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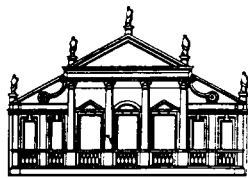
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CUOA

CONSORZIO UNIVERSITARIO
PER GLI STUDI DI
ORGANIZZAZIONE AZIENDALE

Business School dal 1957



XD9700113

UNIDO

Regional Africa Leather and Footwear Industry Scheme

RALFIS - US/RAF/92/200

Seminar on Footwear Industry Management for Selected African Managers

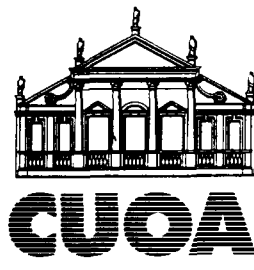
(10-21 May 1996)

Final Report



**Project reference
N°/US/RAF/92/200,**

**Contract
N° 96/090P**



Altavilla Vicentina - Italy - 10 July 1996

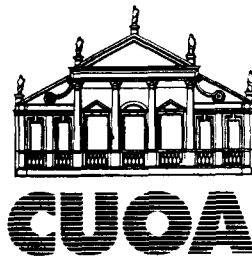
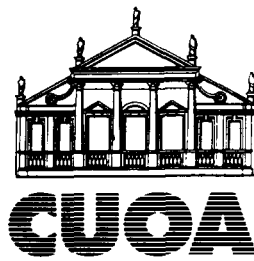


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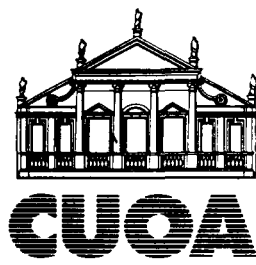
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Explanatory Notes

CUOA	Consorzio Universitario per gli Studi di Organizzazione Aziendale
EU	European Union
JIT	Just in Time
RALFIS	Regional Africa Leather And Footwear Industry Scheme
RFO	Revolving Fund Operations
ROI	Return on Investment
SME	Small and Medium Enterprise
TQC	Total Quality Control
UNIDO	United Nations Industrial Development Organization



ABSTRACT

The Final Report provides highlights of the first seminar jointly organized by UNIDO and CUOA for 10 selected small-and medium-scale African managers of footwear industries, in order to enhance their managerial capabilities.

This seminar aimed at identifying a method of training entrepreneurs of SMEs, combined with both the experience of CUOA in industrial management, and that of UNIDO in technical assistance programmes in developing countries.

UNIDO's officers and consultants successfully complemented the traditional know-how of CUOA, and offered their long, international experience in dealing with African SMEs entrepreneurs, to the highest possible standard.

The reason why this course was held in CUOA, beside the fact that CUOA has almost forty years experience in managerial training, is that CUOA is situated in a very industrialised area where agroalimentary, mechanical and electronic, gold manufacturing and above all footwear industries and tanneries are present.

For this reason, CUOA could easily organize for those participants to dealing in general management some very interesting visits to a number of important footwear companies located in the Veneto region.

It is worth mentioning that all these industries are SMEs and that CUOA' s mission has always been that of training SME entrepreneurs; a feature that corresponded exactly to the training needs of the ten selected African entrepreneurs.

During the seminar, the participants were given the chance to study the so-called "North East Model" of development which is by now internationally known as a model to follow for Developing or Emerging Countries. This model represents in fact the ideal texture on which the flexible and reactive to new market opportunities industrial structure has been growing.

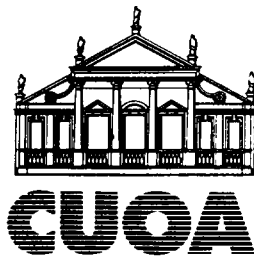
Following all these premises, the seminar was successfully performed as per schedule and written evidence of its results was obtained from questionnaires, that CUOA distributed to the participants, in order to monitor the course. UNIDO officers also distributed an additional evaluation form, for their own



independent survey. The analysis of these forms as well as the original completed forms are attached to this report as Annex 6.

In addition to the agreed programme, some lectures were held on subjects such as: an Internet session, how to practically use an electronic catalogue, a slide projection of fashion footwear and a VHS projection on footwear machinery etc., which had the full support of all participants, who were very keen to work even after normal working hours scheduled for the seminar. This was possible because the participants were accommodated at CUOA's College which is a new building offering all comforts.

Some suggestions on a possible follow up of this seminar are included under the last section, "Conclusions and Recommendations".



1. INTRODUCTION

1.1 Background information

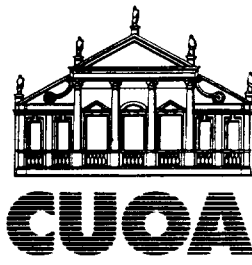
The goal of the UNIDO Programme is to start focused development actions to assist the African hides and skins-based sector to become a producer and supplier of more value-added articles. The sector, being an agorelated industry and based on by-products of the meat, dairy and wool industry, i.e. on indigenous, renewable materials, has a large under-utilized potential. Private industry assistance plays a significant role and a new feature is that the assistance through the Programme to private industry in the form of machinery and equipment is given on the basis of pay-back arrangements to Revolving Fund Operations (RFO). These revolving funds are under the control of the local private industry associations and the funds are to be used for the activities within the hides and skins improvement and similar operations.

In geographical terms, the UNIDO Programme is conceived to operate in the region of Africa which has the greatest concentration of domestic animal population (over 50 per cent of the whole of Africa) and, therefore, has the greatest potential for the development of the hides and skins-based tanning, footwear and leather products industry. The regional umbrella project, Regional Africa Leather and footwear Industry Scheme (RALFIS) US/RAF/92/200 addresses the needs at the regional level and assists in the creation of regional leather and leather products associations. A regional networking of institutes, provides assistance and services to start regional model plants, organizes various regional seminars and acts the headquarters of the Programme management. In addition, the Programme has individual country projects for each of the participating countries which take care of the individual needs and cater to the specific problems and different development levels of these countries.

1.2 RALFIS immediate objectives

The main aims of the RALFIS Programme are the following:

1. increased collection and quality improvement of hides and skins;
2. rehabilitation and upgrading the productivity of selected tanneries, shoe factories and leather goods factories;
3. development of the leather and leather products sectors to serve home markets and reduce imports,



4. upgrading of footwear training and development capabilities including the establishment of well equipped footwear units for training in specialized manufacturing processes;
5. enhancement of women's status in the leather and leather products industry,
6. assistance in pollution control in selected tanneries.

Leather-based industries in the subregion concentrate on footwear production for domestic consumption, interregional limited trade and on insignificant export of shoe uppers of medium/low quality. The footwear subsector features a general isolation from the fast pace of technology innovations and rapid changes taking place in all aspects of the business. Lack of design capabilities, operator/supervisory/ managerial skills, exposure to appropriate material inputs and modern marketing techniques are the main reasons for the present situation. Despite the assistance provided to footwear manufacturers during the first phase of the Programme, which aimed at increasing output capacities, constraints still exist. They have to be overcome in various areas, including the development of footwear component manufacture, application of appropriate machinery and production organization within the existing manufacturing facilities.

In light of the above, the RALFIS project managers and staff decided to organize a seminar in cooperation with a suitable Business School, in connection with an international well-known fair with the purpose:

- to provide an opportunity for selected African shoe industry managers to visit an important international shoe and shoe machinery trade fair under the guidance of international experts;
- to demonstrate latest technical development trends in the shoe industry sector;
- to develop the managerial skills of the participants in shoe industry administration, product development process, product costing and budgeting through demonstrations of UNIDO developed special computer software;
- to enhance the administrative capabilities of the participants through high-level lectures in modern management and administrative methods and systems; and
- to provide the participants the possibility to visit some of the top footwear manufacturers of a selected European country with a strong footwear industry.

After carefully studying the matter, it was concluded that the best country to host such a seminar would be Italy and that the seminar should take place in connection with the most famous Linea Pelle and SIMAC Fairs in May 1996.



2. The Seminar

The main objectives of the seminar was to enhance and improve the managerial skills of ten African managers of footwear factories, in order to enable them to cope with the requests of the domestic and international markets.

This target was achieved through a 12 -day full immersion seminar, including weekends (The Final Seminar Programme is attached to this report as Annex 1).

The idea of teaching how to run the day-by-day business, supplying the correct tools and methodology to become a winning entrepreneur, was transmitted through a combination of both theoretical lectures and practical exercises.

This methodology implied numerous visits to shoe factories, thanks to the numerous links CUOA has due to its nature and location in the Veneto region registering a high concentration of SMEs.

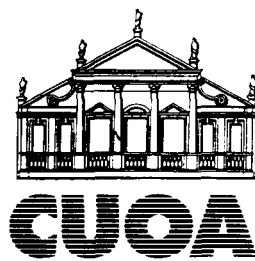
In view of **Simac/Lineapelle** fairs, held in Bologna from 8 - 11 May 1996, it was decided that the best timing to hold such a seminar would be immediately after this event, from 10 to 22 May.

The course was very compact and intensive due to constraints time of entrepreneurs and difficulty to leave their factories for a longer period. Some experienced methodologies as well as many different teachers were required in order to maintain the learning level at the highest standard in order to improve the learning curve.

Despite the full immersion programme, participants were not reluctant to follow additional lectures even after scheduled working hours, even during the weekend.

2.1 Technical Support

The results have been outstanding thanks to the good selection of the participants done by UNIDO officers combined with the forty-year experience of CUOA in organizing these types of seminars for SMEs.



The CUOA teachers who conducted this seminar were university professors, consultants or managers, who are well experienced in teaching SME's entrepreneurs, and who are proficient in the English language. UNIDO consultants joined CUOA teachers in this seminar. Therefore an "academic" knowledge was linked to a "field working knowledge" producing the required combination between the rigorous theoretical managerial basics and the expert performance (For details please refer to Annex 2).

Class lessons, business visits to shoe factories, lectures held by managers and footwear consultants were performed during the entire course.

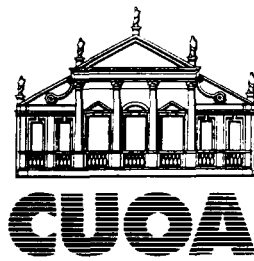
2.2 Stocktaking

Mr. Enzo Rullani (11 May)

- Brief introduction on the Italian educational level among the various Italian regions.
- Relations between the educational level and the industrial development of the Italian economy.
- Linkage between the academic and the business world: the North East Model.
- Brief description of the Italian economy: reasons of the differences among Italian regions.
- Reasons for the success of SMEs.

Mrs. Aurelia Calabrò (11, May)

- Opening remarks on the Seminar.
- Brief exposure on the development of leather product industries especially in developing countries and in particular in Africa.
- UNIDO's role in providing technical assistance to the leather sector in African countries.
- Exposure on the Regional Africa Leather and Footwear Scheme (RALFIS).
- Objectives of the seminar.
- Reasons for having chosen Italy as country to host the seminar.
- Reasons for having chosen CUOA as Business School to host the seminar.



Mr. Gian Antonio Manni (10 May)

- Introduction to the UNIDO/CUOA Seminar.
- Brief exposure on CUOA's organization and activities.
- Illustration of the Seminar programme.

Mr. Juhani Berg (11, 18, 19, 20 May)

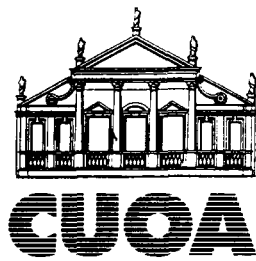
1. Shoe industry range-building and latest trends in the Scandinavian markets.

The presentation was divided into two parts. The first part dealt with range-building in the shoe industry. It addressed the problems in preparing a sales range in small-and medium-sized shoe factories specifically for exports. It explained how a small-and medium-scale industry has to tackle the problems of lacking fashion information etc. and can fill the various functions needed in the sales range development process.

The basis for the presentation was the booklet entitled "Guidelines for range building" a non-edited UNIDO publication which is, subject some editorial improvement, expected to be printed shortly. Unedited copies of the booklet were provided to the participants as hand-outs.

The main emphasis of the range-building presentation was to provide some guidance on how even a relatively small factory with limited personnel resources and lacking qualified "in-house" designers may be able to develop a special product for the export markets needs. The recent successful marketing effort of the small-scale shoe industry, guided by UNIDO leather units staff and experts, was used as an example for this purpose.

Discussions were also directed at the selection of the right type of materials and how certain local materials can be developed to attractive fashion items in combination with correct components. The length of the development process of a special sales range was discussed and the fashion and trading rhythm was highlighted. The influence of fashion in the shoe industry was emphasized under the heading: "Fashion wears out more apparel than man".



During the second part of the presentation the expected trends for spring and summer 1997 in the Scandinavian markets were discussed. Colours and materials, styling and components were illustrated through samples and overhead projector pictures.

Shoe lasts and other components for the coming spring and summer season were discussed in some detail, and the special and determining role of the shoe last was underlined, thus being the most crucial component in order to have the base for the right trend.

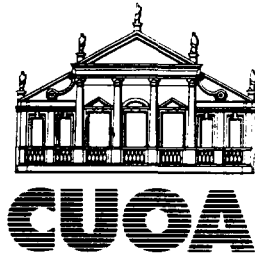
The question of international shoe fashion and regional shoe fashion was discussed under the heading "Is there a dominant international fashion which must be followed in order to succeed in marketing and how much the regional and local fashion variations are of importance.". In addition, the changes caused by modern communications facilities and their influence on the market trends were brought forward.

2. Business game, simulating of enterprise management with the tools provided during the seminar

The business game was based on three different variations and the participants were divided into three groups to complete their simulation model. Each model included the following components:

- preparation of a product range with full description of its model in accordance with given market research results on a specific market;
- making a product costing of one or a few of the selected products according to given material prices and other given costs;
- preparing an opportunity study for the establishment of the company project and/or the new venture using costs established for the products and costs prevailing in a selected country of the group;
- preparing a marketing strategy and marketing plan for the exports of the product to selected export market(s).

The three models were the following:



1. Establishment of a cooperation and/or joint venture between six small-scale entrepreneurs in order to produce a special type of footwear (native look) for selected export markets. The products are pre-determined through intensive market research and test sales activities. The hand outs will provide the detailed situation and the product range.
2. Starting of a manufacture and sales for selected types of shoe uppers for the export markets in a newly established enterprise. The situation is that local leather of export quality is available and good demand for good quality uppers has been recorded in various markets. The problem is, however, the strong competition from certain Far-East countries which are offering very competitive prices. It is of importance for the project to form a suitable company strategy and product development policy for competing on the market, and select the right combination of actions and sales activities to establish a good sales niche within this competitive market.
3. Establishment of a "model shoe factory" as an African flagship for the development of export sales of finished, good quality footwear for the regional and selected export markets. A European potential technical partner has offered technical know-how and as internationally well known trade mark for the regional market against a "know-how" contract and license fee for the trade mark. Possibilities exist that technical assistance funds could be made available through a technical assistance organization for the starting period and part of the "know-how" fees. The project needs to find a well qualified local partner with capital and raw material resources.

All the three above described cases were detailed, and elaborated background material was provided to the three groups. UNIDO/CUOA technical consultants provided on the spot guidance.



Mr. Tiziano Vescovi (11 May)

The Relation between Enterprise and Market, and the Customer Satisfaction

The Marketing Concept and the SME's Management:

- Marketing and the organization: a cultural approach;
- The external marketing environment;
- Marketing information system and marketing research;
- Consumer buying behaviour and trade buying behaviour;
- Segmenting markets, targeting and positioning.

Marketing Mix Variables and their Appropriate Management:

- The product management and the new product development;
- Marketing communications: advertising, sales promotion, publicity;
- Trade marketing;
- Pricing strategies;
- Marketing strategy and competitive forces.

Customer Satisfaction as a Key Variable for Competitive Success

- The satisfaction gaps;
- Customer care and customer driven organization.

Mr. Paolo Collini (13-14 May)

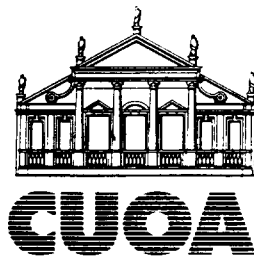
Financial Management

The structure of the Balance Sheet and of the Income Statement:

- A brief exposure on the meaning of financial reporting.

Analysis of financial reporting:

- Income statement analysis;
- Reclassification of income statement;
- Reclassification of assets and liabilities;



- Ratios analysis;
- A case on ratio analysis;
- Class discussion on a case on ratio analysis.

Cash flow analysis:

- The meaning of cash flow analysis vs. cost and revenues analysis;
- The statement of inflow and outflow;
- Working capital vs. cash flow;
- A case on cash flow;
- Class discussion on a case.

Cost Analysis and Management Accounting

Cost analysis:

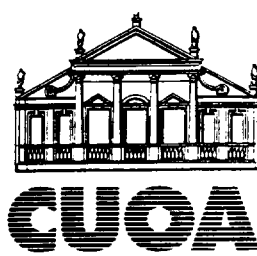
- The goals of cost analysis;
- Cost classification;
- Cost allocation;
- Cost modelling;
- Activity-Based cost analysis;
- A case on relevant costs in decision making.

Accounting approaches:

- Direct costing vs. full costing;
- Break-even analysis;
- Contribution margin;
- Full costing product's profitability;
- Overheads absorption;
- Multiple, criterion overhead allocation;
- ABC allocation;
- A case on cost allocation.

Mr. Pietro Torielli (14 May)

1. Illustration on the main world footwear production areas with slide projection.
2. Development of footwear technology:



- Brief explanation in order to avoid misunderstanding among the participants which come from developing areas, but necessary in order to inform them on the present mechanization situation.
- Use of slide projection.

3. Footwear production in most factories, with a video projection.

4. Discussion.

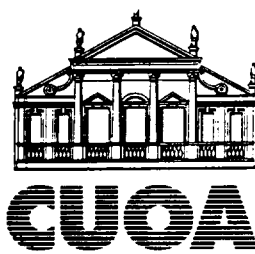
Mr. Timo Niklas-Salminen (15, 17 May)

This presentation was based on the following vision of the industry and its needs and some techniques of (a) (Business) reengineering such as just-in-time/total quality control.

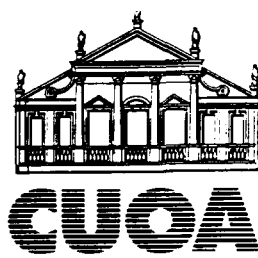
As the quest for competitiveness of an enterprise, and for that matter of the whole industry, also included other method components. The presentation briefly discussed: (b) "Restructuring, the Portfolio, Downsizing, and Headcount", as well as (c) "Reinventing industries and Regenerating strategies".

Some of the vision components were in the following areas:

- Fragmented export footwear market is becoming more fragmented.
- More variety and more unique products will be in demand.
- Fashion and business cycle in most market segments will become ever shorter.
- Export and home market customers will be reluctant to take any inventory risks, because estimating the future to months ahead is becoming ever more difficult.
- Tighter delivery schedules. Shorter production runs. More complicated, but flexible and economical production systems.



- Many consumers, customers, manufacturers, suppliers, design offices, banks, etc. will be electronically linked together.
- Brand loyalty of the consumers in export markets will become weaker, creating new entry opportunities. However in the future, brands are still dominating the value added markets, but consumers are frequently shifting from one brand to another.
- The closing down of footwear industries in industrialised countries will not any more create new business for the developing countries if developing countries stick to the traditional manufacturing methods.
- The reason for this is the introduction of modern manufacturing methods, Just-In-Time and Total Quality Control as well as Automation. These are reducing the cost of manufactures as well as making it possible to respond quicker to market demand as well as continuous quality improvement.
- Consequently the importers/retailers are finding that it may pay off to pay somewhat higher prices to get higher stock-turnover through supplier's market know-how, quick response, quality, and overall reliability.
- Those producers who are successful in the developing nation's footwear will follow or continue to follow the blending of high productivity with drive in order to be ahead of completion through brand and product design, price, marketing communication and quality, and to reduce the time required to turn raw materials into finished products just in time.
- The participants understood that typical **restructuring** efforts alone only led to smaller business, and that **reengineering** could, in the short term, lead to better competitiveness; whereas **reinventing industries** and **regenerating strategies** were the long range methods for the needed competitive difference.
- Those who were successful also formed partnerships for joint efforts in export marketing. Similar consortia were seen in the materials and components supply side.
- Industrial cluster development with flexible specialization were some of the catch words.



- Because of just-in-time, integrated quick response business systems of the footwear trade, the tanneries and other suppliers also shifted to small batch processing techniques.
- Shift in trade cultural values, towards a common good, that had been already experienced, was strengthening as entrepreneurs, in order to overcome business constraints, found advantage in working together in areas of interest for common good, such as research/training/consultancy centers, or in partnerships enabling learning and getting resources from each other.

(a.1)

Reengineering aims at improving the production and get every process in the company pointed in the direction of customer satisfaction, reduced cycle time, and total quality.

For repetitive industries, such as the footwear industry, in Japan totality of systems which originated consist essentially of two types of procedures and techniques.

The two types pertain to:

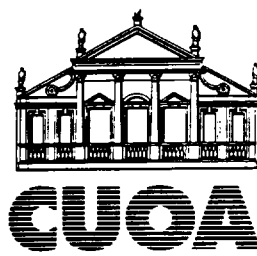
- (1) Productivity;
- (2) Quality.

The aspects of the Japanese system dealing most directly with productivity is known as the “just-in-time system”.

Just-in-time directly addresses the material cost component of productivity.

The indirect effects are even more pronounced, affecting elements of productivity from scrap to worker motivation to process yield.

A term that is often used to describe the set of the related quality improvement procedures is *total quality control*, which in turn encompasses some of the just-in-time techniques, and improves productivity through avoidance of waste.



This part of the presentation showed, as concepts (even as models) how, simple techniques became more of the same, encompassing most of the manufacturing environment such as:

Plant configurations, development and care of the equipment, material control and handling, scheduling engineering, human relationships, and suppliers and customer relationships.

Just-in-time and total quality control procedures are not the purview of white-collar staff advisers and specialists.

One relies less on staff specialists. The worker and the line managers are the focal point, and continuous innovations concerning productivity and quality improvement are nurtured on the shop floor, not in someone's office.

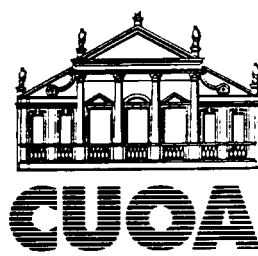
In the just-in-time production objective, engineering is used in order to run very small batches. The ideal is to make one piece just-in-time for the next operation. In management terms, the economic order quantity has been cut down to approach one.

Jit/Tqc objectives should seem reasonable, proper, and easy to accept, inasmuch as **Jit/Tqs** attempts to control such costly sources of waste such as:

- Idle inventories, which constitute waste of scarce material resources, and, indirectly, energy for basic material conversion and refining;
- Storage of idle inventories, which wastes limited space;
- Defective parts, subassemblies, and final products, which are a waste of materials/energy.

Total quality control particularly emphasises:

- A goal of continual quality improvement, project after project (rejection of the Western notion of an "acceptable quality level");
- Worker (not qc department) responsibility;
- Quality control of every process and not reliance upon inspection of lots for only selected processes (defect prevention, not random detection);
- Measures of quality that are visible, visual, simple, and understandable, even to the casual observer.



(a.2)

Reengineering in the Footwear Industry.

This part of the presentation introduced present application concepts and experience in the footwear industry to overcome the now rapidly emerging "Life-or-Dead" situation in competition.

1. Benchmarking of competitive position, opportunity search

2. Just-in-time related **Modular Manufacturing** and other related methods in the footwear industry.

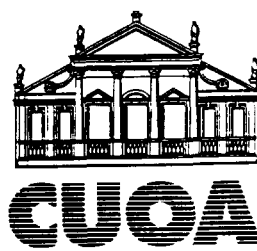
- Why and when to move modular
- The effect of automation
- The human motivation and job design
- Team building
- Traditional organisation of production
- Modular organisation of production

a) Hand-on Module

b) Toyota Module

c) Kanban Module

- Choosing the job design
- Assessing of just-in-time opportunities/effects:
 - Productivity
 - Profitability
 - "Non-productive" personnel
- Reduction of labour in various functions and levels of organisation, empowerment/responsibility, less organisational levels
- Reduction of absenteeism and labour turn-over
- Effects on quality improvement and quality cost
- Expenditure
 - Extra machinery
 - Training activities
- Work-in-Progress and other inventory reduction
- Quality systems
 - The culture change to leading to responsibility, ownership and self inspection
 - Quality assurance



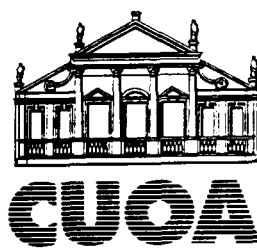
- a) Benefits of a quality assurance system
 - b) Internal quality auditing
-
- Other,
 - Continuous improvement
 - Time-frame of learning the JIT
 - Measure the measurable, make measurable
 - Production planning/control
 - Partnership sourcing
 - Space
 - On-time delivery
 - Extra business, image
 - Work health
 - Less tooling
 - Machine breakdowns, maintenance, workers partly maintain the machines
 - Team work
 - Simplification
 - Increased operator involvement
 - Overall Commitment

(b)

"Restructuring" has been a common phenomenon in several industries in the west.

But many companies have found themselves confronted with sizeable "organizational transformation" problems.

- The organizational transformation agenda typically includes downsizing, overhead reduction, employee empowerment, process redesign, and portfolio rationalisation.
- ROI has two components:
 - a numerator (a net income) and
 - a denominator (investment, net assets, or capital employed).
- Under intense pressure for a quick ROI improvement, executives reach for the lever that will bring the quickest, surest improvement in ROI the denominator.



- It is said that U.S.A. and Britain have produced an entire generation of denominator managers. Social costs of restructuring are high. One of the inevitable results of down-sizing is plummeting employee morale.

(c)

"Reinventing Industries and Regenerating Strategies"

One should note that:

- A company in restructuring may surrender today's business by becoming smaller at a faster rate than it becomes better.
- A company certainly surrenders tomorrow's business when it gets better without becoming *different*.
- There is no such thing as "sustaining" leadership; it must be reinvented again and again.

The real competitive problem is:

- laggards versus challengers
- incumbents versus innovators
- the inertial and imitative versus
- the imaginative

Laggards follow the path of greatest familiarity. Challengers, on the other hand, follow the path of greatest opportunities, wherever it leads.

Top management's primary task is reinventing industries and regenerating strategy, not reengineering process.

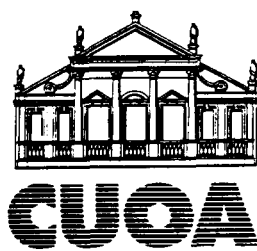
To create a future a company must:

1. Change in some fundamental way the rules of engagement in a long-standing industry, such as the footwear industry
2. Redraw boundaries between industries and/or
3. Create entirely new industries.

What allows some companies to create the future despite enormous resource handicaps, while others spend billions and some come up short.

What is required is:

1. an understanding on how competition for the future is different
2. a process for finding and gaining insight into tomorrow's opportunities



3. an ability to energise the company top-to-bottom for what may be a long and arduous journey towards future
4. the capacity to outrun competitors and get to the future first, without taking undue risks.

A firm must unlearn to:

Develop great foresight into the whereabouts of tomorrow's markets. What is needed is a strategy to build the competencies needed to dominate future markets.

Creating stretch goals:

Creative and unending pursuit for better resource leverage, for competing to shape the structure of the future industry.

Recognise that competition for core competence leadership precedes the product leadership.

It is the view of strategy that recognises that competition often takes place within and between coalition of companies, and not only between businesses.

Mr. Italo Trevisan (16 May)

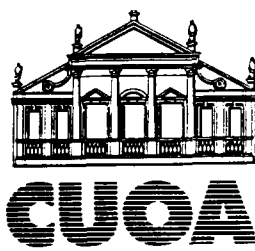
Building up a Distribution Network

Distribution policy decisions

- Distribution networks and sales networks
- Functions, limits and power of intermediaries
- Choice of distribution channels
- Planning and establishment of a distribution channel
- Case study and discussion

Sales network

- Creation of a sales network
- Sales forecasting
- Planning and control of a sales network
- Discussion



Entry and distribution in foreign markets

- Selection of foreign markets
- Distribution channels in foreign markets
- Fairs as a tool for starting a distribution network
- Discussion

Permanence in foreign markets

- Fairs follow-up
- Sales network in foreign markets
- Requirements for staying in foreign markets
- Discussion

Mr Armando Branchini (17 May)

THE ITALIAN FASHION INDUSTRY

Strategies, Key Success Factors, Competitive Skills

1. Industry Structure:

Shares of leading export countries in the world textile (first ten shoemanufacturing countries exports in 1992)

2. Key Success Factors

Relationship and strong ties/integration among companies

Aesthetic tradition of Italian art and culture

Entrepreneurial vocation

Creativity and product innovation

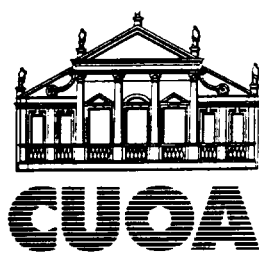
Quickness of strategic change and organization processes innovation

Technological innovation

Entrepreneurial Spirit (Medieval Corporations, XVIII° Century Textile Industry, World Famous Italian Entrepreneurs)

- Family Business Management
- Product Culture
- Research of new markets
- Inclination to risk

Product



- Innovation
- Image
- Style
- Quality
- Differentiation
- Multiplication
- Meanings
- Personalization

New Production Factors

- Marketing
- Research and Development
- Finance
- Information Technology

Technologic Innovation

- Research on materials
- Research on manufacturing processes
- Investment in advanced plants and machinery

3. A system in continuous change

Ability to anticipate social economic trends

- Emerging signals
- Needs
- Tastes
- Lifestyles
- Trends
- Segments
- Niches

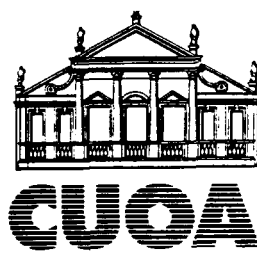
Ability to adapt to final demand changes

New challenges for the Italian fashion system

- Identifying and entering emerging markets
- New relationship with the distribution infrastructure

New relationship with the distribution infrastructure

- Operation with retailers



- Market information exchange
- Risk sharing

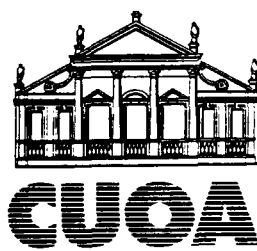
Mr. Riccardo Larese Gortigo (16 May)

- An introduction to Internet. Advantage for Business Community
- How to use Internet in the Business. An electronic catalogue.

Mr. Giovanni Maria Dalla Colletta (21 May)

Investment Opportunities of EU Countries/Developing Countries, especially focusing on African entrepreneurs

1. The chain of value in the footwear sector of enterprises in relation with foreign countries.
Modalities of distribution and subcontracting.
2. The chain of value in comparison to the protection of footwear enterprises: the school project.
3. Flows and economic organization in an international system.



2.3 Round Table discussions

Some Round Table Discussions were set up in order to elaborate on the lectures.

Practical exercises followed the lectures, grouping the participants according to their different backgrounds.

Practical experience on business problems and their solutions was provided by selected consultants coming from the entrepreneurial world, using videotapes, personal computers and case studies.

A Business Game was performed, with the aim of fulfilling a true simulation of the day-by-day complexity of managing an enterprise.

The proposed topics and the way in which they were taught aimed at improving the skills of the participants to think about economic models which could be applied to their own reality providing them with a balanced system of business administration and marketing.

2.4 Visits

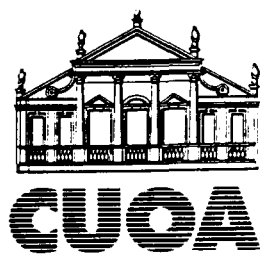
The visits to factories had the objective of:

a) on-the-job learning what was taught during theoretical lessons. (Please refer to the list of the visits in the enclosed Annex 1, Final Programme)

The guided visits to the factories were conducted by managers or technicians. A presentation of the production of the factory, the problems and the possible solutions, was held.

b) Visits to factories had the objective of establishing business relations. As result of these visits some possibilities for future co-operation arose.

All these visits were judged by participants and high-level UNIDO and CUOA staff. Antonini/Lumberjack, one of the leading footwear companies in Italy organized a very interesting visit for the group to the company production floor, providing the necessary information on the productive process.



During this visit it was also possible to discuss with the export manager about real possibilities of cooperation with some of the participants.

A lot of informative material was distributed to them.

Another important visit was that to the Technological Center of the Association of Footwear Manufacturers of the Riviera del Brenta, a well known area for the production of high quality shoes.

This guided visit permitted the participants to see how tests on materials and shoes are made and how lessons are held for people who intend to operate in the footwear field. It was also possible to see a great range of shoes and collect some ideas on new trends in the field.

The Last visit was to the designing department of **Bata** in Padua. The product development manager of this society explained in an excellent way all the phases related to the implementation of products and gave the participants the possibility to bring back home some shoe samples.

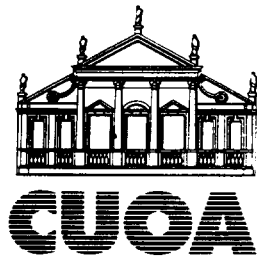


3. Conclusions and Recommendations

- A high appreciation of the seminar was gathered overall. Questionnaires showed that CUOA standards, and above all, the organization of the seminar, quality and quantity of distributed documentation, quality of teachers and logistics were judged to be excellent. UNIDO consultants' opinion about the seminar was very good. With only some details to tune, it seems the way to continue: general satisfaction and very positive results highlight an experience that should be repeated.
- The duration of such seminars should be longer (minimum 21 days). However, despite the full immersion programme and shortage of time to cover all subjects, the seminar was a success thanks to the well-coordinated efforts shown by all parties concerned, namely, professors, consultants and participants.
- More emphasis on specific topics- rather than others - should be given when designing the programme of future seminars in order to address the needs of all the participants. However, taking into account the different background of these SMEs African entrepreneurs, the Seminar was fairly well balanced.

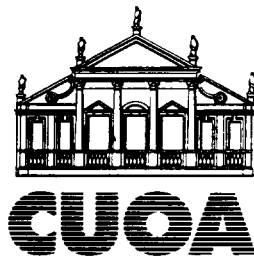
- The two main problems faced by the team therefore were:
 - the non homogeneous background of the participants
 - the relative shortage of time

- The above mentioned problems are quite normal in managerial courses for small entrepreneurs: the Seminar gathered "self made men", with virtually no education and MBA degree. To face this problem, CUOA usually makes a preliminary selection through an "entrance examination", in order to divide students according to their educational background. In this respect the level of lectures was tuned to match with the heterogeneous background of the participants. In addition, participants were divided in teams, selected by the teachers, in which all the different levels were taken into account. In this way, the "natural leader" of the group enhanced the "learning curve" of the team to which he/she belonged. The "business cases", round table discussions and the "game", with practical simulation and reference on real managerial problems in a day-by-day shoes factory's life were also utilized.
- Referring to the shortage of time and the needs of such an audience, the course was heavily surcharged, asking for a remarkable effort from



the participants. Thanks to the exceptional job done by UNIDO officers, the selected participants were all highly motivated, and even accepted additional work.

- A follow-up of this seminar is strongly recommended in their own countries to see if they really put into practise what they learnt during this seminar .



ANNEX 1

UNIDO SEMINAR FOR SELECTED AFRICAN SHOE INDUSTRY MANAGERS IN COOPERATION WITH CUOA 10 May - 22 May 1996

FINAL SEMINAR PROGRAMME

The programme started with a visit to the LineaPelle and SIMAC fairs in Bologna 8-9- May (Wed/Thu 1996) organised by UNIDO.

10 May, Fr: Participants arrived at CUOA on 10 May, Fr.

h.8.00-10.00: Travel from Bologna to Verona (provided by CUOA)

h.10.00-12.00: Visit to Antonini (Lumberjack) Company in Verona/productive process of rubber sole footwear. (Transport provided by CUOA).

Guided visit of the production floor.

h.12.00-13.00: Travel from VR to CUOA

h.13.00-15.00: Lunch at CUOA and accommodation at College rooms

h.15.00-16.00: meeting with CUOA's staff and introduction to CUOA's facilities

h.16.00-17.00: meeting with UNIDO's staff and introduction to the seminar programme. Summary of the Fair results.

11 May, Sat,

h.9.00-9.30: Opening of the seminar by Prof. Enzo Rullani, President of CUOA Scientific Steering Committee

h.9.30-10.00: Opening of the seminar by UNIDO BSO Ms. Aurelia Calabrò

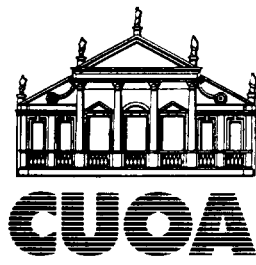
h.10.00-10.30: Presentation by Mr. Gian Antonio Manni, Head of International Relations Department of CUOA, of the objectives and contents of the programme

h.10.30-10.45: Coffee break

h.10.45-13.00: lecture by Mr. Juhani Berg on Shoe industry range building and latest trends in the Scandinavian markets. Distribute and explain papers for the business game to be completed in 19 and 20 May sessions.

h.13.00-14.00: lunch at CUOA

h.14.00-18.00: Marketing with Prof. Tiziano Vescovi: **The Relation between Enterprise and Market and Customer Satisfaction.**



- Marketing-mix variables and their appropriate management;
- customer satisfaction as key variable for competitive success.

12 May, Sun:

h.9.00-18.00: Visit to Venice (transport and boarding provided by CUOA).

13 May, Mo

h.9.00-13.00 / 14.00-18.00 (Prof. Paolo Collini)

Economic/Financial management of shoe manufacturing enterprise

Economic-financial control system

The final balance

The final balance as an instrument to value the assessment of the enterprise: the system of indexes and financial flows

14 May, Tue

h.9.00-13.00 / 14.00-18.00 (Prof. Paolo Collini)

Economic/Financial management of shoe manufacturing enterprise

Economic data for business administration: costs, proceeds and profits

The budget as an implement for anticipated management

14 May 18.00 - 20.00

Intervention by Mr. Torielli on latest trends in shoe technology and shoe machinery.

After the intervention it was planned a dinner at a Restaurant with Mr. Pietro Torielli, participants and UNIDO staff.

15 May, We

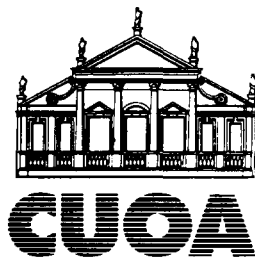
h.9.00-13.00 / 14.00-18.00

Presentation of UNIDO computer programs for footwear costing, production control, feasibility studies etc. by Mr. Schmel, UNIDO assistance provided by Mr. Niklas-Salminen and Mr. Juhani Berg.

ADDITIONAL time was required by Teachers and Participants who remained till 20.00 o'clock in the computer room N° 2.

16 May, Thu

h.9.00-13.00 / 14.00-18.00



Setting up of a distribution network by Prof. Italo Trevisan

How to create a sales network

Sales forecasting

Fairs follow-up

Planning and control of a distribution network

ADDITIONAL

18.00 - 19.30 Internet session held by Mr. Larese Gortigo, CUOA Information Technology expert on how to build an inexpensive electronic catalogue up.

17 May, Fri

h.9.00-13.00

Quick response in manufacturing/just-in-time by Mr. Niklas-Salminen:

Price, Delivery, Quality speed

Window of opportunity in export in implementing the just-in-time concept

Beyond competition

Re-engineering

Opportunity search or problem solving

The eight critical dimensions of quality what customer wants

Prevent, no detection, zero defects aim, optimize

h.13.00-14.00 Lunch at CUOA

17 May, Fri

h.14.30-15.30: Lecture by Mr. Armando Branchini on Italian fashion for leather based products

h.15.30-15.45: Coffee break

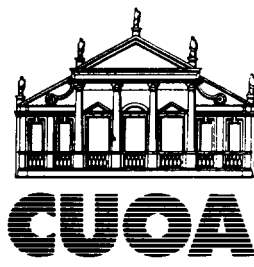
h.15.45-18.00: Continuation of Mr. Armando Branchini's lecture

ADDITIONAL

h.18.00 - 20.00 Slide projection on Shoe design trend commented by Mr. Juhani Berg; discussion and videotape on production problems, supplied by Torielli Spa and commented by Mr. Timo Niklas- Salminen.

18 May, Sat:

h.8.30-12.00: Visit to **Acrib** at Strà (VE) that is the Association that gathers together all the companies operating in the footwear field of the "Riviera del Brenta". At the HQ of this Association illustrative videotapes on male and



female shoe production were presented to participants and it was possible to visit the Technological and Informatics Centre with its Material Research Centre.

h.12.00-13.30: Travel to CUOA

h.13.30-14.30: Lunch at CUOA

15.30-16.30: Instruction on Business Game (by Mr. Juhani Berg)

from h.16.30: Free time for shopping

19 May, Su

h.9.00-13.00 / 14.00-18.00 (Prolonged till 20.00)

Business Game conducted by CUOA and by Mr. Juhani Berg on the Simulation of enterprise management using the business tools provided during the seminar.

20 May, Mon

h.9.00-13.00 / 14.00-18.00

Business Game conducted by CUOA and by Mr. Juhani Berg on the Simulation of enterprise management using the business tools provided during the seminar.

h.18.00-19.00: Official Closing of the Seminar by UNIDO BSO, Ms. Aurelia Calabrò and Mr. Gian Antonio Manni, Head of International Relations Department of CUOA.

21 May, Tue:

h.8.30-9.30: Travel to Padua

h.9.30-12.30: Visit to **Bata** designing dept./New products Research and Development Office, strictly linked to the Canadian Head Office, in Padua.

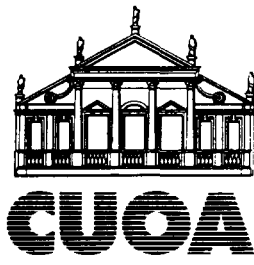
h.12.30-13.30: Travel to CUOA

h.13.30-14.30: Lunch at CUOA

h.14.30-17.00: Lecture on investment opportunities of EU countries/developing countries especially focusing on African entrepreneurs by Prof. Giovanni Dalla Colletta.

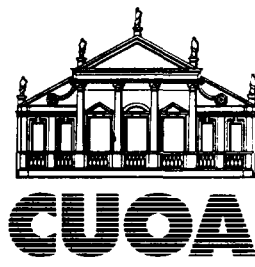
ADDITIONAL

17.30 Local television (TVA): broadcasting network interviews to Participants and Course staff on the meaning and the aim of the Course and of UNIDO mission.



22 May, Wed morning: transfer from Altavilla Vicentina to airport (Venice) and to train stations/other airports (depending upon participants' requirements) organised and provided by CUOA.

N.B. boarding for UNIDO experts and participants were provided by CUOA, as well as transport from Bologna to Altavilla on the 10 May, transport for all visits and transport from Altavilla to Venice airport or train station/other airports on the 22 May.



ANNEX 2

LIST OF PARTICIPANTS

1. Mr. Gezachew Negash (Ras Dashen, Ethiopia)
2. Mr. Yohannes Hunde (Kangaroo Shoe Factory, Ethiopia)
3. Mr. Peter Ghrwa (Joapet Enterprises LTD, Kenya)
4. Ms. Minneh Gatu (Kays Enterprise, Kenya)
5. Mr. Perminus Kiarie (Count Shoes, Kenya)
6. Ms. Pauline Mbayah (TPCSI, Kenya)
7. Mr. Jose Leite (Mirabelle Components, Zimbabwe)
8. Mr. Ajit Mithal (Karasons Footwear, Zimbabwe)
9. Mr. Umesh Ratanje (R.K. Footwear, Zimbabwe)
10. Ms. Jay Desai (Superior Footwear, Zimbabwe)



CUOA/UNIDO STAFF

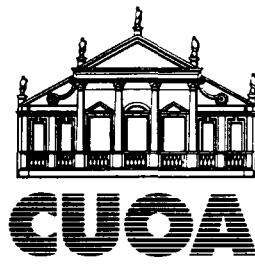
Leather technologist and managerial, marketing experts, university teachers involved in the project	Title
Niklas-Salminen Timo	Senior Consultant - Footwear Expert
Berg Juhani	Senior Consultant - Footwear Expert
Santoro Guido	Manager Antonini - Lumberjack
Maggiolo Pietro	Manager BATA
Branchini Armando	Consultant - Footwear Marketing Expert
Dalla Colletta Giovanni	Consultant - CUOA Teacher
Manni Gian Antonio	Consultant - International Marketing - CUOA Teacher
Menegazzo Giampiero	Managers of Acrib
Tescaro Mauro	
Olivotto Luciano	Venice University Professor of Economics - CUOA Teacher
Collini Paolo	Venice University Professor of Managerial Accounting - CUOA Teacher
Rossi Luigino	Entrepreneur (Footwear factories)
Trevisan Italo	Trento University - Professor of Marketing - CUOA Teacher
Torielli Pietro	Chairman of Assomac Italy
Vescovi Tiziano	Venice University - Professor of Marketing - CUOA Teacher
Larese Riccardo Gortigo	Information Technology Expert - CUOA Teacher
<u>CUOA Back Office</u>	
Manni Gian Antonio	Project Manager
Turcato Lorenza	Tutorship
Niccoll Elizabeth	Secretary - Interpreter
<u>UNIDO TEAM</u>	
Schmel Ferenc	UNIDO - Industrial Development Officer
Calabrò Aurelia	UNIDO - Associate Industrial Development Officer



ANNEX 3

List of papers presented and name of consultants

NAME OF CONSULTANTS	LIST OF PAPERS PRESENTED
Mr. Berg Juhani	"Pre-Feasibility Study for a Model Shoe Factory "Case Studies/Business Games" "Outline of Pre-Feasibility Study" "Upper and Lining Components" "Focusing on Product Value" "Shoe Fashion Trends - Spring/Summer 1997" "Guidelines for Range-Building" "Market Development: Exporting Footwear from Africa"
Mr. Branchini Armando	"The Italian Fashion Industry"
Mrs. Calabrò Aurelia	"Opening Remarks on the Seminar"
Mr. Collini Paolo	"Economic/Financial Management"
Mr. Dalla Colletta Giovanni	"Investment Opportunities of EU Countries/Developing Countries"
Mr. Manni Gian Antonio	"Programme of the Seminar"
Mr. Niklas-Salminen Timo	"Just-In-Time and Beyond" "Standard Times for Two Products of Uppers" "Payment by Results" "Capital Expenditures Evaluation" "Production Volume, Efficiency, etc."
Mr. Rullani Enzo	"Introduction to the UNIDO Seminar"
Mr. Trevisan Italo	"Constitution of a Distribution Network"
Mr. Torielli Pietro	"Main World Footwear Production Areas"
Mr. Vescovi Tiziano	"Marketing Concepts and Strategies"

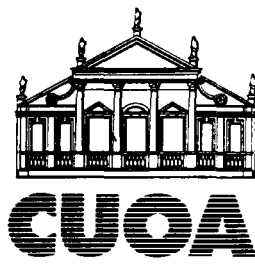


ANNEX 4

Each participant has been provided with a CUOA folder containing the programme of the Seminar, leaflets describing the various courses held by CUOA, Brochures on the Veneto Region, a notebook and a Guide for attendants to courses in which one may find:

- CUOA Description
- CUOA Location
- CUOA Structure
- CUOA Services and opening time
- Supporting Structures (Library, Photocopy Service, General Notes)
- Bus Service
- Use of Computer Classrooms

The documentation distributed by the Consultants is listed in ANNEX 3.



ANNEX 5

Table of Contents of the distributed Papers

(A copy of all these papers is available at Mrs. Aurelia Calabrò's Division and at CUOA International Relations Department).

ANNEX 5.1: Mr. Enzo Rullani

- Introduction to the UNIDO Seminar

ANNEX.5.2: Mrs. Aurelia Calabrò

- Opening remarks on the Seminar

ANNEX 5.3: Mr. Gian Antonio Manni

- Brief exposure on CUOA's organization and activities.

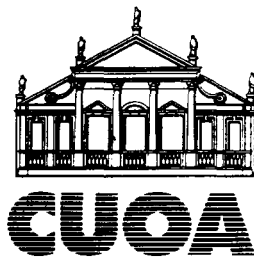
ANNEX 5.4: Mr. Juhani Berg

TITLE: "Pre-Feasibility Study for a Model Shoe Factory"

Table of Contents

Explanatory Notes

- 1. Executive Summary**
- 2. Project Background and History**
 - 2.1 Project Sponsors**
 - 2.2. Project History**
 - 2.3. Cost of Studies and Investigations Performed**
- 3. Market Analysis amd Marketing Concepts**



- 3.1 Definition of the basic idea of the project objectives and strategy,
- 3.2 Demand and market
- 3.3 Marketing concept
- 3.4 Production programme

4. Material Inputs
 - 4.1 Raw materials and components
 - 4.2 Factory supplies

5. Location Site and Environment
 - 5.1 Pre-selected site
 - 5.2 Environmental assessment

6. Project Engineering
 - 6.1 Plant capacity
 - 6.2 Technology and equipment
 - 6.3 Civil engineering

7. Organization and Overhead Cost

8. Human Resources

9. Implementation Schedule

10. Financial Analysis and Investment

TITLE: "Shoe Fashion Trends - Spring/Summer 1997"

Table of Contents

1. Introduction
 - Last is always the first
 - Colours
 - Upper design

2. Interpretation of the Information
 - German trends



- Scandinavian trends
 - International trends
3. Colours
 4. Upper Design
 5. Sport Shoes
 6. Influence of Modern Communications

TITLE: "Guidelines for Range-Building"

Table of Contents

1. What is range-building?
2. The roles and functions of:
 - 2.1 Marketing Manager/Director
 - 2.2 Range-builder
 - 2.3 Fashion Designer/Creative Designer, Stylist
 - 2.4 Technical Designer, Pattern Maker/Shoe Engineer
 - 2.5 Summary of the various roles and functions
3. What is the difference between creative designing and copy designing?
4. Sources of information and design inspiration
5. How to evaluate, select and realize the information flow
6. Style variations and standardization of tooling

TITLE: "Market Development: Exporting Footwear from Africa"

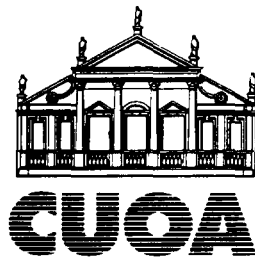


Table on Contents

Introduction

- A. The aim of this booklet
- B. Why this booklet was commissioned
- C. Benefits to the companies

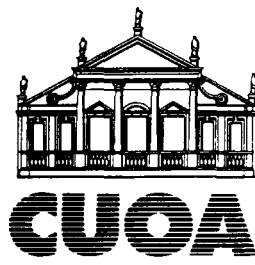
Background to RALFIS

- A. Brief history of the project
- B. Development of the marketing component
- C. Future marketing plans

The importance of marketing

Exporting from Africa

- A. Benefits of exporting
 1. Commercial
 2. People
 3. Reputation
- B. Drawbacks of exporting
 1. Risks
 2. Management
 3. SWOT Analysis
- C. Product development
 1. Colours
 2. Materials
 3. Components
 4. Styling
- D. Quality assurance
- E. Planning for export
 1. Management policy
 2. The 60 minute export marketing plan
- F. Trade shows
 1. Types and logistics
 2. Effective show participation



Costing and Pricing

A. Factors affecting pricing

B. Costing systems

1. Full costing
2. Marginal costing

B. Break even analysis

C. Establishing selling prices

Summary

A. Management

B. Planning

C. Pricing

D. Intentional shows

E. Product development

F. Production

G. Benefits and risks

ANNEX 5.5: Mr. Tiziano Vescovi

TITLE: "Marketing Concepts and Strategies"

Table of Contents

1. The Firm
2. The Product
3. The Market
4. Research
5. Target of the Work
6. Working Methodology
7. Territorial Distribution of the Interviews
8. Results of the Research
 - Who buys sporting shoes
 - Motivations of purchasing
 - Usage



ANNEX 5.6: Mr. Paolo Collini

TITLE: "Economic/Financial Management"

Table of Contents

Cases:

1. Case: Longer-Run Decisions: Capital Budgeting

Nature of the Problem

- General Approach**
- Return on Investment**

Estimating the Variables

- Required Rate of return**
- Economic Life**
- Cash Inflows**
- Depreciation**
- Investment**
- Terminal Value**
- Nonmonetary Considerations**
- Summary of the Analytical Process**

Other Methods of Analysis

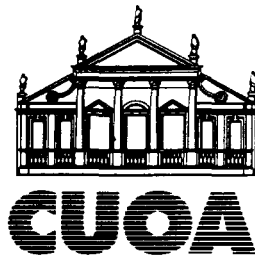
- Internal Rate of Return Method**
- Payback Method**
- Unadjusted Return on Investment Method**
- Multiple Decision criteria**

Preference Problems

- Criteria for Preference Problems**
- Comparison of Preference Rules**

Nonprofit Organizations

- Summary**



2. Case: Programming and Budgeting

Programming

- Ongoing Programs
- Proposed New Programs
- Formal Programming Systems

Budgeting

- Uses of the Budget
- The Master Budget

The Operating Budget

- Program Budgets and Responsibility Budgets
- Project Budgets
- Variable (Flexible) Budgets
- Management by Objectives

Preparing the Operating Budget

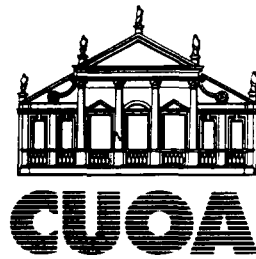
- Organization for Budget Preparation
- Budget Timetable
- Setting Planning Guidelines
- Preparing the Sales Budget
- Initial Preparation of other budget Components
- Negotiation
- Coordination and Review
- Approval and Resolution
- Variations in Practice

The Cash Budget

The Capital Expenditure Budget

- Project Proposals
- Authorization

Summary



Basic Accounting Concepts:

- The Balance Sheet
- The Income Statement

The Statement of Cash Flows

Financial Statement Analysis

The Behavior of Costs

Full Costs and Their Uses

ANNEX 5.7: Mr. Pietro Torielli

Title: "Main World Footwear Production Areas"

Table of Contents

1. World Production By Geographical Area
2. Footwear Sector: The First Ten in the World
3. Hourly Cost of Labour in USD

ANNEX 5.8: Mr. Timo Niklas-Salminen

Title: "Just-In-Time and Beyond"

Table of Contents

Purpose of the Presentation

The Quest for Competitiveness

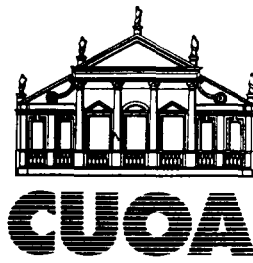
Restructuring

Beyond Restructuring - Reengineering

- Just-in-time/Total Quality Control; JIT/TQC

The System's Main Concerns

Management Methods are highly transportable commodity



Just-in-time production exposes problems otherwise hidden by excess inventories and staff

Cutting lot sizes

Cutting Purchase Order Costs

The JIT Cause-Effect Chain

Withdrawal of Buffer Inventory

The Total Quality Control and JIT

Symbiosis

– Total Quality Control

– Plant Configuration

Flexibility open doors

Modular Manufacturing in
the Footwear Industry

Shoe upper production

Hand-On layout

Kanban layout

Lasting (making)

Whole Shoe Factory

Support services

– Just-In-Time Purchasing

The JIT purchasing characteristics

The JIT purchasing benefits are in five groups:

Training Buyers

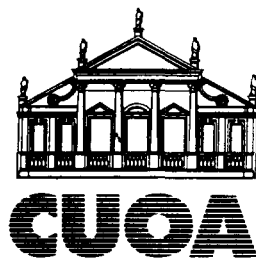
– Quality Circles, Work Improvement, and Specialization

The Impact of Quality Control Circles

Combatting Specialization

– Beyond Reengineering

– Reinventing Industries and Regenerating Strategies



- From Organizational Transformation to Industry Transformation

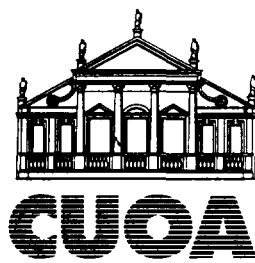
- The New Strategy Paradigm
 - Learning to Forget
 - Unlearning the Past
 - Corporate Challenges
 - From Fit to Stretch
 - Strategy as Leverage
 - Competing to Shape the Future
 - Managing Migration Paths
 - Maximizing Share of Influence

- Rate Your Company
- JIT Purchasing: Characteristics and Benefits
- References
- Related Readings

TITLE: "Payment by Results"

Table of Contents

1. Preface
2. Choosing Payment System
3. Some Key Words
4. Pay Systems
5. Payment by Results (PBR)
6. Results
7. Relations Between Pay and Performance
8. Criteria of Success for our PBR Scheme
9. Examples of Payment by Results Schemes
10. PBR and safety and Health
11. Motivation of Employees
12. Some Theories of Motivation
13. Selected Bibliography and Sources



TITLE: "Capital Expenditures Evaluation"

Table of Contents

Capital Expenditures: Planning, Evaluating, and Controlling

Planning for Capital Expenditures

- Relating plans to objectives
- Structuring the framework
- Searching for proposals
- Budgeting capital expenditures
- Requesting authority for expenditures

Evaluating Capital Expenditures

- Classification of Capital Expenditures
- Cost of Capital
- Income Tax Considerations in Estimating Cash Flows
- Representative Evaluation Techniques
- The Payback (or Payout) Period Method
- The Average Annual Return on Investment Method
- The Present Value (or not Present Value) Method
- The Discount Cash Flow (DCF) (or Internal Rate of Return) Method

Controlling Capital Expenditures

- Follow up of project results
- Sources and selected bibliography

ANNEX 5.9: Mr. Italo Trevisan

Title: "Constitution of a Distribution Network"

Table of Contents

- 1. To have the Best possible Returns from Trade Shows Investment**
- 2. Trade Shows or Fairs Offer**



3. Types of Sales Network
4. Tasks of Sales Managers
5. Categories of Intermediaries
6. Moments of the Distribution Policy
7. Aims of the Distribution Policy
8. In Choosing the Distribution Channel the Enterprise must clearly know
9. Strength and Weak Points of the Direct Channel
10. Strength and weak points of the Short Channel
11. Strength and Weak Points of the Long Channel
12. Factors in the Selection of the Distribution Channel
13. Factors in the Selection of the Distribution Channel
14. Phases of the Analysis of a Foreign Market
15. Characteristics of a Good Product
16. Modalities of Entry into Foreign Markets
17. Cross Cultural Research on the Entrepreneurial Phenomenology

ANNEX 5.10: Mr. Armando Branchini

TITLE: "The Italian Fashion Industry"

Table of Contents

**The Italian Fashion Industry
Strategies, Key Success Factors, Competitive Skills**

1. Industry Structure
2. Key Success Factors
 - 2.1 Functional co-operation and integration among companies
 - 2.2. Aesthetic and artistic values
 - 2.3. Entrepreneurial spirit
 - 2.4. Creativity and product innovation
 - 2.5. Focus on strategic and organizational change
 - 2.6. Technologic Innovation
3. A System in Continuous Change
 - 3.1 Searching for new markets



3.2. New relationship with the ditribution infrastructure

ANNEX 5.11: Mr. Giovanni Maria Dalla Colletta

TITLE: "Investment Opportunities of EU Countries/Developing Countries"

Table of Contents

- 1. The Chain of value in the Footwear Enterprises**
- 2. Modalities of Distribution**
- 3. Modalities of Subcontracting**
- 4. The School Project**
- 5. Flows and Economic Organization**

SURVEY OF UNIDO/CUOA SEMINAR FOR SHOE INDUSTRIES

C.U.O.A., Altavilla Vicentina, 1-22 May 1996

QUESTIONNAIRE FOR PARTICIPANTS

There were ten participants involved in this survey: 2: Ethiopia, 4: Kenya, 4: Zimbabwe. 2: female, 8: male.

Under "SUBJECTS", the following results were received.

1. In general, are you satisfied to have participated to this Managerial Training Seminar?

Response

9 = very much; 1 = much

2. Did the subjects discussed allow you to reach your objectives?

Response

6 = very much; 2 = much; 2 = sufficiently

3. Among the following factors which have mainly satisfied or unsatisfied you?

Response

- careful examination of subjects: 7 = satisfied; 1 = unsatisfied; 2 = not responded
- clearness of teachers: 9 = satisfied; 1 = not responded
- variety of subjects: 10 = satisfied
- personal interest: 9 = satisfied; 1 = not responded
- interest in the subjects: 5 = satisfied; 5 = not responded
- connection with daily problems: 8 = satisfied; 1 = unsatisfied; 1 = not responded
- length of time/duration of the course: 6 = satisfied; 2 = unsatisfied; 1 = not responded; 1 wrote "30".

4. The distributed information papers were:

from a quantitative point of view:

Response

5 = very good; 5 = good

from a qualitative point of view:

6 = very good; 3 = good; 1 = insufficient

5. **How was the assistance service in the classrooms (*tutorship*)?**

Response

8 = very good; 2 = good

6. **After this experience, which suggestions would you give us, to improve the quality of our service?**

Response

- 2 were satisfied with the course;
- 2 felt the course was too short to cover the quantity of issues;
- 1 suggested organizing more international seminars covering specific areas, e.g. finance and marketing management;
- 1 suggested a more even balance between theoretical and practical exercises;
- 1 suggested more use of videos, and more subjects on African business management;
- 2 did not respond.

7. **Teaching has generally been:**

Response

8 = very good; 2 = good

Under "OTHER INFORMATION" the following results were received:

1. **Is this the first time you participate in UNIDO's training courses?**

Response

6 = yes; 3 = no; 1 = not responded.

If no, to which UNIDO Seminars?

Response

- Local seminars in Kenya;
- Pirmasens, GDS;
- UNIDO-sponsored Human Resources Development Seminar.

2. **During your professional career, have you attended other courses on managerial skills development?**

Response

4 = yes; 6 = no

If yes, please state subject and institution courses have been attended

Response

- Sales Management: Bata, Zimbabwe; over 5 different management courses covering various aspects of management organized by local consulting firms (Kenya);
- Export: Zimtrade; Production Control: CZI;
- Business Studies: University of Cape Town; Teamwork: Institute of Management;
- Negotiations, Personnel Management, Accounting, Quality (Institutes not mentioned).

3. Are you planning to attend other courses on managerial skills development in the next 12 months?

Response

8 = yes (1 responded if courses available; 1 responded if she has a chance); 2 = no

If yes, on which subjects?

Response

- general management: 5
- finance and administration: 4
- logistics and production: 4
- marketing and sales: 5
- personnel and organization: 4
- research and development: 2
- EDP/information technology: 3
- other: computer; MBA in international business administration; all subjects were very helpful

4. On the basis of your experiences, what subjects do you think are most important for completing and/or updating your professional background?

Response

- general management: 1
- time management: 1
- integrated management: 1
- finance and administration: 3
- finance and economics: 1
- logistics and production: 3
- marketing and sales: 3
- marketing: 2
- personnel and organization: 4
- research and development: 2
- EDP/information technology: 4
- business games: 1
- accounting: 1
- technical subjects: 1
- production: 1
- Costing and the computer gains: 1

QUESTIONNAIRE (Part 2)

Please provide your comments on the seminar

Out of the ten participants, one participant did not respond to the above question.

The overriding comment made by the participants who responded, was that the course was too short to cover all the topics thoroughly (7, with one of them suggesting that the course should be extended to cover 5 weeks). 3 participants felt that more practical exposure would have been useful (i.e. more visits to factories and study tours), and that the course tended to be rather theoretical, including a comment from one participant that the theoretical side was further complicated by the fact that there were different skills levels, which he felt made it difficult for the lecturers to judge the level of their lectures. One participant felt that more time should have been devoted to studying management and production, but nevertheless expressed that what was available on this topic was excellent. One participant expressed that it is important for institutions such as CUOA to continue such courses, but with a specific request to have courses covering her area of interest, i.e. finance for non-finance managers, which she felt was well presented during the seminar. Appreciation was expressed by 6 participants, which ranged from those who were grateful to UNIDO for giving them an opportunity to attend such a course, those who felt it had been well organized, and to those who felt that the knowledge gained at the seminar had enhanced their professional knowledge.

Please provide your comments on how, in your opinion, can UNIDO provide additional assistance to the footwear industry management sector.

Out of the ten participants, one participant did not respond. The comments made by the participants are outlined below:

- General contents of seminar were adequate for management training for footwear managers, but an area not covered was “quality” and upgrading products to an acceptable level expected by buyers.
- Practical side of the course was the most useful, and further exposure of this nature would provide African management with ideas of what they need to do in order to match quality and productivity of European counterparts.
- There is a need to expose participants on a more regular basis, to training of management in production control, time management and organization (which are overlooked by many companies).
- Hold such seminars more frequently; hold follow-up seminars in home countries; provide more literature material on footwear industry.
- More practical courses would be beneficial, in order to allow for a better understanding of areas in their own companies where greater efforts need to be applied. A follow-up on changes implemented by the company is essential.

- UNIDO assistance would be appreciated in: marketing and sales, (e.g. trade fairs); personnel and organization (e.g. in-house staff training); equipment (i.e. machinery).
- Especially with establishment of ESALIA, there is a need for coordination of activities for the footwear industry in Africa. Communication between the countries should be enhanced, with UNIDO's assistance.
- UNIDO should continue to organize such seminars in order to develop managerial skills in the sector. UNIDO should increase its efforts to update the sector, by distributing information on new findings and achievements in order to keep abreast of increasing changes in technology. UNIDO should continue to provide technical and material assistance to the sector.
- UNIDO should follow-up CUOA seminar to ascertain whether participants are able to implement what they learned, and to take note of any improvements in the work place. Depending on availability of funds, such seminars should be held every two years, in order to keep up with new developments. UNIDO should continue to give assistance it deems fit, including attendance to international fairs.