The Role of Training in Global Business

Syntroleum to Conduct Feasibility Study

Ukrainian Confectionary Entrepreneurs Tour U.S.

SABIT Welcomes Aviation Delegation

Astronautics Gets Boeing Contract

Alumni News

AOHC Trains Russian Doctors

SABIT Q&A with Waukesha Alaska Corp.

SABIT Nears $250 Million in Exports

On SABIT’s Website

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2003 Grant Awards

Decisions for the 2003 Grants Program will be released shortly.

Questions About SABIT Funding Opportunities?

Submit questions to a SABIT representative via e-mail.

SABIT Group Program

Find out more about these industry-specific training programs.

Generating Results for Host Organizations

Read how organizations have used SABIT funding to get results.

Training at Home and Abroad for Global Business Success

Peter R. Gourlay, Adapted from Manufacturing Today March / April 2003

Corporations, universities and the U.S. government have a stake in the global training arena as a way to promote U.S. technology and management practices overseas. Accordingly, they use training to develop relationships with foreign governments and business leaders. The Europeans and Japanese are not competitive with American firms when it comes to willingness to invest in foreign national training and provide technology transfer to foreign countries. A variety of American organizations have realized this and have been strategically positioning U.S. overseas commercial interests through training and business exchanges while the window of opportunity exists.

American firms routinely host overseas visitors to familiarize them with their business and operating procedures. Sometimes these visits become long-term exchanges or fellowships allowing American firms to build bonds of friendship and trust with key decision makers from overseas. “Training is a perfect vehicle to develop relationships that benefit our overseas business partners and our U.S. small- and medium-sized firms,” says Liesel Duhon, Director of the U.S. Commerce Department’s Special American Business Internship Training Program (SABIT). The SABIT program is one of several government training programs targeting regions that can benefit from U.S. technology and management expertise, while also providing opportunities for U.S. commercial interests.

The SABIT program targets the Newly Independent States (NIS) of the former Soviet Union. It facilitates business exchanges and training for

SABIT Success Story

Syntroleum and Yakutgazprom Agree to Pursue GTL Plant in Republic of Sakha

In 2002, Syntroleum Corporation hosted a SABIT training session focusing on gas pipelines. The General Director of Yakutgazprom, Igor Kornev (1997, Russian Far East Oil and Gas), and his colleague Konstantin Pavlenishvili (2002, Gas Pipelines) are both former participants in the SABIT Energy Program and played key roles in signing this deal.

Syntroleum Corporation and Joint-Stock Company "Yakutgazprom" announced today the signing of an agreement to conduct a feasibility study for building a gas-to-liquids (GTL) plant near the city of Yakutsk in the Republic of Sakha, Russian Federation.

Companies such as Imalux Corporation of Cleveland, Ohio have realized the value of training in developing international business relationships. The cancer screening technology above was developed by a joint U.S.-Russian team that includes two SABIT trainees.

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Upcoming Programs

- Hospital Administration
- Energy Transportation and Terminals
- Standards in Automotive
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Ukrainian Entrepreneurs Tour San Benito County, California

Linda Lee King, Article Appeared in the Hollister Freelance, May 09, 2003

Chocolate-covered strawberries, pralines and other chocolate delights were offered to a group of businesspeople from Ukraine who toured local confectioneries to get a taste of American entrepreneurship. [Continued on page 3]
A New Era of Commercial Success

New Markets Require Innovative Approaches

The New England Air Museum, which houses an extensive exhibit on the life and aircraft of Igor Sikorsky, provided the perfect backdrop for a technology commercialization seminar for Russian aviation delegates. Hosted by the Aircraft Electronics Association (AEA) and the SABIT Program, the day-long avionics seminar gathered repair station and manufacturer representatives to discuss business processes and prospects in the ever-emerging field of avionics.

Syntruleum [Continued from page 1]

Syntruleum licenses its technology for making synthetic fuels to oil and gas companies with international interests and operations. Its technologies reduce both the capital cost and the minimum economical size of a Gas-to-Liquids plant.

Large mining, logging and other industrial activities, along with a population of over 220,000 people in this central region, produce the demand for diesel fuel that would be provided by the proposed GTL plant.

The study will address technical and economic issues in connection with building a 13,000-barrel per day synthetic liquid fuels plant. The plant would convert up to 1.3 billion cubic meters per year of natural gas (approximately 130 million standard cubic feet per day [MMScf/D]) into a low viscosity arctic-grade diesel fuel and other fuels meeting Russian standards. The pipelines owned by Yakutgasprom that currently serve Yakutsk would supply additional natural gas from operating fields to feed the GTL plant. Production from the plant would replace diesel fuel that is now being barged 2,500 kilometers down the Lena River from the Angarsk refinery in Irkutsk during three months of the summer. Deliveries are not possible during the remainder of the year due to the river being frozen. As a result, the cost of purchasing, delivering and storing this fuel is very high, even in a price subsidized market. Because the natural gas supplies supporting this project are fully by the regional government, they can be produced and delivered to the project at minimum cost. Production of fuel in this manner will reduce the Republic of Sakha’s external balance of payments significantly.

The SABIT Program has provided technical assistance and training to managers and scientists from the former Soviet Union since 1992. In addition to assisting economic restructuring in Eurasia, the program also provides an excellent opportunity for U.S. companies to develop strategic contacts and introduce their goods and services to key decision makers in Eurasian markets.

The group of fifteen delegates received business plan and cross-cultural training upon its arrival to the United States and then began its tour with a visit to Seattle, Washington and Boeing’s manufacturing facility. Midway through the group’s four-week orientation on the American aviation industry and commercialization practices, the delegation was greeted by the Aircraft Electronics Association and several representative companies. The avionics tracts provided a snapshot of the burgeoning industry and proved educational and informative for the visitors.

AEA Welcomes Russian Aviation Delegates

The SABIT Program website. Click here for more information.

Click here for continuation

The full text of this press release is available on the SABIT Program website. Click here to go to the release and to find out more about the SABIT Energy Program.
mid-to senior-level managers, scientists and engineers from the NIS, and arranges internships with businesses and organizations throughout the United States. The internships provide training and exposure to Western management concepts and market-based economic fundamentals that are crucial to strengthening economic growth and attracting foreign investment. "Participating companies get a great benefit from the SABIT Program," Duohon says. "American auto distributors, construction firms and diagnostics firms are some of the recent participants who have benefited from SABIT."

Duohon adds that U.S. companies participating in SABIT recognize the opportunity to network with overseas contacts, and expose them to their products and services. While participating in the SABIT Grant Program in 2000, Sergey Gorban from the Ukraine met with UltraDent Inc., a Chicago dental materials and equipment company. As a result of the business exchange, Gorban was made the exclusive distributor of UltraDent's products in Ukraine. Since then, more than $100,000 of dental materials and equipment has been sold in the Ukraine through Gorban's company "Kristar." There are also plans to open a training center in Kiev for customers.

Since its inception, SABIT has facilitated more than $240 million in trade between the United States and the countries of the former Soviet Union. Once the training is complete, the participating firms have an ally in a target country that can help them handle internal customs issues, develop a market strategy, and connect with key contacts. "Approximately 60 to 70 percent of our alumni have helped U.S.

**Ukrainian Entrepreneurs**

Hosted by Agland Investment Services, Inc. for the U.S. Department of Commerce's Special American Business Internship Training Program, the visitors came to America to learn about innovative technologies and marketing concepts and to familiarize themselves with a U.S. industry sector and its regulations.

Eighteen people in the candy-making business came to America for this four-week training program. Interpreter Chris Brown said the group is touring the San Francisco Bay Area and will attend a Trade Expo in Chicago to see what American manufacturing equipment is like before moving on to Philadelphia and Washington, D.C.

As part of a recent Group Program focusing on Wastewater, delegates tour the facilities of Earth Tech, a global provider of engineering, architecture, construction, environmental, infrastructure development, and facility operation services. The firm in dealing with local customs, market development, and contacts in their home countries," Duohon notes.

As U.S. corporations tap government and business school training programs abroad, America continues to provide developing countries with the expertise they seek. This helps create long-term partnerships with foreign governments and business. It creates a positive reflection of U.S. companies and business schools in regions of the world of critical importance to U.S. strategic interests.

While the commercial benefits of training are obvious to those involved in the effort, America’s image can be greatly enhanced around the world as others see how the United States shares its wealth and expertise. Training helps to break down barriers, creates a better understanding of culture and builds friendships that endure beyond the business venture itself.

**Peter R. Gourlay is Vice President of the World Trade Center Institute. The full text of this article is available by clicking here.**

SABIT Success Story

**Astronautics to Equip Fleet with Electronic Flight Bags**

Since 1994, Astronautics has participated in six grant rounds and has hosted nineteen trainees. Astronautics' participation in the Grants Program has allowed the organization to significantly expand its joint engineering development and software verification venture with the St. Petersburg-based firm AKE. The following release details a successful cooperative project in which SABIT trainees have played a vital role.

March, 2003 - Astronautics Corporation of America was awarded a contract from Boeing Commercial Aviation Services’ Crew Information Services (CIS) group for the Electronic Flight Bag/Pilot Information Display which will be installed on board KLM Royal Dutch Airlines' new fleet of Boeing 777’s, making the Netherlands-based carrier the launch customer for this revolutionary technology.

KLM will use the Astronautics Class 3 version of the Electronic Flight Bag with applications provided by Jeppesen and Astronautics. KLM will be able to use its Class 3 certified EFB system under new guidelines from the U.S. Federal Aviation Administration during all phases of flight.

The Electronic Flight Bag can contain all documentation and forms carried by pilots -- aeronautical charts, manuals for fault reporting and operations, minimum equipment lists and logbooks -- in digital format at the crew's fingertips. In addition, the Electronic Flight Bag can enhance runway awareness as it integrates technology with airport taxi charts to show flight crews exactly where they are on the tarmac. It gives flight crews a viewer for surveillance systems, helping them meet new regulatory requirements and security recommendations.

More on our website

Can SABIT assist your organization? Click here to read how the SABIT Program has helped organizations achieve their business objectives in Eurasia >>

Peter R. Gourlay is Vice President of the World Trade Center Institute. The full text of this article is available by clicking here.

**Click here for continuation**

This article is continued on the SABIT Program website. Click here to go to the full text >>

### Ukrainian Entrepreneurs

![Image of a Ukrainian entrepreneur]

A Ukrainian entrepreneur eyes strawberries dipped in chocolate. The confectionary program is part of SABIT’s technical assistance efforts to develop the food processing and packaging industry across Eurasia.

**Click here for continuation**

This article is continued on the SABIT Program website. Click here to go to the full text >>

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Arkansas Occupational Health Clinic to Train Russian Doctors

Erin Crouch, International Trade Specialist

Arkansas Occupational Health Clinic (AOHC) provides occupational health services in Lowell, Arkansas. In 2003, AOHC hosted two health care managers from Volgograd, Russia for three months. The interns received practical training in American business practices and applications in the occupational health care industry.

Following are edited excerpts from International Trade Specialist Erin Crouch's recent interview with Gary L. Moffitt, M.D. and Michiele Schriever.

Q: Where did AOHC hear about SABIT?
A: We heard about SABIT from Angelina Levitskaya, a Community Development Specialist at the University of Arkansas for Medical Sciences (UAMS) in Little Rock, Arkansas. Over the past three years, our clinic has been involved in quite a bit of activity in Russia. Dr. Moffitt has been to Russia eight times in the past three years. He is currently working with the Volgograd Medical Academy as well as the Moscow State Medical Academy's Family Practice Program and is also an investor in a family practice clinic in Volgograd. The clinic is being modeled at this time and is not seeing patients, but it will start seeing patients this fall. The concept of medical management is quite different in Russia, and there is a lot of interest regarding the American model. Because of this, our clinic decided that we would help educate those Russians interested in learning about the subject.

Q: What benefits do you feel AOHC derived from participation? Do you intend to further develop the relationships that you have formed with the interns?
A: The benefits are many. From what we can tell so far, doing business in Russia is not for the faint-hearted. There is a great deal of bureaucracy and to a certain extent a different mind-set. After having spent a significant amount of time with the trainees, we feel we are starting to understand this concept better. One of our trainees, Dr. Konstantin Karaduta, is the director of a specialty hospital in Volzhsky, and he deals with medical management on a day-to-day basis. Many long discussions have transpired between Dr. Moffitt and Dr. Karaduta that have been very helpful in the understanding of how business is done in Russia.

One of the activities of our clinic is conducting research. Dr. Karaduta, Dr. Moffitt, and Dr. Konstantin Berestnev, who is also a physician at our clinic, are hoping to do a research project that would compare Russian and American skin testing methods for tuberculosis. Dr. Berestnev has written up the details of this research project, and we hope to get it started in the next few months. Regarding our other trainee Dr. Pavel Loginov, Dr. Moffitt is in negotiations with the Moscow Medical Academy to potentially open a clinic in Moscow that Dr. Loginov would head.

Q: What projects, if any, have developed as a result of this grant? Can you provide a specific example of the impact your organization’s work has on Dr. Karaduta’s and Dr. Loginov’s home hospitals?
A: There is a probable joint tuberculosis research project that will come out of this experience. The incidence of tuberculosis in the United States is 5.7 per 100,000 with almost no mortality. Russia is experiencing an incident rate of over 120 per 100,000 with a mortality rate of over 20. At his clinic in Russia, Dr. Karaduta has been successful in reducing his incidents down to 75 per 100,000. However, the need for further progress is evident. Dr. Moffitt and Dr. Karaduta were both involved in an international tuberculosis conference last year in Volgograd, and it is expected that there may be more of these conferences in the future. We have worked very hard to help our trainees understand the concepts of profit and loss, cash flow statements, balance sheets, as well as how accounts payable, accounts receivable, and other very basic accounting concepts are handled. One of the things we also do in our clinic as physicians is give quite a few talks to local businesses for educational purposes. Dr. Karaduta has been very involved in these, and he plans to implement this concept at his hospital.
Waukesha Sets Sights on RFE Contracting Opportunities

Wesley Schwalje, Marketing Coordinator

Waukesha Alaska Corporation of Anchorage, Alaska will train two Russian managers in 2003 as part of its efforts to secure a contract with one of the major oil and gas consortia operating in Yuzhno Sakhalin. The seven oil and gas development projects off Sakhalin Island in the Sea of Okhotsk present tremendous opportunities for contractors.

Following are edited excerpts from SABIT Marketing Coordinator Wesley Schwalje’s recent interview with John Haxby, Vice President of Waukesha Alaska Corporation.

Q: What was your motivation to apply for SABIT funding?
A: We heard about SABIT from Chuck Becker, Director of the United States Export Assistance Center in Anchorage, Alaska. We were motivated to apply because we anticipated obtaining a contract for constructing buildings in Yuzhno Sakhalin. Based upon this belief, we felt that we needed to find and train local personnel who had a good understanding of English and a reasonable comprehension of Western business practices.

So far, Waukesha has hosted one trainee. The training produced a potential employee with an excellent understanding of English and who is well versed in U.S. business practices. We also feel that this intern left with the vision that anything is possible, not only in America, but also in Russia.

Q: How has SABIT helped you as a small business?
A: As a small enterprise, SABIT allowed us to bring over and train a potential employee, whereas we may not have elected to do this otherwise. SABIT also assisted in handling all of the necessary visa paperwork, which was very helpful.

Q: Please give a brief history of your background to date and provide details on the Sakhalin housing contract.
A: Our business on Sakhalin started as an accident in September 2001. We visited the island with some Russian friends on an exploratory mission to determine if there was any business there. We were originally interested in becoming a supplier of oilfield service products. However, as it turned out, there appeared to be more opportunity in real estate development. We acquired land, and our company is now one of perhaps three companies in Yuzhno Sakhalin with enough land for a large-scale development. Because the oil industry is still cautious about funding developments while production sharing agreements are subject to change by the Russian government, a contract for housing and accommodations has not been finalized. We believe that, when the projects are finally fully funded, we will be one of the premium providers of housing in Yuzhno Sakhalin.

Q: What future role do you see the trainees that you have hosted playing in this deal?
A: Assuming that we are successful in securing contracts for housing in Yuzhno Sakhalin, we believe that the interns will play a large role in the projects. These are Russian nationals who speak excellent English and have a good understanding of Western business standards. The added benefit is that they are also familiar with Russian business customs. We have long-term relationships with the trainees that stretch back over many years, and these relationships will continue in the future.

Q: In your opinion, what is the potential of Eurasian markets for American businesses such as yours operating in the oil and gas sector?
A: The potential for American businesses in Russia in the oil and gas sector is excellent. However, many hurdles remain, and the market is not for the weak-at-heart or those with limited resources. The key to doing business in Russia is a partner that you can trust.