enhancing the content and format.
- Building media relationships and continuing to attract media attention externally.
- 2004 2004's communications efforts focused on attracting both on and off-campus exposure for LEADER in the media. Press releases and special interest stories highlighting LEADER and its participants have been channelled primarily to print media. Ivey's PR department also became a more important resource for LEADER in 2003.

### *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).
- 2004 Fundraising activities built on 2003's achievements. Sources of funding included CIDA, some corporate sponsorship, and a commitment from Ivey for \$24,000 for 2004 and a promise for funding support from now on (amount to be determined annually). A.T. Kearney has once again generously offered to donate all case photocopying to the Project.

#### *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.
- 2004 The Advisory Board has again been a great source of support, ideas, and strategic direction for the LEADER Project in 2003. The Board is also essential in LEADER's fundraising initiatives.

### **2003 NEW INITIATIVES**

---

#### *Entrepreneurial Program*

LEADER launched its Entrepreneurship intensive in 2003 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. The program was developed to address the abundance of entrepreneurial spirit in our partner cities by helping potential entrepreneurs learn the skills necessary to succeed. This seven-day intensive program to develop small business management skills of entrepreneurs in the places we teach. LEADER guides new entrepreneurs to provide the necessary skills for them to compete in the marketplace. The Entrepreneurial curriculum focuses primarily on opportunity evaluation, financing, and small business management skills such as cash management, logistics and small business marketing. LEADER is building upon the successful launch in 2003, and will increase this program to two weeks in 2004 at a second site in Togliatti, Russia.

#### *Additional Sites*

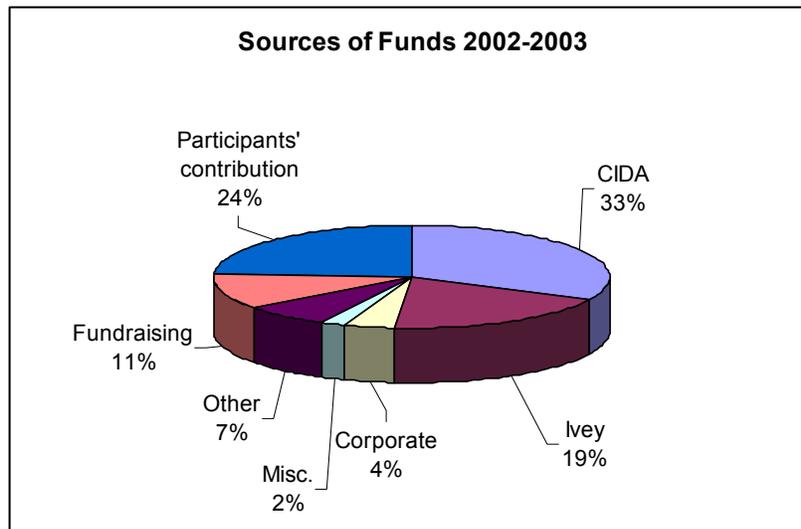
Odessa, Ukraine- This is our inaugural year in Odessa. LEADER is sending four instructors to teach two undergraduate classes over the three-week period in 2004.

Cuba- A major initiative during the May 2004 campaign will be to develop relationships that lead to new Cuban sites for LEADER. Cuba has become an excellent fit with LEADER's curriculum, and will become a greater focus for the Project going forward. Prospective sites include Santiago de Cuba and Havana at this point.

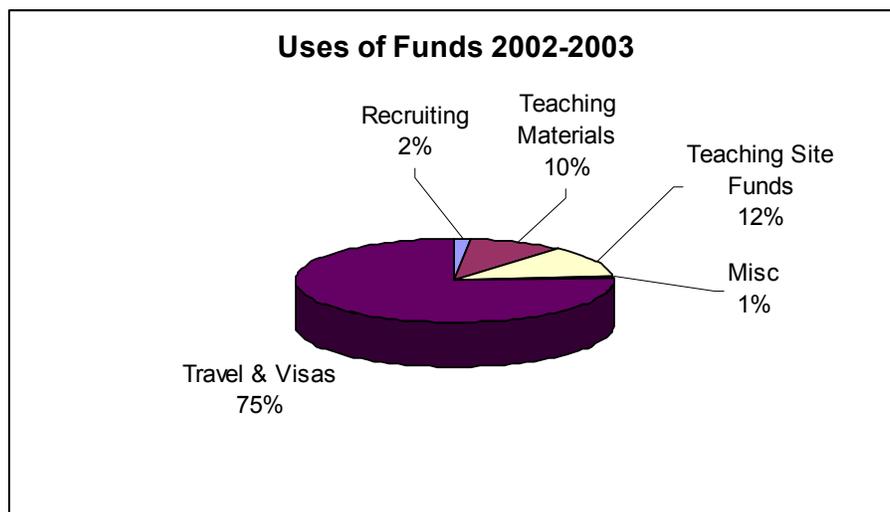
## SOURCES AND USES OF FUNDS

---

The LEADER Project's fiscal year begins on October 1<sup>st</sup> of every year and ends at the end of September of the following year. For the 2002/03 fiscal year, the Project experienced costs of just under \$118,000 compared to around \$85,000 in 2001-2002. Most of this difference can be accounted for by the fact that the 2000/01 class had fewer participants, the major cost driver 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 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 support of LEADER. In addition, our partner institutions are responsible for the provision of food, accommodation and local travel to the teaching sites.



**PROJECT PARTICIPANTS 2002-2003**

---

|             |           |          |              |          |          |
|-------------|-----------|----------|--------------|----------|----------|
| Barzilay    | Janus     | MBA 2004 |              |          |          |
| Benoit      | Dan       | MBA 2004 | Newall       | Jacquie  | MBA 2003 |
| Brown       | Sean      | MBA 2003 | Noronha      | Natasha  | MBA 2004 |
| Cameron     | Ewen      | MBA 2003 | Pettit       | Krista   | MBA 2004 |
| Chew        | Cheesan   | MBA 2004 | Posman       | Adam     | MBA 2004 |
| Chopra      | Jaya      | MBA 2003 | Ready        | Cory     | MBA 2004 |
| Crump       | Mike      | MBA 2004 | Richards     | Geoff    | MBA 2004 |
| Doshi       | Sonal     | MBA 2003 | Rietveld     | Laura    | MBA 2004 |
| Engle       | Kathy     | MBA 2003 | Rodney       | Ben      | MBA 2003 |
| Fenwick     | Jeff      | MBA 2004 | Rosenfeld    | Adam     | MBA 2004 |
| Firkus      | Leonard   | MBA 2003 | Sachdev      | Amit     | MBA 2004 |
| Fitzpatrick | Stephen   | MBA 2003 | Sartor       | Michael  | MBA 2004 |
| Gautam      | Kamal     | MBA 2004 | Schneider    | Helmut   | MBA 2003 |
| Gradin      | William   | MBA 2004 | Scott        | Kelsey   | MBA 2003 |
| Handell     | Anna      | MBA 2004 | Seaborn      | Paul     | MBA 2003 |
| Kapoor      | Akash     | MBA 2003 | Shell        | Jon      | MBA 2003 |
| Kirzinger   | Sarah     | MBA 2004 | Skripitsky   | Lara     | MBA 2003 |
| Knight      | Rachel    | MBA 2003 | Sood         | Rishi    | MBA 2003 |
| Kooznetsoff | Gary      | MBA 2003 | Souvenir     | Mark     | MBA 2004 |
| Kovatchev   | Alex      | MBA 2004 | Srinivasan   | Dev      | MBA 2003 |
| Krause      | Mark      | MBA 2004 | Szabunio     | Paul     | MBA 2003 |
| Lam         | Joanne    | MBA 2003 | Taylor       | Garrett  | MBA 2003 |
| Lila        | Ali       | MBA 2004 | Tigert       | Bryce    | MBA 2003 |
| Litman      | Orin      | MBA 2003 | Vanden Hover | Francis  | MBA 2003 |
| MacDonnell  | Susie     | MBA 2003 | Velarde      | Jimena   | MBA 2004 |
| Manavian    | Hratch    | MBA 2003 | Wong         | Patricia | MBA 2004 |
| Martin      | Stephanie | MBA 2003 | Woodcock     | Alison   | MBA 2004 |
| McKillican  | Rebecca   | HBA 2003 | Yungblut     | Dion     | MBA 2003 |

## 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](mailto:leader@ivey.uwo.ca)  
Website: <http://www.leaderproject.com>