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OCCASION

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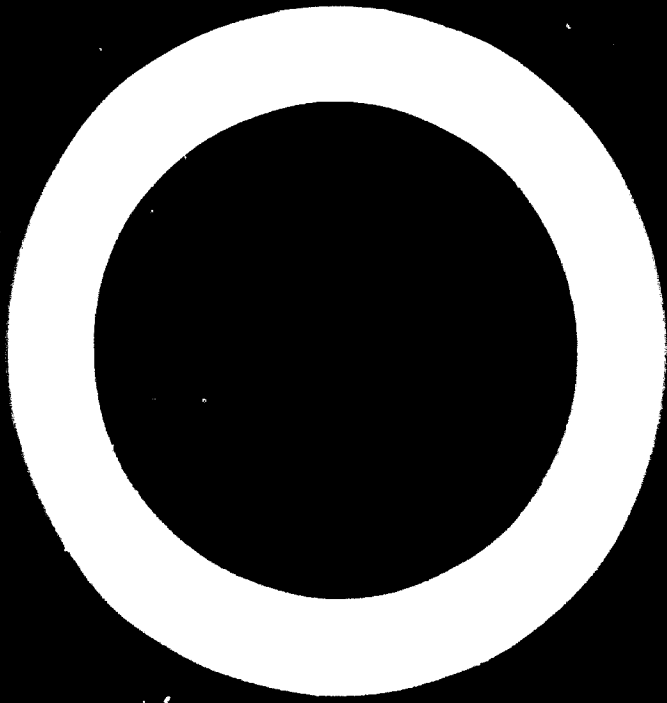
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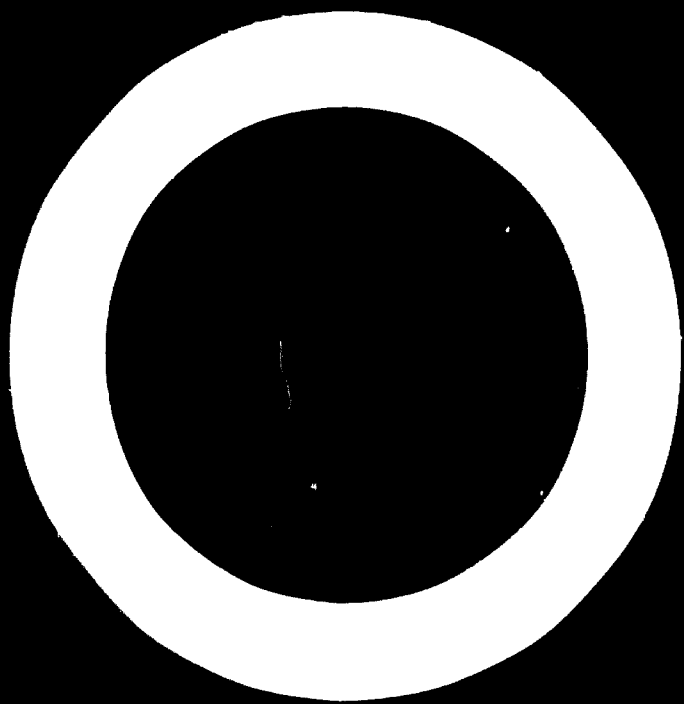
INSTITUTIONS AND SERVICES
FOR
INDUSTRIAL DEVELOPMENT

**INDUSTRIAL
MANAGEMENT
CONSULTING
SERVICES
PROGRAMME**



UNITED NATIONS





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**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna**

This brochure is one of a series published to inform developing countries of the types of assistance available from UNIDO to advance their industrialization programmes.

Introduction

The United Nations Industrial Development Organization (UNIDO) was established by the United Nations General Assembly in 1966 as an autonomous body within the United Nations to promote and accelerate the industrialization of the developing countries. It was given the central role in co-ordinating all the activities undertaken by the United Nations family in this field. UNIDO came into existence on 1 January 1967 and has its headquarters at Vienna.

UNIDO provides advisory and promotional assistance and training to Governments and organizations in the establishment, reorganization and reinforcement of industrial infrastructure. This assistance is provided by agreement between a requesting Government and UNIDO, and, in most cases, the United Nations Development Programme (UNDP).

The contribution of UNIDO to technical assistance projects may take many forms depending on the requirements of the requesting Government and the size of the project. Projects may include:

Provision of experts

Provision of fellowships for individual training or for participation in group training programmes organized by UNIDO or other institutions

Provision of equipment

Short-term (one month or less) exploratory or advisory missions by UNIDO headquarters staff members or consultants

Any other form of assistance mutually agreed upon between the Government and UNIDO

Contribution of management to industrialization

Management is increasingly becoming the key factor in the transfer of technology to the developing world. However, after some 25 years of technological assistance, the gap between the level of industrialization in the developed and developing worlds is actually widening. Robert MacNamara, President of the World Bank, has referred to this paradox in terms of a management gap, since in his view management is the critical factor required for the successful introduction of change—social, political, economic or technological.

This management gap can indeed be closed. Two prerequisites, however, must be met. There must be:

(a) An understanding on the part of all concerned that the operations of an industrial enterprise are threefold—production, marketing and financial;

(b) An awareness that a management function also exists with respect to the aforementioned operations. Management plans, organizes and controls work activities to achieve the best possible results per input of resource costs. Without this directing force, nothing can or does happen.

Accordingly, the UNIDO industrial management and consulting services programme is directed primarily to specific problems related to industrial institutions and enterprises and general economic responsibilities that must be supported by a viable framework of institutional and professional services.

The general purpose of the management programme of UNIDO is to provide technical assistance that will improve the performance of industrial management at the national, industry branch and enterprise levels. Specifically, UNIDO assists industrial managers and decision makers to apply improved management techniques; advises

on the establishment of industrial management consulting services for public and private sectors; and co-operates with other international bodies concerned with management development.

The experience of UNIDO with a world-wide management programme has shown that the services of management consultants can contribute to an increase of up to one third of the increase in national productivity in a year. Management consultants typically carry out general surveys/management assessments, undertake specific problem-solving projects, provide advisory services and provide training. Management consulting services have proved of value in such areas as rationalization of industry, enterprise productivity and product distribution.

Examples of technical assistance provided by UNIDO

UNIDO provides short-term and long-term assistance to relevant industrial management institutions and enterprises.

Short-term projects

The table below indicates the great variety of short-term projects that UNIDO undertakes, ranging from technical to behavioural consultancy.

<i>Institution</i>	<i>Field</i>	<i>Country or area</i>
CODKK (Polish Management Institute)	Organization development, including T-group sensitivity training	Poland
APEDE/CESA - Asociación Panameña de Ejecutivos de Empresa/Centro de Estudios Superiores de Administración	Executive development	Panama

<i>Institution</i>	<i>Field</i>	<i>Country or area</i>
Eastern Caribbean Development Corporation	General management consulting services	Caribbean
FVIG United Electric Machine Works	Enterprise development with emphasis on management planning and control systems	Hungary
East African Development Bank	Financial management services	Africa
Hong Kong Management Association	Management development with emphasis on integrated management consulting services	Hong Kong
Botswana Development Corporation	Management consulting services with emphasis on integration with industrial development strategy	Botswana
Singapore National Productivity Board	Management information systems and marketing advisory services	Singapore

Long-term projects

The case history described below serves to illustrate the comprehensive application of management consulting services to industrial development generally and institutional building in particular.

UNIDO has been engaged in a project to assist the Yugoslav Centre for Organization and Development (YUCOR), the objectives of which are to strengthen YUCOR as a national institute directed towards social and economic development and to develop a cadre of national management consultants through practical, on-the-job assignments.

The organization of the project represents a unique form of technical assistance, since the activities of the project are implemented through a consortium of affiliated institutions (e.g. industrial enterprises, Chamber of Economy, Yugoslav Investment Bank and Productivity Institute). For a specific training project, for instance, project (consultant) personnel are drawn from the client, affiliated institutions and YUCOR to form a project team along with the international experts provided by UNIDO.

A recent UNDP/UNIDO review mission found that the project had indeed promoted and established a management consulting profession in Yugoslavia. Since 55 national consultants had been trained during the first phase of the project, from 1971-1974, the mission found that with this cadre of consultants further progress in local training could be achieved.

In addition, the project has served to provide practical assistance to Yugoslav industry through the application of management techniques such as industrial engineering work studies, organization analyses and standard cost accounting.

Sources of finance

Technical assistance projects, or their preparation, can be financed from several sources, as shown in the table below.

TYPE OF PROJECT AND SOURCE OF FINANCE

<i>Type of project</i>	<i>Approval granted by</i>
Large-scale projects (UNDP participation more than \$150,000) financed from the UNDP Indicative Planning Figure (IPF)	UNDP, New York
Small-scale projects (UNDP participation up to \$150,000) financed from UNDP/IPF	Local UNDP resident representative ^a
Projects of any scale financed from UNIDO funds derived from voluntary contributions	UNIDO, Vienna

TYPE OF PROJECT AND SOURCE OF FINANCE

(continued)

<i>Type of project</i>	<i>Approval granted by</i>
Projects under Special Industrial Services (SIS) (UNIDO participation generally less than \$50,000)	Local UNDP resident representative
Short-term missions by UNIDO headquarters staff members or consultants financed from UNDP/IFE, SIS or UNIDO funds	Local UNDP resident representative and UNIDO, Vienna UNIDO, Vienna

Note: UNIDO itself cannot provide capital for or participate in new industrial enterprises except small pilot plants. This capital should be obtained from development banks, private investors and other financial institutions. Through its investment promotion programme, UNIDO may, however, bring together those who require capital know-how or partners for joint ventures and those who can meet one or more of these requirements.

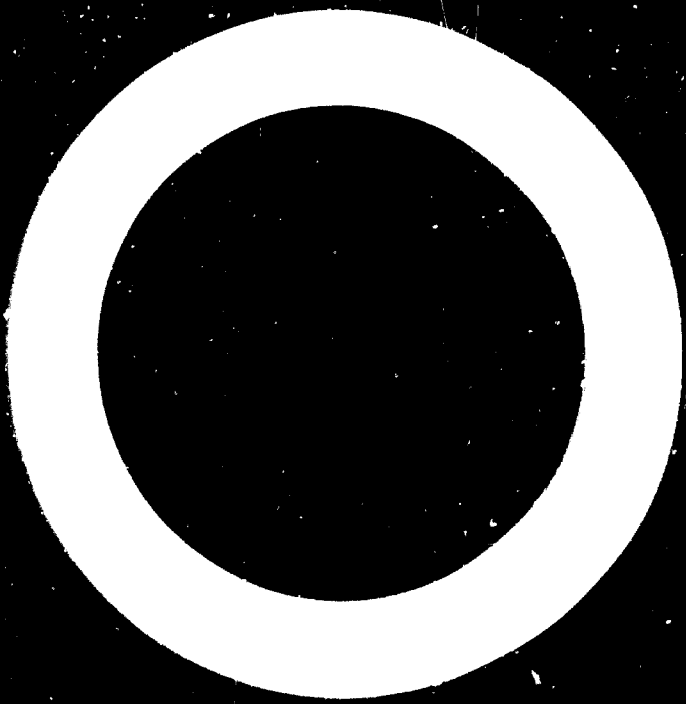
^aSome types of small scale UNDP/IFE projects also require approval from UNDP, New York.

How to apply for assistance from UNIDO

All requests for assistance from UNIDO should normally include a short description of the objectives, duration and type of assistance required. They should be directed through the appropriate government department to the local UNDP resident representative who acts as the UNIDO representative in the country. If the originators of requests wish to have preliminary discussions about their project ideas, the office of the resident representative can arrange a meeting with the UNIDO industrial development field adviser assigned to that area.

For further information on the work of UNIDO, communications may be addressed to:

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