

## ACCOMPLISHMENTS IN 2014 – CEED ROMANIA

The year 2014 marks for CEED Romania two notable **accomplishments**:

1. The start of a new EU-funded project focussing on women. *Active women in the Labour Market* is a USD 3.5 million project that will enhance equal opportunities for 800 women by improving their equal access to employment and professional career development, including entrepreneurship and networking.
2. The successful closure of the 3-year project funded by RAF, *Green Entrepreneurship - Social Enterprises for Sustainable Development*. Seven nongovernmental environmental organizations were funded and assisted to set up green social enterprises. This innovative initiative created an economic growth model based on the balance between economic results, environmental conservation and positive social impact. Its results and multidimensional impact are detailed below.

### Entrepreneurs Highlight

Below is a presentation of our partner **MBM Software & Partners SRL**, which participated in the CEED EY award/contest.

**Active Women in the Labor Market** is a project co-financed by the European Social Fund through the Sectoral Operational Program Human Resources Development 2007-2013.

Duration: 19 months, in the period May 9, 2014 – December 15, 2015.

Budget: approx. Lei 12.3 million, i.e. approx. USD 3.5 million, of which CEED share is approx. USD 853 thousand.

**The partnership** of the project consists of:

- Foundation CEED Romania
- SC IPA SA - company for research, design and production of automation equipment and facilities
- Youth Forum Association

### **Overall objective**

The overall objective of the project is to enhance equal opportunities for 800 women by improving their equal access to employment and professional career development, including entrepreneurship and networking, while strengthening the application of the principle of equal opportunities and gender so as to create an inclusive labour market.

The project area includes the regions: South-East, South, South-West and Bucharest-Ilfov.

### **Expected results**

- 485 of the beneficiaries will acquire new professional skills and qualification certificates in the ICT field and as sales workers, thus will increase their chances of access to the labour market;
- 315 women will acquire new and improved professional /managerial/ entrepreneurial skills, connected to their current occupations, that will enable them to advance in their career or start-up their business, thus creating new jobs by and for women;
- the use of the principle of equal and gender opportunities will strengthen by increasing the awareness of the 800 women as well as of relevant stakeholders regarding the importance of the legislative requirements and the modalities of implementation of this principle.

During May – December 2014, the project progress consisted of:

- 196 women enrolled in the first 7 vocational training courses for ICT operators held by the partner IPA. The courses last 6 months and the graduates will acquire certificates that are recognized by the Ministry of Education and Ministry of Labour.
- 81 women graduated the 4 training courses for Project Managers held by CEED and obtained Project Manager certificates.
- 56 women graduated the 2 entrepreneurship training courses held by CEED and obtained nationally recognized certificates.
- Over 70 women obtained business and management consulting assistance, during over 120 consulting meetings, with the aim to help them start-up their own company or grow their existing business.

**Green Entrepreneurship - Social Enterprises for Sustainable Development** is a program funded by the Romanian-American Foundation (RAF) and developed by a consortium of partners made up of the RAF, the Environmental Partnership Foundation (EPF) and the Center for Entrepreneurship and Development in Romania - CEED Romania.

The program lasted three years, during which time seven nongovernmental environmental organizations were funded and assisted to set up green social enterprises capable to responsibly harness local natural and cultural resources. CEED Romania was responsible with the capacity building component, more specifically management training and business consulting activities for program beneficiaries.

The Program has drawn up a development model focused on creation of local business opportunities. It started from the idea that Romania's extremely rich natural and cultural heritage of Romania, proven by its many Natura 2000 sites and national parks, its well-preserved customs and traditions, its traditional lifestyle and its diverse wildlife are the opportunity based on which a sustainable growth model can be built.

What makes the Program an innovative initiative is its orientation towards sustainable development, i.e. towards creating an economic growth model that is capable to achieve the balance between the economic results, the environmental conservation and the positive social impact. Green Entrepreneurship is therefore placed at a point of intersection, a point that is normally left aside by most specially-targeted programs implemented by central and local administrations or by corporations.

The Nongovernmental organizations and enterprises financed were:

- Center for Protected Areas and Sustainable Development: Ecotourism at Meziad Cave
- Romanian Ecotourism Association; Slow Travel Company - environment-friendly tourism operation in the Danube Delta
- Szekler Fruit Association; Berries and mushrooms processing plant
- Hilița Association for Orchard and Vineyards Owners: processes fruits based on traditional recipes
- EcoLogic Association; Greenway Tour Agency - providing eco-tourism services in the Gutai Mountains natural park and surrounding rural communities
- Agent Green Association; Wild Time Green Tours Agency providing eco-friendly tourism services in the Natural Park of Retezat Mountains
- ProPark Foundation for Protected Areas – expande their training and consultancy programs for protected areas' management services

### **Program Outcomes and impact**

The outcome of the Program can be quantified based on multiplecriteria ranging from the change in the mentality of the leaders of the implementing organization, to the creation of new jobs for the community.

By the end of the Green Entrepreneurship Program, the seven social enterprises established under the program had created more than 100 temporary and permanent jobs and had gathered together approximately 300 families, mainly local producers and small entrepreneurs, who now generate additional income.

In addition, the implementing environmental organizations involved in the program have generated – or have chances to gain – additional income source to finance their core activity and the basis for triggering more funds.

The program was intended to create and managed to achieve a triple impact: environmental protection and conservation, profitable business, and local community development.

*Besides its concrete and quantifiable results, the Green Entrepreneurship Program's contribution was also recognized in 2013, at the Civil Society Gala, when the Program won the first prize at the "Economic and Social Development" section.*

## Environmental Impact

All the seven grant recipients have as their key area of interest the development and preservation of the local heritage (environment, traditions and culture, local plant varieties and species).

The social/community enterprises set up under the Program are contributing to the:

- rescuing and perpetuation of local plant species and crops (*Zetea Center for Berries and Mushrooms Processing and Hilița Association for Orchards and Vineyards*);
- preservation of traditions, craftsmanship and rural lifestyle (*EcoLogic Association acting via the Greenway Tour ecotourism agency*);
- preservation of the county's natural resources (*the cave in Meziad and the Slow Travel Company in the Danube Delta*);
- environmental training and education (*ProPark and Agent Green, through Wild Time agency*).

In addition, the financial gains incurred by the social enterprises will contribute in the long run to the funding of the core activity of the implementing environmental organizations.

## Economic Impact

The 7 new social enterprises have created over 100 new seasonal or permanent jobs. Moreover, where the business idea is coupled with forming clusters of local artisans and manufacturers, the degree of economic impact on the life of the community is even higher: in total, nearly 300 families (of local manufacturers or entrepreneurs) are currently working for or with the social enterprises.

In terms of attraction of additional financial resources to the communities through the establishment of enterprises, the precise impact is difficult to quantify in the short term and in the aggregate. The fact is that:

- The Romanian Ecotourism Association has succeeded to trigger three more projects in the Danube Delta, worth about EUR 40,000, centered on the social enterprise.
- ProPark has quadrupled its project funding capacity.
- At Zetea, the US\$ 50,000 grant allocated under the Program has triggered EUR 350,000 in resources from the community and additional funding for a new investment project.

In terms of profitability and financial results, it is early to draw a final conclusion after only 18 months of enterprise operation. Some of them (*Meziad Cave, Greenway Tour agency and ProPark*) are profit-making; others are expected to start to make profits from their third year of operation (*Zetea*), while the rest should further fine-tune their business strategy and business model, so as to eventually become profitable. Fact is that all seven social enterprises are continuing and are developing their business following the closure of schemes, as the Green model allows a modular approach, where different investors join into partnerships and consortia to achieve common objectives. Profit-making social enterprises are reinvesting their money in diversifying the range of projects undertaken by the nongovernmental organizations that created them, thus contributing to the financial sustainability of the latter.

Several brand-new products were manufactured locally during the Program (*16 products in Zetea and 3 certified traditional products in Hilița*).

Two of the most important benefits of the Program – which are otherwise rather difficult to measure in figures – are the transfer of business and management knowledge and know-how and the change in the mindset of the organization's leaders: from a mentality oriented

towards short-term projects with immediate results, to one focused on generating long-term income. The testimonials below illustrate it.

### **Testimonials: From Thinking “By Project” to Business Thinking**

*„Before, we had certain budgets to spend and reports to deliver every six months or every year. Now, we have to constantly manage the money we make from doing business and do everything we can to be competitive and ensure the self-sustainability of the agency.”* Emil Pop, EcoLogic Association / Greenway Tour Agency

*„At first, we thought that our main market would be the Romanian market. But we were soon to discover that most of the tourists were from abroad, which took us by surprise at the beginning. We didn’t have any promotional material when we started.”* Emil Pop, EcoLogic Association / Greenway Tour Agency

*„In business you have to risk a little, to overcome obstacles, if you want to win. That’s what we’ve learned, we’ve learned to be a little more business-oriented.”* Paul Iacobaș, Meziad Cave

*„Our most important gain from the Green program is that we’ve learned how to work and think financially. We’ve learned how to calculate and use our money carefully, how to determine the value of our product in relation to our customers, and which investments are worth making and which are not.”* Tiberiu Chiricheș, executive director, ProPark

*„The Green Entrepreneurship Program gave the organization the chance to expand its capacity and thereby to preserve the local traditions. Fruits are no longer left to rot and the family income of every Association member has increased significantly.”* Constantin Străinu, president, Asociația Pomiviticolă Hilița

### **Social Impact**

Although social impact was not the ultimate goal pursued by the program, it was nevertheless one of the expected results of the successful business enterprise.

- At Zetea, the Center for Forest Fruit Processing has generated an income source for more than 150 Roma families (ethnic minority), with the next step consisting of delivery of a training program for the younger members of those families. At the same time, Roma families involved in the activities of the Center have received as incentive firewood for winter.
- Wild Time agency has involved in organizing tourist camps in the Retezat National Park; rangers and mountain rescuers worked in partnership with the Park administration to carry out its camp project.
- The Meziad Cave project has created the opportunity for a long-term partnership between the Center for Protected Areas and Sustainable Development and the Mayor Hall of Remetea.
- Scattered along the Green Road of Maramureș Heritage, over 30 local partnerships are providing goods and services incorporated in the travel packages of the Greenway Tour travel agency, a good opportunity for the local craftsmen to promote their traditional artifacts.

## **MBM Software & Partners SRL**

Established in 2005 as a private limited liabilities company, MBM Software & Partners was aiming from the beginning at top network management areas for IT&C.

In 2006, *Reliable Assets* and *Reliable Helpdesk* were some of the fastest growing technologies on the market. Covering many issues of the asset management and helpdesk, these solutions conquered quickly both our partners and our customers by their complexity and features.

At the beginning of 2007, a new brand called *Reliable CRM* was launched, providing efficient customer relationship and management tools and enabling better sales performance. At the same time, the first two products were technically integrated in one bundle. In December 2007, MBM started to test the new *Reliable Assets* agent to support the new operating system: Microsoft Vista. Also, a new brand creation was projected for 2008. This has been a major advantage for the integration of MBM brand, also called "all-in-one" technology.

The years 2009-2010 proved to be very successful due to both CRM and Help Desk solutions demands from even more customers, increasing the list of MBM products users, and also due to European funds attraction.

MBM Software in partnership with CEED - Romania, within the project "*Entrepreneur in the Third Millennium*" supported a series of courses in project management and IT seminars for people who would like to start their own company or for employees who want to improve their IT&C related skills. Throughout the project, MBM organized 40 training courses on using IT&C in business and offered access of our clients to IT&C business tools. Upon project completion, out of the 1500 attendees (mostly SME's owners), 87 went on to use MBM's software tools in various business scenarios. Though economically speaking, the project was a great success on the short term, its long term effects went even further. Aside from the new direct business it generated, the project was also a very good opportunity to familiarize the Romanian market with new concepts which Romanian SME's had been rather reticent to apply. This is where partnering with CEED Romania was a major benefit for our company and a consistent aid to us in promoting our products, services, concepts and vision on how a modern company should use software in their daily activities.

**Growth:** In 2013, MBM Software decided to change its business approach in selling in-house developed software. MBM Software launched the new SAAS version of *Reliable HelpDesk* ([www.reliablehelpdesk.com](http://www.reliablehelpdesk.com)). The SAAS (Software as a Service) is a relatively new, beneficial and transparent manner of selling software to customers. All is done online, in a very user-friendly fashion. Our customers no longer bother with technical details, all is transferred to our specialists. In return, they pay a monthly fee and access the software safely and securely via the web-browser.

Early 2014, MBM Software entered the online-market by launching [www.helpmeoutdoc.com](http://www.helpmeoutdoc.com) , a pay-per-answer service. The website unites health-related specialists (doctors, nutritionists) from around the world, who answer medical questions on a variety of topics. The initiative has proven to be very inspired, with many people searching for professional answers from certified experts, rather than anonymous opinions found on discussion forums.

During the past three years, CEED Romania and MBM have worked closely on many business initiatives. We believe CEED's main contribution was in the *Entrepreneur in the Third Millennium* project, where they helped a significant number of entrepreneurs and also helped us expand our client portfolio and enlarge our market both in terms of value and geographic coverage. However, if we look at how the other initiatives came about, we can assume they follow from the close collaboration between CEED Romania and MBM.

**Innovation:** Our involvement as CEED Romania's partner in a large scale project enabled our company to grow fast. Over the past three years we kept our key personnel motivated and productive, by applying a mix of management policies. The guidelines for these policies were outlined by CEED's specialists, and follow principles such as rotating people's

responsibilities from time to time, encouraging employees to bring their ideas for improvement, getting team members to work together and share experience. This approach has been especially successful with our software developers, as it helped them leave their comfort zone and adapt to new challenging situations where their input in the process was extremely important. All this finally lead to an increased level of responsibility and to a higher degree of accuracy in accomplishing their work tasks.

Aside from contributing to improvement of our internal work process, CEED Romania also influenced our business and marketing model. In the numerous meetings held with CEED's specialists, after carefully analyzing global trends, we realized that our market share is limited by our sales approach and our software licensing model. This is why we decided to change our software licensing model to SAAS (Software as a Service) and gear towards online advertising instead of direct sales. The change has proven beneficial as it has generated more leads, more accounts and shorter sales cycles, with smaller but recurrent revenue, which triggered a faster growth rate of our turnover.

**Capital:** As part of CEED's network of SME's, we have managed to partner with CEED Romania for the EU-funded project *Entrepreneur in the Third Millennium*. Together with CEED Romania, we used the Euro 2.5 million grant for the benefit of other entrepreneurs, SME managers and to further promote entrepreneurship. In order to successfully complete the project, MBM applied for a credit line of 100.000 EUR, money which was reimbursed at the end of the project.

After the successful project closure, to capitalize on the results of *Entrepreneur in the Third Millennium*, MBM applied for two more EU-funded grants of 120.000 EURO each. The first grant covers 60% of our expenses for promoting MBM's software at IT&C trade fairs around the world that will enable us to expand our business contacts in the International arena. The other grant covers MBM's expenses for acquiring new technology (servers, management software, etc.) and will provide us state of the art equipment to further provide highly competitive IT&C products and services.

MBM is penetrating new markets through aggressive online and offline strategies. Our marketing specialists will exhibit MBM's software products at various IT&C trade fairs around the world, targeting new clients but also new business opportunities.