

**Business Advisory Service (BAS) Programme
Kyrgyz Republic**

eBulletin



Schweizerische Eidgenossenschaft
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Swiss Cooperation Office in the Kyrgyz Republic
Кыргыз Республикасындагы Кызматташтык Бюросу Швейцариялык Бюро
Швейцарское Бюро по сотрудничеству в Кыргызской Республике



Types of projects supported by BAS

in Kyrgyzstan

- Market researches and branding
- Strategic planning
- MIS (1C, BIS, Navision, Scala, Auto-cad)
- Development of business plans
- HR management
- Energy efficiency (bio-gas engineering)
- Quality Management (ISO 9001, 14001, 18000)

BAS info session

After the launch of the changes to BAS in Phase III, BAS had not disseminated the information among all consultants due to various country related factors. The BAS team held a roundtable for consultants at which BAS staff explained the recent changes in the programme in detail.

With the launch of the new phase, BAS Program increased the amount of subsidy for the enterprises from 50% up to 75% for some specific types of the consulting projects. The maximum amount of the grant should not exceed 10 000 Euro per one enterprise. The changes will be applied to the enterprises located in less developed regions like Talas,



Naryn and Batken Oblasts. Besides, 75% of the grant will cover the following types of consulting, like agricultural consulting, environment consulting, strategic planning and energy saving consulting.

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BAS Statistics-Project types

Market analysis and planning	36%
MIS	23%
Engineering	20%
Development planning	12%
Feasibility studies	4%
Reorganization	3%
Energy Efficiency	2%
Accounting MIS	2%

Upcoming events

September 8-9, 2010	Meetings with Talas NGOs and BDS organizations for setting up cooperation, Talas
September 9, 2010	CAI CMC Board weekly meeting, Bishkek
September 14-15, 2010	Kaizen follow-up seminars for consultants, Bishkek
September 16-17, 2010	Meetings with Naryn NGOs and BDS organizations for setting up cooperation, Naryn
October 6-8, 2010	1st Annual Congress of CMCs at Lake Issyk kul

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BAS info session (beginning on page 1)

In 2010, BAS Program in the Kyrgyz Republic plans to finance 108 enterprises as minimum with different objectives of the project.

In the new phase of the project, BAS Programme in the Kyrgyz Republic will continue its activity as the facilitator between the suppliers and consumers of services of the consulting market. Based on the experience gained for 4 years, BAS team will continue supporting the development of consulting through geographical extension and improvement of the consulting services quality through the intensive and targeted actions in developing the market. The important area of activity will be the work on uniting the consultants into the professional community followed up by international certification.

To provide the transparency of the project, and aimed at involvement of the market stakeholders, BAS Programme in the Kyrgyz Republic has established the Steering Com-

mittee represented by Swiss Government, Kyrgyz Government, business community, non-commercial and professional communities.

The previous phases of the project have already supported 378 enterprises in different sectors to improve their activity, increase of sales, reduce the costs, increase the share of the market and export, attract investments, create additional jobs and improve the competitiveness at the local and foreign markets, The project has also trained 200 consultants and experts allowing them to improve their knowledge and extend the range of services.

During the Infosession topics discussed also included new grant levels, the Annual Consulting Review and other procedures. The Infosession was attended by about 50 consultants, both BAS-qualified and potential BAS consultants.

BAS new grant guideline matrix

Strategic planning	75% subsidy payment	75% All regions of Kyrgyz Republic
Marketing researches and market planning		
Environmental protection and ecology		
Energy efficiency		
Business planning, including proposals, business plans and feasibility studies for project finance	50% subsidy payment	75% Naryn, Talas, Jalalabad, Batken oblasts
Promotion, branding, advertising campaigns		
Websites development		
Accounting Management information systems		
Management information systems and other IT solutions		
Reorganization and restructuring		
Human Resource Management		
Quality management systems (ISO 9001, 14001, 18000)		
Engineering studies		
Other types of business advisory services, excluding audit, legal consultancy, taxation		

Case study: Preobrazhenskoe Farm

Company profile

Preobrazhenskoe Farm was established in 2001 after collapse of "Kyrgyz Selhoz Tekhnika" by 4 founders. The main activity of the farm growing crops - wheat, barley and hay on 750 hectares, including 722 hectares that are rented from the state and private farmers. Company has the big motor-vehicle pool of agricultural machinery and moreover the farm provides services of grain cleaner and artificial insemination. Also, the company renders additional services to the population on rent of agricultural machinery from the motor-vehicle pool that gives about 20 % from the aggregate profit.

Having significant resources for livestock breeding the management decided to diversify activities of the farm by breeding cattle as additional income. Currently the livestock is kept on houses of farm members, but if the livestock will be kept on the farm's territory and its increase will cause a problem of animal manure utilization, the management beforehand foresees this problem and decided to install biogas module to process animal manure and get ready fertilizers. Having no experienced staff the management applied to BASP for biogas consultant and subsidy.

BAS assistance

BAS tasked PE Gudkov to analyze the needed biogas capacity and construction scheme. The consultant chose a place for installation of biogas module and suitable loading of livestock waste. He draw a construction scheme, chose appropriate materials and used his own technology for assembling biogas



system. As a result, he installed, tested and launched the biogas system. Besides, at the request of the client, he developed gas treating system and trained the client to use the system and advised on the exploitation.

Outcome

Successful installation of the system enabled the farm to produce natural fertilizers to enrich the ploughland, which resulted in increase of harvest up to 30%. The methane gas is used for heating and food preparation; it is expected to decrease the expenses on electricity and coal up to 40%.



We are pleased to announce that from 6-9 October 2010 the First CMC Congress will be held at "Caprice" resort at lake Issyk-Kul.

The overall objective of the Congress is the consolidation of the members of CAI CMC for the development and promotion of the association and management consulting profession.

Informal format will contribute to the solution of problems, sharing experiences, building and strengthening relationships, identifying new opportunities, the development of the Association.

Key topics to discuss are:

- Results of CMC-certification in Jordan
- Discussion of the issues that exist in management consulting market
- Promotion of consultancy services
- Training needs of consultants for 2010-2011
- Ethic standards for management consultants.

Furthermore, the outputs of the conference will contribute to and be reflected in strategy of the Institute for 2010-2011.

Organizational committee contacts: 0312 62 06 46

Capacity building of Kaizen consultants in the Kyrgyz Republic

Practicing business consultants took part in the practical course "Kaizen - Lean Manufacturing". The organizers of this training are German Technical Cooperation (GTZ) and BAS Programme. The trainer is a Russian specialist with years of experience in implementing the methods and tools of lean manufacturing.

The practical course was conducted at one of the pilot enterprises, selected on a competitive basis. The participants of this course are practicing business consultants working in leading companies of Kyrgyzstan, who were selected on a competitive basis.

"Kaizen" is a continuous improvement process, which involves all - top managers, middle managers and workers.

The main goal is to be profitable, stable, sustainable and innovative. Also, this system is determined to eliminate loss of time, money, materials, resources and efforts, as well as to improve productivity. Originally developed and applied by the Japanese industries in the 1950's and 60's, "Kaizen" continues to be a successful philosophical and practical basis for some of the most famous Japanese corporations, and for many years has



been interpreted and adopted by western organizations around the world.

During the training, participants received theoretical knowledge of lean manufacturing, many of which were immediately implemented on the production of pilot enterprises.

The main results of the study (at the beginning of the third week) were: increase in daily production by 25-30 percent and more than three times the accelerated storage of basic materials for production.

Also participants of the training significantly reduced the level of spoilage in production through the strengthening of quality control at key stages of the production process and streamlined warehouse operations support materials through the systematic arrangement and improvement of accounting. According to the training par-

ticipants, all of the above results have been achieved without considerable expenses. This is the main characteristics of lean manufacturing tools in comparison with other systems. As a result of the practical course management of the pilot company expressed deep satisfaction with the results.

As Akimbek Bektenaliev, the training participant says, trained business consultants, will also hold short-term training and practical "Kaizen-session" on several pilot enterprises of the republic in order to introduce some tools of lean manufacturing. After that they will be able to distribute the accumulated experience of other enterprises in various sectors of the economy of Kyrgyzstan with the support of GTZ jointly with BAS Programme. This work will surely bring quick and tangible results for the dynamic development of enterprises of Kyrgyzstan and will give impetus to the economy of our country.

