

Barbara Magner

**THE CENTER FOR BUSINESS PROMOTION
AND ENTREPRENEURSHIP**

THE 15 YEAR HISTORY OF THE FOUNDATION

SANDOMIERZ 2007, POLAND

THE CENTER FOR BUSINESS PROMOTION AND ENTREPRENEURSHIP

SANDOMIERZ, POLAND

I. INTRODUCTION AND DEDICATION

Fifteen years ago the efforts of a group of unusual people – who believe in helping others and building a better future by good works – resulted in the creation of the Center for Business Promotion and Entrepreneurship, a nongovernmental non-profit organizations, or NGO. The Center was among the first wave of NGOs created during Poland’s transition into a free market economy, and our survival and development faced many barriers.

Thanks to some smart choices, hard work and good luck, the Center has matured into a good example of how a “third sector” organization can positively contribute to the ongoing economic and social transformation of Poland. The story of the Center’s founding and its development has much to teach us – about how much we are capable of doing ourselves and also about how well-meaning friends can help u s.

Some key elements of what helped us succeed are:

- long-term committed partners and supporters
- dedicated employees, teamwork and good work atmosphere
- trust and honesty
- focus on mission and goals
- being a learning organization.

We continue to draw strength and lessons from our history. For this occasion of our fifteenth anniversary, we decided formally record it and humbly share it with others in Poland elsewhere in the hope that they can learn from our successes, and our failures, and join us in our continuing efforts to help people live up to their potential.

Halina Siemaszko
Executive Director

Sandomierz, June 2007

**THE CENTER FOR BUSINESS PROMOTION AND
ENTREPRENEURSHIP
SANDOMIERZ, POLAND**

II OUR HISTORY

The Inspiration, Inauguration and Growth of a Polish NGO

The Center for Business Promotion and Entrepreneurship in Sandomierz, Poland is a non-profit foundation instituted in 1991 to help lead and accelerate the post-communist economic transition in rural southeastern Poland. The following narrative documents the history of this viable and vital organization, as it gears up to celebrate its 15th anniversary, June 2007.

PRE-HISTORY - 1990

In 1990, Senator Zbigniew Romaszewski, physicist, key human rights activist and leader of Solidarity, invited TechnoServe to visit Tarnobrzeg, the voivod (district) he presented in the Polish Parliament (Senate) to assess the problems confronting his constituents – mostly small-scale farmers – and the agro-industry sector in Poland. However, this request had its origins when Edward Kirchner -- then a TechnoServe member – introduced Dr. Lucjan Orłowski to a member of TechnoServe staff – (Barbara Magner, then Director of Government and Donor Relations) at a meeting of Catholic leaders in New York in early 1990¹. A professor of economics at Sacred Heart University in Connecticut and Provost of the University, Dr. Orłowski was a close friend of the Senator and when the latter visited him some weeks later and discussed his concerns for the farmers and residents of his district, Dr. Orłowski thought immediately of TechnoServe as a possible resource for the Senator.

A meeting with TechnoServe's Vice President – Richard Redder - was arranged at which a request for an onsite assessment was made to TechnoServe. Drawing on its Research & Development budget to finance this assessment, Mr. Redder requested Dr. Robert Patterson – Alumni Distinguished Professor of Crop Science at North Carolina State University, and also a TechnoServe member – to conduct a pre-feasibility study of the Tarnobrzeg District. Dr. Patterson visited Poland from June 23 through June 31, 1990 and his Pre-Feasibility Study, published in early August 1990, and presented to the Senator at that time recommended that TechnoServe could provide critical technical assistance in 3 areas:

1. Assistance in the establishment of rural-based credit institutions whose sole objective was to be responsive to farmer credit needs.
2. Help in designing enterprises which ensure prompt and reliable processing, preservation, packaging and marketing of commodities which can be produced in excess of subsistence and local market needs

¹ TechnoServe is an American NGO with 40 years of experience in international economic development

3. Liaison between farmers and existing agricultural extension and research institutions to ensure that growers would be able to meet the increasing demand for food by agro-processors once viable market opportunities would be identified.

Toward this end, Dr. Patterson recommended that TechnoServe field a technical team with expertise in agriculture, credit and agro-industry to make an in-depth study and to make detailed recommendations for service in 3 areas: organizing credit associations; agribusiness development; and crop and livestock production.

Among Dr. Patterson's observations - these draw special attention:

“The desire of the Polish people to achieve the goal of self-determination is unmistakable. They have turned their backs on the East and want to embrace the West. With regard to agriculture, they have the ability and resources (with a few exceptions, including reasonably priced fertilizer, clean water, improved crop varieties, and environmental stability, although they are quite sensitive to the need to correct the damage being done to their environment) to become net exporters of a wide range of commodities. . . . The serious problem is a lack of marketing opportunities. Prices in urban markets are so high that consumers are purchasing very little . . . which leads to a disincentive to be aggressive in expanding agricultural output on the farms,, many farmers are thinning herds, purposely not fertilizing crops (even with available animal manure), and declining to invest in harvest costs . . because they are so discouraged about prices. They also are quite discouraged that the state cooperatives have allowed the quality of their commodities to deteriorate so far, leading to a loss of credibility on the open market (in their judgment) In truth, whether one is farming in Iowa or Tarnobrzeg, unless someone is willing to give the farmer something he and his family needs in exchange for his excess of production, he will not farm beyond the subsistence level.”

THE TECHNOSERVE NEEDS ASSESSMENT OCTOBER 1990 and ITS RECOMMENDATIONS

Pursuant to submission of this Pre-Feasibility Study to Senator Romaszewski (August 1990), and based on its recommendations, TechnoServe organized a special team to carry out an in-depth analysis in the areas prescribed by Dr. Patterson. The resulting document - “An Assessment of the Potential for Agricultural Business Development in the Tarnobrzeg District of Poland” - was the product of a 4-member team fielded by TechnoServe in October 1990.

The team was comprised of:

1. Mr. Richard Redder, Vice President for Development and Administration
2. Mr. Andrzej Lubowski, Vice President, Citicorp
3. Mr. Peter Reiling, Director for Replication and Policy Analysis, TechnoServe
4. Dr. Robert Patterson, Alumni Distinguished Professor of Crop Science, North Carolina State University

Their mission was to provide Senator Romaszewski with the detailed needs assessment described above and also with an analysis of the potential for agricultural

business development in Tarnobrzeg District. Financed by a grant from the Mathile Family Foundation in Dayton, Ohio², the team was able to spend seven days in Poland, dividing their time between Warsaw and Tarnobrzeg District, with each member working in his own specialty

- Analysis of the Agricultural Production, Research & Extension Sector of the District – Dr. Patterson
- Analysis of the Savings and Credit Sector in Tarnobrzeg – Messrs Reiling & Lubowski
- Analysis of the Agricultural Marketing Sector with emphasis on fruit, meat packing and dairy – Mr. Redder

With the assistance of the Senator’s staff, Rural Solidarity and local officials within the District, the team was able to conduct a wide variety of key interviews with officials at all levels, and also with farmers and producers. Their chief finding was that the farmers and entrepreneurs of Tarnobrzeg were in dire need of assistance to work their way productively through the difficult transition from a centrally-planned to a free-market economy. They noted:

- Many farmers were in need of assistance in respect of what crops to produce, store, and/or process, market and finance, i.e. how to turn their farms into credit-worthy, market-responsive enterprises.
- Local extension resources were not up to these tasks.
- The restructuring of the national economy and shift to free markets, including the down-sizing of local industries, causing job loss to farmers and rural workers - represented a particular threat to the employment prospects of the region’s younger generation -- and the people of Tarnobrzeg were in need of assistance in developing alternative sources of employment and income.

Despite these obstacles, the TechnoServe team concluded that opportunities existed in the District to fill gaps in the system left by the collapse of the State-run economy, and that these gaps/opportunities were to be found in the farm services sector, the food processing sector - notably meat, dairy, fruits and vegetables – and in the agricultural marketing sector. In addition, their analysis of the banking sector in Tarnobrzeg led the team to conclude that credit for such venture was available for those with realistic business plans.

However, among the threats to development, the TechnoServe team noted that poor market linkages (price information and distribution systems) had resulted in growing inventories which in turn were acting as disincentives for future production (also noted earlier by Dr. Patterson), e.g. farm managers slaughtering cattle which they could not afford to maintain. Moreover the onset of industrial lay-offs in 1990 were posing a serious threat to the livelihoods of rural families -- most of whom held off-farm jobs to support themselves. “All of this,” stated the TechnoServe team,

² The Mathile Family Foundation, in addition to providing funds for the feasibility work, extended major grant support to TechnoServe and the Center, annually, through 2005.

“translates to growing frustration and heightened disillusionment among farmers – especially young farmers and entrepreneurs.”

To address these problems, challenges and opportunities, the team recommended the establishment of a special support center in Tarnobrzeg. This entity – the Center for Promotion and Support of Agricultural Enterprise - would serve as a catalyst for “agriculturally-related” business development in the District through the provision of a range of supportive services for local farmers and entrepreneurs, through the provision of market analysis and planning, and also through consultations with these groups in respect of improving production, budgeting, and credit applications. The Center would be established as a not-for-profit “foundation” but would also have a for-profit “wing” that would be able to provide fee-based agricultural services, such as tractor repair, agricultural inputs, warehousing and market brokering. The latter would generate profits to support the advisory services of the core advisory service wing.

The TechnoServe team document - “An Assessment of the Potential for Agricultural Business Development in the Tarnobrzeg District of Poland” was presented to Senator Romaszewski in the Fall of 1990 and received with appreciative thanks -- the Senator commented in his letter of December 12, 1990 that:

“I would, once again, like to thank you for all the work already by TechnoServe in the Tarnobrzeg District. I don’t know if you are aware of the tremendous impact you have made on the people of my district. The agriculture there, as well as in other parts of the country, is undergoing a deep economic crisis, caused by poorly developed and disorganized distribution systems and utterly inadequate agricultural service centers. The farmers are aware of this and they also realize that restructuring the Polish agriculture will inevitably require the help of specialists.”

Similar thanks and comments were also offered by Wladyslaw Liwak, the Voivode of Tarnobrzeg District and Henryk Suchora, leader of the district Rural Solidarity.

THE CENTER FOR PROMOTION AND SUPPORT OF AGRICULTURAL ENTERPRISE

TARNOBRZEG, POLAND – 1991-1995

In view of TechnoServe's assessment work in Poland, the U.S. Government's Agency for International Development (USAID) invited TechnoServe to submit a proposal to its Bureau for Europe and Near East, Office of European Affairs under its (new) 1991 Humanitarian Development Initiative Grants Program. Drawing on the findings of the above "Assessment" TechnoServe drew up a detailed proposal. Entitled "The Enterprise Promotion and Support Center Project," this proposal was submitted in December 1990, and approved in February 1991 for a (initial) three-year grant of \$1 million.

Since its inception in 1968, TechnoServe had been committed to improving the quality of life of low-income rural inhabitants in the developing world through a process of agriculturally-related enterprise development and institutional-strengthening. Its proposal for Poland projected adaptation of its methodology which had been developed and applied successfully in over 20 countries.

The program purpose was "to establish a financially sustainable and replicable local institution which will serve as a *support and service center as well as a catalyst* for agriculturally related enterprise development in the Tarnobrzeg District."

Effective April 1991, the initial grant ran through March 1994, but was extended via 2 amendments, one for the amount of \$390,000 through December 1994, followed by a second, unfunded extension through June 1995.

As usual with USAID grants/agreements, this was contingent on the grantee securing private source funds. Major donors throughout the grant period 1991-1996 were: the Mathile Family Foundation, the Mellon Foundation, the German Marshall Fund, Citibank, and the Jurzykowski Foundation. Major grant support from these foundations helped TechnoServe achieve its private funding requirement. Moreover, several of these foundations -- notably Mathile and Mellon -- provided funding beyond the grant period and the Mathile Family Foundation continued to provide its support when in 1999 the Center became an "affiliate" organization of TechnoServe.

The overall goal of the project was to, "generate new sources of rural employment -- as well as viable, sustainable sources of income -- for the economically-distressed farm families, especially farm youth, of Poland.

The initial focus -- of course -- was Tarnobrzeg District, though the program was also intended to provide a model for the country as a whole. Noting that farmers were unable to access necessary inputs, including commercial credit, the TechnoServe proposal also stressed that unclear markets made market-driven production difficult, and that --worst of all, farmers lacked the necessary skills or resources to work through this muddle: i.e. skills in market analysis, and in market-responsive farm management. The need to hold down two jobs was, moreover, complicated by the looming downsizing of local factories and factory jobs -- a great threat for the youth of the region.

The vehicle for achieving these aims would be the establishment of a financially sustainable and replicable local NGO. To be known as the **Center for Promotion**

and Support of Agricultural Enterprise (EPSC), it would achieve these aim by providing “farmers, entrepreneurs, and newly established businesses” with:

- 1) fee-based business analysis and advisory services – helping them to identify market opportunities, training them in those skills necessary to capitalize thereon, and assisting them in establish viable rural enterprises – through a non-profit wing, - the Business Analysis and Advisory Service (**BAAS**), and
- 2) technical services –e.g. tractor repair, agricultural input supply, warehousing, market brokering, etc. – through a for-profit wing. The Farm Service Center (**FSC**).

Proceeds from the for-profit wing were to provide financial support for the non-profit activity, thus providing a means to ensure its sustainability.

By the end of Year 1, the Center was to be a legally established, fully staffed entity, equipped with vehicles, computers, etc. Guided by a local Advisory Board, the **BAAS** would be reaching 30-40 farmers/entrepreneurs with short-term services and 2-4 major rural enterprises with long-term assistance. Year 2 would see an escalation of short-term services to as many as 90 farmers/entrepreneurs; EPSC’s Polish staff would be well trained in TechnoServe methodologies, as well as in up-to-date financial management with an emphasis on financial statement preparation and analysis; budget preparation and projections; cash flow analysis; strategic business planning and marketing management; financial markets and institutions. By the end of Year 3, the Center would be a stable, viable Polish NGO reaching 75-100 farmers/entrepreneurs and 4-6 major enterprises through its BAAS wing while the FSC would be providing 25-30% of the Center’s local operating expenses through fee generation. Moreover, all revenues generated during its first 3 years, would be held in an escrow capital reserve fund to provide working capital for future years. Furthermore, positive cash flow generated from both “wings,” in addition to outside grant support (from private and/or other international sources), would ensure continued financial health of the Center.

Center Start-up – 1991 to 1993

Under the general directions of TechnoServe Vice-President, Richard Redder, the project got under way with the signing of the Cooperative Agreement with the Agency for International Development in Washington on April 1991.

Because TechnoServe had done some initial groundwork on earlier visits, and with the assistance of Senator Romaszewki and his staff, TechnoServe located office quarters in the city of Sandomierz, and physical establishment of the EPSC took place relatively quickly. By August 1991, the office was open, an expatriate Project Director, Edwin Horst, was on site, vehicles and office equipment were in place and the first Polish staff members were being hired. Of these, 4 were university graduate-agricultural specialists, and 3 were administrative personnel. TechnoServe was fortunate in locating such talented, English-speaking persons. According to the recollection (November 2006) of Rich Redder:

“As I recall, the next trip was another team to survey the project area, to research project possibilities and make recommendations. That team was made of Peter Reiling, Andrzej Lubowski and an agricultural expert from the Mormons (with whom TechnoServe had worked on other development projects) in Salt Lake City. Once this research was completed, Peter Reiling and I make several trips specifically to train Ed Horst and help him set up a proper “TechnoServe” program. I also sent over

TechnoServe's El Salvador Program Director to provide training to Ed and our new local staff.”

The team study -- “Agriculture and Food Production, Tarnobrzeg District, Poland” - was also completed in the Summer of 1991. This included a baseline survey which covered 177 farmers within the District to provide data for measuring the long-term impact of the Project. The document provided additional direction for start-up activities, i.e. analyses and recommendations for services to the dairy, fruits/vegetables and live-stock sectors. Actual services however did not get under way until late December of that year.

By September 1991 an expatriate (America) agricultural advisor, Wayne Halvorson, was also on site working with the Director. By October, a Country Plan and Budget for 1992 had been developed and additional expatriate staff brought on, including one Peace Corps volunteer. In fact, over the grant period (1991-1995), Peace Corps proved to be a great resource for staffing the Center with talented professionals with experience in Poland who provided valuable training expertise and project concepts to the Center.

The Plan for 1992 had two broad objectives: 1) Institutionalize the Center as a Polish non-profit organization – accomplished in January via formal registration under Polish law, and 2) establish the procedures and guidelines necessary to begin providing services through the Center's Business Analysis and Advisory Services (**BAAS**) component. This also called for BAAS to develop the business plan for the Service Center (**FSC**). The FSC arm was finally launched in 1993 though the initiation of a commercial bookkeeping/accounting service in January of that year.

Rich Redder's recollections continued: “It became obvious after the first year (i.e. in 1992) that ... [new local leadership was required]. About this time I was leaving TechnoServe and Gerry Schmaedick was selected to supervise the program. Gerry (subsequently) selected Wayne Halvorson to be Country Director. Gerry also recruited Halina Orlowski to provide ongoing special financial training to the Center staff.”

With these changes and additions, the BAAS component saw significant progress in 1992. By the end of the year over 100 requests had been received from farmers in the area, and each one received advice pertinent to his problem or questions. These were mostly “walk-in’ type of client/consultations, persons looking for guidance on starting up a new business: credit -- where to get it; market information – where/how to market; and ideas for starting a new business, etc., with a modest fee charged for each consultation. The Center also developed its own model “feasibility” study for use with larger clients, and become an important player in the privatization of state farms in the area. Through the entire grant period i.e. 1991-1994 – a total of 207 walk-in inquiries were logged involving interaction with a total of 1680 persons.

Over the period 1992-through 1993, the Center performed 37 major discrete activities on behalf of clients including: 25 individual “projects” including business plans, feasibility studies, financial analyses and assessments (some with sub-projects, e.g. potato activities; initiated several community events, including the Potato Field Day, and conducted additional feasibility studies for proposed Center endeavors (i.e. agri-tourism).

Identifying market demands and trying to fill them was – and continues to be -- an ongoing goal of the Center in Poland. With Poland being one of the world's largest

potato producers, the Center undertook an experimental project in March 1993 to determine the potential for the cultivation of Russet Burbank potatoes in Tarnobrzeg District, a marketing opportunity enhanced by the growing demand from fast food restaurants establishing themselves in Poland – and of course – the particular suitability of the Russet to French fry production. The Center’s effort was complex and time-consuming for Center staff, requiring interaction with financial institutions (the Polaniec Power Plant in Tarnobrzeg provided a loan guarantee in the process), importation of seed-stock, and introduction of Polish farmers to a new technology. The project was largely successful -- a research farm was used for the initial project, which benefited small farmers mainly as a demonstration. However, while the initiative was a technical success, with 8000 tons of potatoes grown and sold successfully, the project resulted in a financial loss to TechnoServe. Nevertheless, it drew national attention to the Center – an important benefit – thus becoming the Center’s most notable and successful effort for 1993 – and also provided a model and incentive for future FSC activity.

Another FSC activity began to take shape late in 1993 when the Center was visited by a US importer of frozen strawberries. This importer indicated a strong interest in using the Center as an intermediary for the production and processing of strawberries – an activity consistent with the Center’s strong interest in support wholesale fruit and vegetable distribution. This also resulted in the Center’s interest in exploring a role in agri-tourism as a long-term activity and benefit for Tarnobrzeg District. Both activities were a main focus of project plans for the 1994-1995 period.

Overview of Start-Up Activities 1991-1993

A program evaluation in 1993 found that enterprise development was taking longer than expected; the Center’s effectiveness was seen as being dissipated because of the many various types of assistance being offered.

According to Jim Herne, TechnoServe’s Internal Evaluator (and subsequent Project Director) in February 1993: “There appears to be no shortage of clients for services provided by the Center, and it is possible that the client load is creating problems. . . . Achievement of early results on the establishment of “enterprises” is critical at this phase of the Center’s operation. It would seem advisable that the Center place a priority on those clients that can be expected to have something to show for the efforts at an early stage. The Center has placed state farm privatization as a priority, but this may not be the best strategy at this time as the administrative hurdles of privatization may delay the achievement of results in the near term.”

This evaluation also observed that the Center was working in a difficult policy environment, i.e. with the central government making slow progress in developing a body of law that would support the private sector. This, in turn, was creating an atmosphere of uncertainty regarding land privatization, thus making it difficult for private farmers to take title or even long-term leases for land they were taking over from the state. A recession in the Polish economy, and a shortage of investment capital available to small farmers, were additional constraints for producers, most of whom – and indeed throughout the country – were small farmers. With interest rates over 50%, entrepreneurial types – farmers and small businessmen- were assuming a very conservative stance toward any new undertaking, thus underscoring Dr. Patterson’s earlier observation about farmer risk-taking.

With respect to staff selection, TechnoServe had given an emphasis – perhaps of necessity – to recruiting for technical skills rather than business skills – an area which as the Center has developed was proving to be of utmost importance. The development of internal management strength, especially for financial management was an important goal of the grant and operational plan. Thus, providing Center staff with financial analysis and management training (provided by outside consultants) became a major activity. A number of training opportunities were provided for individual members in various subjects, and they attended other training opportunities in-country (conducted by other NGOs and consulting organizations). In this period, TechnoServe Vice-President Gerald Schmaedick had assumed leadership for the project, and he proceeded to undertake several activities to provide the Center staff with the management and business skills in support of their agricultural production and processing talents. Thus he arranged for on-site sessions conducted in Polish by a Polish-American financial consultant – Halina Orłowski, who recently observed (November 2006) that:

“My involvement with TechnoServe (Poland) dates back to June 1992 when I met with Gerry Schmaedick who thought that the EPSC staff would benefit from training and assistance delivered in the Polish language. Later I went to Sandomierz and met with Wayne Halverson, Halina Siemaszko and the staff, I recall getting very upbeat about the vastness of my possible contribution . . . after talking to everybody for a few hours they seemed very well educated, understandably lacking the free market experience, but nevertheless so well-equipped to grasp the ideas of a free market economy and principles of entrepreneurship. My collaboration with the Center went on for about three years (i.e June 1992 through 1994) during which I had the pleasure of meeting people in diverse and challenging tasks and projects they were taking on with a high level of enthusiasm while overcoming the shortcomings of Poland’s financial, banking, legal and accounting environment, though these systems were in the making. It was a uniquely rewarding experience watching people grow professionally and knowing that the Center was on its road to success under the leadership of Halina Siemaszko, about whom I felt very confident.”

“My training seminars were indeed custom-designed around very specific themes/topics that resulted out of situational analysis and need assessment, among them:

- financial management with an emphasis on financial statement preparation and analysis, ratio analysis, cash flow projections, budget preparation and projections;
- financial markets and institutions with emphasis on bank assets and liability management, lending practices, policies and procedures;
- capital budgeting with emphasis on investment project evaluation, time value of money, discounted cash flow analysis and rate of return measure;
- strategic business planning and marketing management with emphasis on understanding business life cycle, start-up goals and objectives as well as implantation procedures.”

Achievements and Adjustments – 1994-1995

By January 1994, development of an institutional identity was more or less on track. The Center had recruited an Advisory Committee with a view toward developing this

body into a Board of Directors once the Center had achieved full autonomy. This was a fairly foreign concept in an atmosphere in which independent, local and non-profit institutions had not been developed or experienced.

In other areas, the Center had begun to develop good working relationships with local *Gmina* officials – which eventually led to provision of technical and business advisory services to this sector -- and resulted in productive linkages to clients - small businessmen and farmers; this also contributed to good working relationships with ministries in Warsaw where the Center was now being viewed as a valuable resource.

At this point, James Herne had assumed direction of the project for TechnoServe, while in Sandomierz, Halina Siemaszko, Senior Program Coordinator for 2 years, was promoted to Country Director, following the departure of the American director (Wayne Halvorson) at the end of his contract. Leading a staff of 10 specialists and 3 support staff, Ms. Siemaszko received special support when an ex-Peace Corps volunteer with experience in Poland and agribusiness – Suzi Hagen – was hired as a TechnoServe advisor and mentor effective January 1994.

Ms. Hagen recalled: “My first big meeting at the Center was within days of my arrival (February 1994). Stefan, Marta and I met with Greg from Massachusetts who wanted to buy and process strawberries. He asked if we had a strawberry festival since the area grew so many. An idea was born.”

The intense emphasis on fruits and vegetables in combination with agri-tourism lead directly to the inspiration for and execution of the first ever agriculturally themed festival in the District in June of 1994. More than 1,000 people, including the Mission Director of USAID Poland, attended the strawberry festival in Sandomierz. The Center had conceived and organized “Strawberry Sunday” in cooperation with the city, a local cultural foundation and scores of local businesses and organizations.

Again, from Ms. Hagen: “The festival seemed a great way to combine lots of objectives and motivate staff. And it did. I know they thought I was crazy – trying to organize a first festival for them and for me in three months. We called it Strawberry Sunday, a pun that didn’t work in Polish but a name that was fitting! A local artist did branding with a big, red, delicious-looking strawberry. Amy – from the Poland VI Peace Corps group, working in Mielec, came to Sandomierz and taught local bars and restaurants new things to make with strawberries, including daiquiris, sundaes. . . . The festival posters were so popular that we no sooner posted one than it was stolen. But I think we didn’t get enough sunshine to ripen the strawberries in time for the first year. Poor Stefan drove over an hour south to buy fresh berries for us to sell. Unsure how well they’d sell, he bought conservatively, and we sold out in a couple of hours. . . . About 1000 people attended that first festival, enough to tell us we should try again. Which we did . . . and the rest is history. One of my favorite moments much later was attending a ribbon cutting at the 10th annual festival (2004).”

The first Strawberry Sunday in fact launched the Center into agri-tourism, bringing benefits – not only to local farmers – but to local businesses, local crafts artists, and generating a totally new focus on inns and small hotels.

Poland has now made tourism development a priority, noting that agri-tourism development lends itself to Poland’s needs and character. Sandomierz itself lies in the heart of James Michener’s POLAND, a region rich with historic and cultural significance. Although the district accrues important income from tourism, the

potential remained untapped in 1994, a situation that the Center increasingly viewed as an important service area. With the festival established as one part of its agri-tourism focus, in 1994 the Center began to study the potential for hotel accommodations, and worked with a Warsaw-based consulting firm to develop a feasibility study. In this connection, the Center staff also undertook a survey to identify farm women interested in becoming part of a bed-and-breakfast network.

Bridge to Autonomy: Institutional Strengthening Continued

June 30, 1995 marked the conclusion of the 5-year grant (\$1,350,000) awarded TechnoServe by AID's Office of Emergency Humanitarian Assistance/Bureau for Europe and the New Independent States. Subsequently, on the basis of an unsolicited proposal, USAID Warsaw approved an Institutional Strengthening Grant in the amount of \$110,000. The period of the grant was for nine-months, i.e. from October 1995 through 30 June 1996, and the main objective of this grant was to help the Center prepare for full independence, a work which had been in progress for some time.

The grant supported six interrelated activities:

- Preparation of an Institutional Business Plan
- Development of an expanded Board of Directors
- Staff development and training
- External audit
- Upgrading of accounting and reporting systems
- Strengthening of income generating activities

All of these objectives were addressed with a marked degree of success:

1. The Business Plan was developed and in its final form by June 1996
2. Continued Board recruitment and orientation resulted in two formal Board meetings in December 1995 and June 1996, thus cementing the Center's move toward autonomy. This Board now actively provided guidance and participated in decision making that enabled the center to redesign its relationship with TechnoServe and help establish the Center as an autonomous local institution. Board members at this time were: Senator Romaszewski; Piotr Wilkonski – Director of Dossche Poland regional division in Poland; Anna Potok -- head of the state Foundation's "Cooperation Fund" regional office in Poznan; Susan McKay – an American management consultant; Tadeusz Zaniewski – Acting Deputy Director for Finance and Administration of the Institute of Agriculture & Food Economics-National Research Institute; Dariusz Surma –Director of the Agriculture Department of Tarnobrzeg Voivodship; and Steven Londner, who in mid-1995 assumed the lead role in TechnoServe's ongoing support to the Center.
3. On-site training for all staff was completed in areas of non-profit government and team building. Staff also had opportunities to attend outside courses, in computers, training of trainers, non-profit management and fund raising. Members also participated in workshops in Hungary, notably in AID's PVO Humanitarian Development Initiative Capstone Workshop in Budapest. TechnoServe staff also conducted workshops on grant writing and fund raising, to

enable the Center to increase its effectiveness and participation in European-funded programs.

4. An internal audit was performed by Price Waterhouse/Warsaw and its findings internalized to assure the Center's autonomous functioning and the meeting of international accounting standards.

5. Although it had maintained organized accounting and management systems, these were based on TechnoServe's models. Expert assistance was recruited to adapt the Center's systems according to Polish law, and to recommend necessary computer hardware and software packages.

6. The Center continued to focus on its goal of developing income-generating services, such as computer training for local schools, and upgraded its own computer capacity and updated and installed new hardware and software. At this time, it became apparent that the most promising market for training services lay with local Gmina governments in respect of strategic planning and the Center geared up to focus on this as a major service area.

In this period, the Center continued its BAAS and FSC activities. Though not funded under the special Institutional Strengthening grant, the Center had maintained its momentum in striving to fulfill its mission to serve the rural community, as a *viable, indigenous, nonprofit institution focused on the creation of new employment and sustainable sources of income in depressed southeastern Poland.*

The Center now included the linking of farmers to markets as a major activity; and its mission was expressed through three programs.

- i. **Business Advisory Services for small entrepreneurs**
- ii. **Advisory and planning services for business start-ups and expansions**
- iii. **Linking farmers with markets, notably in meeting requirements of new national and European Union dairy standards.**

The Center also proudly reported that its work with potato growers and marketing groups had progressed, with the Center now assisting cooperatives with improving seed stock (from local sources) and marketing. In addition, Strawberry Sunday marked its 3rd festival in June 1996 – attracting more than 2500 to the now well-established town event.

However all of this work took place in the context of new budgetary constraints imposed by the unavailability of U.S. or other official funding sources. It was the conclusion of the Center's Executive staff and TechnoServe advisors, that for future sustainability and growth, the Center would in future have to rely on fees, private grants, and European funding sources. Although several of these, notably in Poland would draw funds from U.S. government sources, it was an obvious conclusion that a down-sizing of the Center staff was necessary in order to retain viability. Accordingly, the Center staff was reduced, though some were re-hired. Ms. Siemaszko, continuing as its executive, led a leaner Center of 6 full-time staff into a new fiscal year and a new stage in their development.

TRANSITION TO AUTONOMY: 1996-2002

A Period of Consolidation, Challenges and Growth

An important step was taken prior to December 1996, when the Center began to emphasize its Polish name and identity in its documents and letterhead: *Osrodek Promowania i Wspierania Przedsiębiorczosci Rolnej*. In this period, the Center - TechnoServe relationship was restructured, to reflect its more independent status. In time, this status was defined as that of an “affiliate” agency, a status which afforded the Center an association with TechnoServe as a colleague agency, and access to other U.S. agencies and donor institutions, a relationship it retains to this day (2007).

In its 1996 Annual Report, The Center for Promotion and Support of Agricultural Enterprise articulated its mission as serving the rural community by helping to create new employment and sustainable sources of income in the region. It accomplishes this mission by:

“Providing individual farmers and entrepreneurs with business analysis and advisory services to develop and expand their businesses, and

“Identifying and developing business opportunities and strengthening the business environment within the region.”

In this distinctly transitional period, the “**business**” identity emerges as the Center’s defining character and focus.

At this point in its history, the Center was now a distinctly Polish, non-profit “foundation” with an active, independent Board of Directors. While some funding continued to flow via TechnoServe from private American foundations, the Center increasingly funded itself from European Union supporting programs, including PHARE, and Dialog Spoleczny Programs.

Increasingly recognized in Poland as a Polish institution, the Center became a member of the Polish Foundations Forum and achieved consultancy status with PHARE.

Now revised to a simpler title, the **Business Advisory Services (BAS)** component continued as the main activity for the Center – with a clientele comprised of small one-to-two person enterprise undertakings as well as medium-scale and more complex business. The emphasis was now on regional business promotion, one not limited exclusively to agriculture, but recognizing the (now) critical local need for development of non-farm rural employment.

Marketing the BAS component became a priority. The Center staff commenced a large effort to analyze the needs of local clients, through questionnaires, surveys, meetings, and ultimately, a special outreach “advertising” mail campaign to selected potential customers, an effort that produced information upon which to base increased outreach. Significantly, **BAS** clients in 1997 were double those of the previous year and 60 new local jobs were created as a result.

Promotion and support for the dairy industry continued to be a major priority for the Center. Services directed to management level at regional dairy companies encouraged milk suppliers and processors to work for higher quality standards, an important step toward successful competition in the European Union. Consequently, in 1996 the Center hosted the first Dairy Seminar for area farmers, its aim was to bring together farmers, dairy plant managers, dairy supply companies and academia to

discuss the future of southeast Poland in dairy production. However the main seminar topic was improvement of milk quality in view of Poland's imminent integration with the European Union. The second seminar in 1997-- entitled "Milk 2000"-- brought together more than 150 farmers to learn about modern methods of increasing their efficiency in several areas. This second event, which was widely publicized, helped to ensure the continuity of this special series of seminars and provision of training sessions devoted to problems of feeding, breeding, product standards, and other factors which influenced milk quality. By 2002 an annual event, the Dairy Seminars -- which culminated in an annual Dairy Day every February -- provided the region's farmers with an ongoing, steady source of information and quality-based competitions that drive innovation, production and investment.

About this time, in 1997, the Center defined a new service offering to area *Gminas*, Poland's smallest governmental units, with a view toward expansion in the years ahead. To sustain quality of effort in this program of local governments' strategic development, Center staff worked to improve their own skills and recruited and organized a multi-disciplinary team of specialists in such areas as unemployment issues, ecological issues, enterprise development, technical infrastructure and cultural and education development.

Also, with the Center's increased autonomy development of a strong local Board of Directors became a priority and the Center successfully identified potential members in both Poland and in the United States. Recruitment and orientation of new members proceeded apace through 1996 culminating in December 1997 with the election of Piotr Wilkonski to replace Senator Romaszewski as Board Chairman, who resigned from the Board in order to devote his full energies to parliamentary work (although he retains the position of "honorary" Board member). New members included, Ms. Janina Sagatowska, newly elected Senator for Tarnobrzeg District, and Diane Pallas of the United States. The Board adopted a schedule of two 2-day meetings per year. In a major move, at this point, the Board also decided on a change of name from "**Center for the Promotion and Support of Agricultural Enterprise**" to "**Center for Business Promotion and Entrepreneurship**" to better reflect the Center's focus, and filed the documents necessary to legalize this change.

Marking another milestone on the Center's road to autonomy, in December 1997, the Board re-negotiated a two-year Memorandum of Understanding between TechnoServe and the Center -- an agreement which both recognized the maturity and independence of the Center and prescribed the nature of TechnoServe's continuing support. This agreement was again re-negotiated in 1999, concluding TechnoServe's direct funding and technical support services, but continuing as the Center's financial agent for funds raised in the United States, and its overall engagement via supporting Mr. Londner to continue serving on the Center's the Board of Directors.

Approaching EU Membership

Funded by USAID through its "Polish Decade" initiative (1990-2000), the Poland Business Support Program -- otherwise known as Firma 2000 -- was designed to strengthen 30 national business support organizations (BSOs) working with the small and medium-sized enterprise sector (SMEs). From the start Center staff were enthusiastic participants in the program, viewing this as a major opportunity to strengthen the Center as a non-profit but business-like service institution.

In the words of Center Executive Director, Halina Siemaszko: “In retrospect, the biggest impact of working with the Firma 2000 Project has been to think about the foundation in a different way – *as a business*. This has resulted in a real difference in both operations and client service.”

Over the three-year period of the Center’s cooperation with the project, the Center broadened its range of services and also improved its marketing methods. Training with Firma 2000 consultants helped Center staff to improve their skills and also their general management and strategic planning capacities. The project facilitated linking local entrepreneurs with western expert volunteers. In 1997, as a participant in the project, the Center provided such assistance to Tarnobrzeg’s two largest fruit and vegetable processing companies, generating fee income from these consulting services. Moving from an exclusively agricultural focus in 1997 – the Center’s range of services grew dramatically over the period (2000 - 2004) to include not only marketing, production and management services, but also financial management services for small businesses, and increased planning services and training for local governments, all with a view toward facilitating the EU integration process.

In a special report (March 2002), USAID’s Warsaw Mission made the following observation about the Center:

“The change in the agency’s service offerings, and a change in its core market, go hand-in-hand. As it has gradually moved away from general service provision for agricultural concerns, the agency has moved toward providing services to small businesses and local government, thereby complementing USAID efforts in local government development. These (local government) clients are more sophisticated now in their understanding of the value of consulting services. Further, unlike the agricultural sector, the small business sector is growing and better able to pay for services: agricultural businesses still require heavy subsidy to access consulting assistance.” . . . (Citing the observations of Halina Siemaszko, the Center’s director, the report concurs “One can clearly see the results of such a shift in thinking, specifically the 84.9% reduction in the foundation’s dependence on grants offset by the profitable generation of fees for service. Total income from operations has increased almost 50-fold while participating in the USAID-funded project, and the number of consulting service clients has increased by 375%.”

Reflecting these developments, the Center - in its Annual Reports for 2000, 2001 and 2002 described its core activities as:

- **Business Advisory Services:** Training and consulting services for small and medium-sized business focused on increasing client business profits and competitiveness - - provided within the Business Advisory Services (BAS) Project:
- **Local Government and Community Development:** Assistance to local government in building democracy and successful, community-based economic development –provided within the Gmina Project:
- **Education and Training Regarding European Union Integration:** Training and education focused on preparing agri-business, farmers and the rural areas of southeastern Poland for entry into the European Union – provided within the European Union Integration Project;

- **International Consulting and Training Services:** Designing and providing on-site training services and study tour visits for individual and groups of agriculture producers and processors, business entrepreneurs, and business development consultants from central and Eastern European countries and the former Soviet States.

At the same time, the Center began to foster the development of small-scale businesses such as bed and breakfast inns and home-based food processing and sale via project analysis services with a view to accessing the EU's **SAPARD (Special Accession Programme for Agriculture and Rural Development)**, a pre-EU entry source for efforts to restructure rural economies.

The Center also gave increasing attention to rural youth vocational guidance, through a series of training courses for students graduating from 6 regional high schools; these courses included orientation in small-business development. The Center also initiated a training program module for women, who might be seeking to enter business or public life. This new activity was initiated under the name TAK, **Society of Active Women** (in Polish it is Towarzystwo Aktywnych Kobiet – “TAK” which means YES).

With Poland's integration into the European Union growing closer, the dairy sector remained a major concern and focus of Center activity. In view of the fact that a major rural restructuring was in the future and indeed was essential – including diversification and commercialization of the agricultural sector – the Center considered appropriate education and re-training of dairy farmers, food processors and producers a priority responsibility. In this period, appropriate educational seminars and workshops were funded in part from the European Union Pro-European Initiatives program.

The Center Unveils a New Business and Conference Facility - The Hotel Basztowy – in Sandomierz – October 2002

With its growing role as a major convener of public events, trainer of trainers, entrepreneurs, and public officials, and with an increasing demand for these services, the Center had been increasingly feeling the constraints and pressure caused by a lack of facilities and available space. In early 1999, the Center was notified by the city of Sandomierz – which owned the building housing the Center – that it planned to sell the building and site of the Center’s rented offices for the development of a hotel. The Center’s leadership had long believed that the “old town” needed a suitable tourist hotel, and responded to the City with an “exciting” idea – wedding the Center’s mission with the needs of the City and region by creating and operating a facility that would be a hotel - for a growing tourist industry, but also function as a training and convention center, as well as provide office headquarters quarters for the Center. Planning got underway – and with major encouragement and financial support from an American foundation - the Mathile Family Foundation, the Center was able to begin construction in 2001. The award-winning 2,200 square meter 3-star facility opened in the Fall of 2002.

Executive Director Halina Siemaszko, as quoted in the Center’s Annual Report from 2002:

“After a lot of work and the enormous encouragement and financial support of a private foundation, (the Mathile Foundation) the Center was able to turn its dream into a reality. The Center’s new residential training and conference center opened this Fall (2002). Hotel Basztowy – so named because it is built in part on the ancient foundation of an old city gate – is on the southwest edge of the well-preserved ‘old town’ of Sandomierz city, well located between the old town square and Sandomierz’s historic castle. Construction was fully completed by the end of September 2002 . . . and opened to the public in October 2002.”

“Within the Hotel, the Training and Conference Center offers high quality conference and training facilities and (also hotel) accommodations at reasonable prices. The accommodations are intended to cater to and attract a wide variety of visitors to Sandomierz:

- Training participants
- Individual and family Polish and foreign tourists
- Organized groups
- Business travelers
- People attending social events and parties
- Students

Apart from its guest accommodations the training conference space includes:

- conference room for 100 participants
- training room for 25-40 participants
- computer training room equipped with 15 stations.”

“The three-story building exterior is designed to appear as five connected houses and fits beautifully with the architecture and historical buildings of Sandomierz “old town”. . . . This project is fully in line with the Center’s overall mission. This first-

class training and conference facility will help bring to the region the information and resources it needs for continued development. The facility created 17 full-time jobs and brings new customers and vitality to the area's existing retail and hospitality businesses. Importantly, the facility will enable the Center to further develop its own strengths as a training services provider."

Upon the occasion of the official opening of the Hotel Basztowy on October 12, 2002, Peter Reiling, TechnoServe's President and also an original member of TechnoServe's 1990 feasibility team, stated that:

"This wonderful conference center will draw new visitors to Sandomierz and act as a major economic boost to the city and surrounding communities. We of TechnoServe congratulate the Center for Business Promotion and Entrepreneurship for this tremendous achievement and wish our colleagues continued success as they help to create businesses and jobs and attract new investment in the region."

THE CENTER FOR BUSINESS PROMOTION AND ENTREPRENEURSHIP ON CENTER STAGE IN POLAND: 2003 – 2007.

The Center now characterized itself as a non-profit foundation focused on accelerating the post-communist economic transition in southeast Poland. Having expanded from its initial agribusiness focus, the Center now worked more and more on general business development, and also on public sector economic and development planning. In this period, the Center stated its focus as one of **helping individuals and communities harness private enterprise and democratic principles as a means to sustainable economic and social development.**

Addressing its services to entrepreneurs, farmers, small businesses, local organizations and government, it began to expand services and service locations – opening 5 sub-offices in 5 subregions in the Świętokrzyskie Voivodship. Additional professionals were hired and trained to operate services from these sub-offices.

In this period, Center services were concentrated in 5 main program areas:

- **Business Advisory Services (BAS):** Training and consulting services for small and medium-sized business focused on increasing client business profits and competitiveness
- **Local Government and Community Development:** Assistance to local governments in building democracy and successful, community-based economic development
- **Education and Training Regarding European Union Integration:** Training and education focused on preparing agribusinesses, farmers, and rural areas of southeastern Poland for entry into the European Union
- **International Consulting and Training Services:** Designing and providing on-site training services and study tour visits for individuals and groups of agriculture producers

- **Training and Conference Services:** Open-enrollment training, regularly scheduled courses, and custom-designed, closed, training programs provided in the Center's new residential training and conference facility, the Hotel Basztowy.

Late in 2004 the Center applied for funding support to the program "Act Locally", announced by Academy for the Development of Philanthropy (ADP) in Poland. This program supports non-governmental organizations and civic initiatives' acting to the benefit of specific local communities. ADP selected the Center as one of a limited number of organizations strategically placed in Poland to serve as grantmaking organizations, making grants up to US\$15,000 to finance local initiatives. Its success in this role had resulted in continuation of this grant-maker role under ADP through 2007.

And in 2005, an additional program area was added -- a loan-granting program established by the foundation for small-scale entrepreneurs and business start-ups.

By this time, the Center had well-established, official linkages with local, as well as international, agencies. It continued to be a prominent and active member of the National Small and Medium Enterprise (SME) Services Network, established by the Polish Agency for Enterprise Development (PAED). Today it serves on the coordination Board of this network, is a member of the network of the AGRO-INFO European Union Informational Centers, and is a member of the network of EURO-GO, an Association for Non-Governmental Initiatives forum.

In 2005 the Center had achieved its highest annual activity output to date. Its **BAS** Business Advisory Services provided more than 500 short-term services to prospective small and medium-scaled business owners, leading to the creation of 80 new jobs, and providing business skills to 2,000 people. Developing local business capacity focused increasingly on professional capabilities of the region's young people. At the end of the year, 60 young people had found jobs while 2 opened their own businesses. Continued support for the Society of Active Women (TAK) earned the Center new donor support from the Dickler Family Foundation (New York) thus enabling the Center to enhance and expand its activities in this area.

Beginning in 2005, the Center prepared a new offer of services for local governments, and made direct presentations to 14 local authorities along with 5 presentations to introduce the EU funded Leader+ Program to representatives of local and regional governments. These promotional activities resulted in 3 new contracts – to provide a series of workshops for local action groups on building public-private partnerships. As a member for the Association for Non-Governmental Initiatives the Center delivered 34 advisory services and undertook 6 regional seminars on subjects concerning structural funding and NGO formation. It also formed working relationships with local NGOs on a variety of social-service and cultural initiatives.

Under its **EU Education and Training Program**, the Center continued to strengthen its efforts to educate and inform rural communities, providing regional trainings to help adjust Polish agriculture to meet EU requirements: a program component that - of necessity - involves assistance in developing alternative sources of employment in rural areas as well as advising and assisting the best food producers and processors.

At this stage, the **International Consultant and Training Services** had proven to be a useful tool or vehicle to provide “study” tours for visitors to Poland from mainly Central and Eastern European countries, and covers a wide range of visitors, i.e. producers, business associations, etc., interested in seeing what is working elsewhere. The Center responds to these enquiries and opportunities by organizing individual site visits, workshops, and providing consultancies as needed.

Through its **Hotel Basztowy** complex, the Center continued to increase and improve its standing within the Region. In 2004, the Hotel had achieved a 61.9 occupancy rate, well above the national average, which increased to 69.7 percent in 2005, a rate that continued to increase through 2006. The training facilities are in use continuously. And the PHARE 2002 Regional Support Program for SMEs provided grant support that financed upgrading investment in the building’s infrastructure resulting in improved quality of services and expanded employment.

The Loan Fund – the Center’s most recent program addition –grew out of a collaborative effort – with a local consortium – into an independent effort by the Center to develop its own program and address the pressing need to help finance young businesses in a commercial financial context which did not offer reasonable conditions and/or access to this group. The Mathile Family Foundation - again the generous enabler – provided funds to the Center to undertake this program in 2005. Working with its Board of Directors, the Center negotiated the regulations, collateral and other requirements, and through a careful outreach program made presentations to more than 650 potential clients, receiving 54 applications, and approving by the end of year 2006, 20 loans totaling \$170,000.

Institutional Development and Marketing

Operating all programs on a daily basis, and maintaining close detailed oversight of all systems and operations, is a continuous effort. The Center’s Executive Director and senior staff give ongoing attention to supervision and at the same time devote considerable time and effort to new program development and strengthening and widening the Center’s network of contacts, and funding bases. Improving their own skills in the required areas of expertise is consequently ongoing. Participation in advanced training courses – in Europe and abroad – is undertaken on a prudent and as available schedule.

Marketing is a world-wide sales effort, one in which staff aggressively research new funding opportunities for programs and training opportunities for staff. Among these, honing fund-raising skills, including proposal-writing and donor research, are ongoing. Fee-for-service opportunities are given special attention, with the Center bidding on tender offers from public and private agencies, companies, and local governments to continue to grow what has proven to be an increasingly major and viable source of funding and income for the Center.

THE CENTER AT 15 YEARS

“Since the country’s entry into the EU, it appears that the worst worries were not realized – instead of being flooded with cheap subsidized Western European food – Polish food went abroad – which helped Polish farmers a lot – although it increased prices for the average consumer. Polish export, especially for food products to EU countries increased at about 40%. . .It is interesting that also Polish export to countries which do not belong to EU – Russia, Ukraine, Norway -- increased. One of the

reasons is cheap and efficient labor. The quality of Polish products is getting better as well as the work efficiency.” (<http://culture.polishsite.us/articles/art286.html>).

This is the background in which the Center now finds itself, and in a forward-looking situation which, without doubt, it has helped to facilitate.

In 2006, the Center – with its highly qualified staff working out of its Hotel Basztowy headquarters, and also from 5 regional sub-offices -- sustained the dynamic momentum gained in recent years. Training and advisory specialists now operate out of: Busko - Zdroj, Opatow, Ostrowiec, Świętokrzyskie, Staszow and Stalowa Wola. In 2006, the Center (including its affiliate offices) provided training and advisory services to more than 2500 clients, **259 training sessions** were provided **for 1863 new businesses** – a major new benchmark reflective of the Center’s impact – **designed and organized a series of training courses** in addition to providing **direct technical assistance to 49 clients, conducted computer training courses for 30 persons and conducted 36 workshops in proposal writing for EU structural funding.**

Supported by a three-year working agreement with the Academy for the Development of Philanthropy in Poland, the Center continued its grant-making program to support local, non-government organization programs and civic organizations.

In summary, at this historic point in its “history” – marking its 15th anniversary in June 2007 – the Center has attained prominent status as an national service organization and has become a major national resource for the ongoing integration into the European Union.

Leadership

In January 2007, Halina Siemaszko marked 15 years with the Center, starting in 1992 as Senior Program Officer, then – in 1994 becoming TechnoServe’s Country Director – and finally, in 1995, Executive Director of the autonomous Center. Her insights, courage and persistence have given the Center and its mission clarity of focus and forcefulness.

Reflecting on the growth of the Center and its prominent role in Poland, in January 2007, Peter Reiling, now Executive Vice-President for Leadership and Policy Programs at The Aspen Institute in Washington, D.C. had this to say about the Center:

“At TechnoServe, I had the pleasure to assist in the design and launch of the Center in its early days. From my new perch at the Aspen Institute, I find that I have an even greater appreciation for the leadership Halina displayed in getting it aloft. Without enlightened and effective leadership, no venture can survive for the long-haul. That the Center is still thriving this many years later is a testament to Halina and the team she assembled around her – board, staff and supporters. I couldn’t be more proud of her and of the impact she has had on the lives of many.”

Structure

In 2007 – the Center was staffed by a total of 22 highly-trained professionals, as follows:

Board of Management:

Halina Siemaszko, Executive Director and Director of the Board of Management
Piotr Korpysz, Rural Areas Development Program Coordinator

Senior Training and Advisory Staff:

Anna Zajac - Nogaj, Business Advisory Services Program Coordinator
Anna Franczak, Local Government and Community Development Program Coordinator
Krzysztof Lubas, Loan Fund Program Coordinator

Training and Advisory Specialists (located in Sandomierz and in the satellite offices):

Justyna Juda
Beata Czaja
Marta Chciuk
Agnieszka Faras
Ewa Gajewska
Zbigniew Krawiecki
Katarzyna Sawicka
Dorota Pietrkiewicz
Joanna Boduch -Paw
Iwona Sztorc
Agnieszka Szostak

Administrative Staff:

Halina Sadecka, Human Resources and Promotion Coordinator
Marek Jadach, IT Systems Administrator
Dominika Dlugosz, Secretary.
Lidia Pieta, Chief Accountant
Monika Przydatek, Accountant
Anna Zimnicka, Bookkeeping Specialist.

Governance

Since its formal inauguration in 1995, the Center's Board of Directors has developed into a highly supportive and valuable partner, particularly in the latter years – lending guidance and impetus to efforts and also facilitating links to organizational resources both national and international. At the end of 2006, the Center's Board of Directors included:

Mr. Piotr Wilkonski, Chairman of the Board

Professional affiliation: Chairman of FORFAITING, a consulting company, Rogowo, Poland

Ms. Anna Potok, Board Member

Professional affiliations: Expert in Rural Areas Development, Poznan, Poland

Mr. Ryszard Jania, Board Member

Professional Affiliations: General Director, Pilkington Automotive, Sandomierz, Poland

Mr. Stanislaw Adamczak, Board Member

Professional affiliation: Professor and Dean, Technical University, Kielce, Poland

Ms. Suzi Kanyr Hagen, Board Member

Professional Affiliations: Team Leader, Economic Security, Serbia Contingency Planning & Economic Security Project (SCOPES), Associate, Booz, Allen & Hamilton, Belgrade, Serbia

Mr. Steven Londner, Board Member

Professional affiliations: Senior Advisor, Strategic Initiatives, TechnoServe, Norwalk, Connecticut, USA

Mr. Czeslaw Nowak, Board Member

Professional affiliations: Professor and Department Head, International Agriculture and Extension, Faculty of Agriculture and Economics, University of Agriculture, Krakow, Poland

Outlook

Board members, as well as staff, are confident that the Center has developed to the point where it is now a major, national asset.

In the words of Center Board member, and TechnoServe liaison, Steven Londner:

“It has been my pleasure and privilege, since 1995, to work with the Center’s Executive Director, Halina Siemaszko, and her staff, Board, donors and TechnoServe’s support team. Since its founding fifteen years ago as a TechnoServe project, the Center has grown and matured into an independent, sustainable, effective mission-driven and market-sensitive institution, a valuable resource for local businesses, families, communities, and non-profit agencies. It helps them apply best-in-class commercial and democratic principles and methods to defining and resolving their problems, and identifying and developing their opportunities. The Center is now networked all across Poland and well into Europe – the next fifteen years promise to be even more exciting and impactful!”

Board Member Anna Potok concurs:

“My fifteen years as a Center Board member and active supporter has been a period of great adventure and satisfaction. I remember the difficult early years, as we struggled to find ways to help local communities build and harness their creativity and develop. And I’m witness to the Center’s success.

To what can this success be attributed? The Foundation initiated its activities in a difficult time of very rapid socio-economics changes – a time that required professional competency and well-crafted strategies.

The Center’s current effectiveness and prosperity isn’t an accident – it was patiently built by professional staff, who for years worked to develop partnerships and mutual trust with all local actors: local governments, nonprofit organizations, and local businesses. At the same time the Foundation was able to gain the confidence and financial support from many domestic and international agencies -- U.S. governmental and private organization support was key to building the Center’s strong and sustainable organizational and management structures. But this financial support only came because these donors believed in the Center and its mission.

To me the most important contributor to the Center’s success has been the unwavering positive ethics and attitudes of the Center’s staff members, management and Board. Key among these are the Center’s strong and focused commitment to its mission and long-term objectives; and continual investment in staff’s professional and personal growth, coupled with the use of the best external expertise.

The other factor of success has been continual institutional learning – The Center continues to ask the difficult questions: What does local, regional and national development really mean? Are we going in the right direction? What should we change? And probably the most important question: How can we best mobilize and support local populations in improving their communities and their lives? The answers are not simple; we have learned humility. But continuing to ask the questions is key.

To me, the Foundation is a perfect example of a non-profit organization, and an excellent model for the many other organizations engaged in the process of building civil society in Poland. Building the strong “foundations” of democracy, freedom and economic opportunity isn’t easy. For many years I’ve admired the Foundation’s team for avoiding easy temptations and maintaining the highest standards of integrity and principles in everything they do.”

Board Member Czeslaw Nowak marks:

„G-localization” ---- these days globalization is usually associated with problems. In contrast, the Center is a positive example. Thanks to the generous support of American friends it was possible to establish an organization that supports the people of Świętokrzyskie rural areas using EU financial sources – a wonderful combination of global and local activities. It’s not surprising that lessons from American experiences may be useful in Poland – both countries have almost the same number of farms and in both countries income from agriculture is a decreasing part of rural families’ incomes. The Center represents a splendid collaboration of staff members and its partners, both local and international, to draw on their own experiences in service to the rural youth and citizens from such places as Solec Zdrój, Busko Zdrój, Stopnica, and elsewhere in our region. In this way we help shape the future.

Finally, Board Chairman Piotr Wilkonski sums up his experience with the Center in the following words:

“ have greatly enjoyed and benefited from my 12 years of involvement with the Foundation, as a member and Chairman of the Board of Directors. What I appreciate most is the unflagging positive attitude and enthusiasm that surrounds the Foundation and its work. In part it comes from the satisfaction of working for the benefit of local citizens, but key to me has been the Management’s leadership that creates an atmosphere that is completely professional but infused with energy, enthusiasm and joy. In my experience it is unique. I always come away from my interactions with the Foundation with my ‘batteries fully charged’.”

III. DONOR PROFILE

THE MATHILE FAMILY FOUNDATION OF DAYTON, OHIO

Benefactor and Friend

An historical account, a “biography” as it were, of the Center for Business Promotion and Entrepreneurship in Sandomierz, Poland must of course take into account the means by which this foundation arose from a concept to become the vital social resource – a real ‘center’ - of ideas, energy and support – moral as well as material – that it is today. The human insights, goals and energies required considerable material means – i.e. financial – to get the Center going, to move it from an ambitious project concept on paper to achieve its ultimate reality, that of a self-sustaining, self-directed, vital national organization.

As noted earlier in this document, as a TechnoServe project- apart from the grant support provided by the Agency for International Development over a 6 year period, the Center received major grant support from several private American foundations (i.e. the Mathile Family Foundation, the Andrew Mellon Foundation, the German Marshall Fund of the United States, Citibank, and the Jurzykowski Family Foundation. While these funds were important as required “matching funds”, they were even more significant in terms of the recognition by private philanthropies of the role such a center could play in promoting and supporting social and economic self-help, i.e private enterprise, in a post-Communist society. None more so in this instance than the role Mathile Family Foundation has had in the entire life of the Center – from the start-up in 1990 to fruition in 2005. Over a 12 year period (1990 – 2005) the Mathile Family Foundation has provided the Center with grant and loan support totaling over \$ 3 million.

The Mathile Family Foundation was founded in 1989 by Clay Mathile – President and CEO of Iam’s Pet Food Corporation - and his wife Mary and their children – with a shared family vision that “by working together we hope to create a well-managed, entrepreneurial foundation” to benefit families, their children and future generations through supporting organizations that have the capacity to impact the lives of children, families and the communities in which they live.”

This emphasis on entrepreneurship – articulated in the foundation’s vision has always been a major factor in Clay Mathile’s ethos –seeing entrepreneurial endeavors, or economic self-help, the key to community growth, stability and family, in fact, national well-being. This was also reflected in his establishing – in 1996 – in Dayton, Ohio, the Clayton L. Mathile Learning Center as part of “Iams University:” an educational training program aiming to develop a wide range of business, personal and technical skills for Iams’ employees and customers.

In 1999 – and after the sale of Iams to Proctor & Gamble, Inc., Mr. Mathile founded Aileron intending it to become a major regional resource and learning center to assist local leaders of private enterprise. The Aileron mission statement reflects his deeply rooted passion to assisting entrepreneurs. “Our mission is to create an environment for

leaders of private enterprise to think, learn and focus on achieving their dreams. . . .
“We believe in entrepreneurship, free enterprise and the American Dream where we have the opportunity to drive growth, wealth innovation and jobs in our economy. We champion free enterprise for the greater good of our communities and maintain our independence with no political agenda.”

This ethos and these personal views were evident in his responses during an interview in March 2007 about his foundation’s grants for the Center.

Q. Considering all of the countries that could have benefited from your generous gift to Sandomierz, why did you and Mary select Poland?

A. “We really were impressed with Halina and her vision. In addition, we have a special affinity for the Polish people. All their years of enduring the Nazis and the Russians, and they never lost their faith in God.”

Q.” The Foundation’s grant support was particularly critical in the years 1994-1999, when the Center was quasi-independent from TechnoServe. What moved the Foundation to sustain this critical support – I expect it was your understanding and appreciation of the creative role “entrepreneurs” play in driving and sustaining a country, an economy and a culture.

A “In addition to the above, we believe that total freedom is economic, political and religious. The way Poland is going to recover and become a great place to live will depend on the creation of jobs and wealth”

Q. “And, finally, what moved you to facilitate – through the magnanimous grant/loan arrangement to the Center - which enabled Halina and staff to realize their dream of a hotel/training facility/office that exists today?”

A. “I attended the dedication ceremonies and again, I was very impressed with Halina, her staff and the people of Sandomierz and what they were able to accomplish working together.”

IV: CLIENT PROFILES

Client Profile 1

Mr. Zdzisław Baran. Farmer and Raw Milk Producer. Kobylany Village, Opatow Poviast.

Initially the Foundation's programs were focused on support for the regions agriculture. Thus, for several years, the Center has concentrated on preparing the region's dairy farmers to meet the European Union's (EU) high technical requirements. Dairy farmers were trained in modern efficient methods of increasing dairy production and meeting the new norms for milk quality. Activities were also linked to an annual seminar for dairy producers from the region to prepare them for the standards and requirements of the European Union and an innovative milk quality contest.

The first milk quality competition for the dairy farmers was announced during the second annual Dairy Day Seminar in 1997. In February 1998, during the Dairy Day III, awards for the winners were announced, and the final results of the contest were presented.

The main goals of the contest were:

- Improvement of dairy cow herds, the basis for the dairy farm economic efficiency,
- Promotion of the farms, gminas and dairy cooperatives achieving the best results
- Preparation of dairy farmers, processors and institutions working in dairy for integration into the European Union
- Integration of the dairy community in Tarnobrzeg district with the goal of increasing production efficiency in this sector.

During one year of the milk quality contest followed with series of training sessions provided by the Center, Mr. Zdzislaw Baran from Kobylany village, significantly improved hygienic conditions of milking cows, cooling and storage of raw milk in his farm. These important changes were appreciated by the contest jury and Mr. Baran was awarded with the first prize in category: "best livestock building and milk collection point."

Thanks to the Center's assistance, Mr. Baran understood that during the coming years—which were expected to be very hard for the agriculture sector-- he had to meet the challenge of survival through improving and expanding his farm and specializing in raw milk production. In 1997 he owned a 15 hectare farm with 9 cows; in 2007 he now farms 34 hectares and has 35 cows and 26 calves. Besides adopting improved feeding methods and genetically improved cattle, he also invested in improved dairy equipment such as a bulk milk cooler (1600 liters capacity) and automatic milking equipment, building modernization, and cleaning and fumigation systems. As a result, productivity of his herd -- an average of 7200 liters/per cow/year (with the champion cow delivering 10 500 liters), now far exceeds the national average of 4200 liters/per cow. Mr. Baran now sells 230 000 kg of raw milk per year which brings in an annual income in excess of US \$85 000.

Client Profile 2

Jan Rotmański. Owner of “PANORAMA” Hotel and Restaurant opened in 1999 in Jędrzejów, Ostrowiec Świętokrzyski Powiat.

Poland officially joined the European Union Community on May 1, 2004 and subsequently became eligible for support from both the EU structural funds and the Cohesion Fund. The primary objective of these funds is to provide assistance in reducing domestic inter-regional development disparities, in order to strengthen national economic and social cohesion. Accession to the European Union Community opened new opportunities for Polish businesses, citizens of rural areas and local governments to access financial support for their economic development initiatives.

In 2003, as the owner of a small hotel and restaurant, Hotel PANORAMA, located close to a main road from southern of Poland to Warsaw, Mr. Rotmanski had access to EU pre-accessing programs intended to increase small and medium enterprise competitiveness and help them prepare for integration with the European Union. The Center was asked by Mr. Rotmanski for assistance in applying for a preliminary grant from the EU SAPARD Program (Support for Pre-Accession Measures for Agricultural and Rural Development).to plan for and prepare all the documentation required to apply for major assistance in modernizing the hotel With the Center’s help, he was awarded a grant of US\$23,500. (Also, in 2004 the Center helped him gain US\$15,700 US from PHARE 2002 towards the purchase of equipment and construction of a new banquet room.)

In 2005, the Center helped Mr. Rotmanski prepare a detailed business plan, as the core of his application to the EU Structural Funds (Sectoral Operational Program – Improvement of the Competitiveness of Enterprises) to cover 50% of the costs of US\$ 580,500 for a major modernization and expansion. Despite of the fact that he wasn’t awarded with the grant, because of the formal reasons, business plan prepared by the Center helped him to receive commercial bank loan of US\$ 500,000 for building new wing of the hotel, and its equipment and furnishing.

In 2006, a strategic plan for the further development of Hotel PANORAMA was prepared by the Center’s Specialized Service component. This plan was executed free of charge, thanks to the Center’s access to a range of programs providing advisory, training and information services for small and medium enterprises.

Starting from the small restaurant located by the road in 1999, with the Center’s help Mr. Rotmanski has since developed his business into a hotel with 11 rooms, restaurant and banquet room. In 2007, the hotel and restaurant are undergoing extension for another 27 rooms, new equipment and furnishings that generate additional employment opportunities as it facilitates further increases in the quality and range of services offered.

Client Profile 3

***Gmina Nowa Dęba.* A local government unit situated in southeastern Poland's Podkarpackie Voivodship, with 19 236 inhabitants on territory of 143 km². (The *gmina* is Poland's smallest administrative unit of self-government. It is like a large US county, and generally is made up of a small town and 25-35 surrounding villages).**

Early in 1999, the Center applied to the USAID-funded Local Government Partnership Program (LGPP) and was accepted as a consultant and training resource for providing strategic planning and management orientation workshops for representatives of local government and communities assisted by LGPP. In the second part of the year, this program was reoriented to assist selected *gminas* in their strategic economic planning and development. The Center was chosen as a major contractor to the LGPP Program to implement a complex program of strategic economic development in *gmina* Nowa Dęba.

Based on these experiences, late in 1999 the Center received support from the LGPP Program to implement the "First Step" program of training workshops focused on improving rural youth presentation skills in *gmina* Nowa Dęba. This program was implemented in 2000, with a critical first element being the building of consensus among local leaders on how best to work with young people, notably on employment issues. Through this program eight local individuals were identified and trained as trainers for youth and a strong network of concerned groups and individuals was forged. In addition, a series of twenty workshops for youth and the unemployed was completed.

In early 2000, with funding support from the US Embassy, the Center designed and implemented the project "Developing Community Leadership and Participation" (CEL), to support and strengthen local community leadership. The activity's objective was to identify and assist key local leaders to develop and strengthen communication and relationships among all components of the local community and thereby help local government to be responsive, efficient and effective. During 2000, under this CEL program the Center provided ten two-day training workshops for 620 representatives of 27 local governments, *gmina* office employees, and members of non-government organizations from two neighboring provinces. *Gmina* Nowa Dęba was among those to whom the program was addressed. These workshops were focused on communication methods and skills and local community participation in *gmina* management decisions. As part of the program, 10 CEL "bulletins" on issues of communication, public relations and community participation were prepared and distributed to 262 *gminas*.

Both local economic development and the growth and strengthening of democracy require efficient and effective local government. This in turn requires clear and strong communications and relationships among all components of the local community. *Gmina* Nowa Dęba has consistently made the best use of the Center's efforts towards developing a positive social and business climate that attracts new job-creating investments, and encourages entrepreneurship; it now ranks among the most progressive and participatory local governments in the process of development planning and implementation in our region.