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# Managerial and evaluation problems in development projects of transition countries.

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**Summary** -1. Some basic statements. -2. The discussion about the effects of intervention for entrepreneurial development. -3. Lessons from SME's development model in Emilia Romagna. -4. Intervention tools in support and improving new initiatives. -5. Agencies and one stop business shop: networking and personal achievement activities. -6. Perspectives and projects.

### **Abstract**

Il paper presenta e discute, sulla base delle esperienze condotte in alcuni progetti di sviluppo delle piccole e medie imprese nei Paesi Balcanici ed in particolare Albania, Croazia, Serbia e Slovenia, alcune delle problematiche emergenti nelle strutture organizzative preposte a questi interventi e nella valutazione dei risultati.

Paper presents and discusses, on the basis of some experiences managed in development projects of small and medium business in Balkans' Countries and particularly Albania, Croazia, Serbia and Slovenia, problems connected to the organizational structures of these interventions and to the evaluation of results.

### 1. Some basic statements.

The problems emerging from the evaluation in results of development projects all over the world have got, in transition countries, and particularly in Balkans' ones, a very interesting field of application.

Projects carried on, especially by Universities and Regions facing the Adriatic Sea for the entrepreneurial development of Balkan Countries, give us a good chance to deepen this subject in a restricted area and to analyse last experiences on this purpose.

Peculiar conditions that characterise this area can be summarised in the following points, here below:

• Relatively near start time of development projects. In Albania, for instance, they began to become diffused in 2000, in Serbia (Ex Yugoslavia) they are starting now, just in the first part of 2003<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> We have to remark that the book on Local Economic Development Agencies of ILO, UNOPS, Eurada and Cooperazione Italiana, organizations today active in Albania, published in Rome, June 2000, don't mention any activity carried on in the Republic of Albania.

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- Next door position about Italy and Adriatic Regions, a closeness enforced by a cultural common heritage in Slovenia, Croatia and Albania.
- The S.M.E. development model that on one hand is the strongest framework of economic and social wellness in Veneto, Emilia Romagna and Marche<sup>2</sup> and on the other one a highest interest by Balkan countries in the diffusion of S.M.E. as a starting point of their reconversion to the occidental model<sup>3</sup>
- The Italian Public Administration Reform that, with the aim to perceive a rationalization of Central Government Structures as well as local Authorities, produced in these last years a considerable amount of know how concerning, in general, the evaluation of Performances<sup>4</sup>.
- At the same time, in Italy, a lot of scholarships, project managers, public administrators and managers have successfully dealt with the establishment of One Stop Business Shop or Multipurpose Units devoted to the Territorial Improvement and the Entrepreneurial Development<sup>5</sup>.
- Finally we have to consider the technological revolution still in progress that changes the network from a tool of business management into a managerial and business environment.

All these conditions are still realizing nowadays a powerful experimental background that allows us, today, to debate a short contribution to applied studies in this field.

# 2. The discussion about the effects of intervention for entrepreneurial development.

The managerial problem of the intervention for the development and improvement of enterprises, mainly S.M.E. and in foreign countries (but also in specific territorial area in many points of interior as it happens, for example, in the North of England or in the South of Italy) has been discussed in many fields.

In the sixties, the discussion in managerial culture, was about the difficulties of U.S.A. development Projects in foreign Countries, discussion that has been projected in the political field

<sup>&</sup>lt;sup>2</sup> But also Puglia evidenced in "I bisogni delle imprese a sostegno della cooperazione con la Grecia, Regione Puglia, ECIPA, CNA Brindisi,2002.

<sup>&</sup>lt;sup>3</sup> Cfr. Kop-European Training Foundation, Raport Vendir, Promuovimi i Kulturës dhe Praktikave të Shoqërisë Civile dhe Strukturave përkatëse në Shqipëri, European Training Foundation, Council of Employer's Organisations of Albania, Tirana, Qershor 2002.

<sup>&</sup>lt;sup>4</sup> Cfr. E.Borgonovi, Nuovo scenario per gli enti locali, nella Riv. Azienda Pubblica, Maggioli, Anno XV, n. 1/2, gennaio-aprile 2002, pp. 5-11.

<sup>&</sup>lt;sup>5</sup> Another test field of improvement is represented, for Public Administration, by financial management of exterior subjects that promote adeguate level services. Cfr. A.Zangrandi, Il finanziamento nella logica dello sviluppo e della sussidiarietà, nella Riv. Azienda Pubblica, Anno. XV, n. 3, maggio-giugno 2002, pp. 259-276.

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as it happened in the next decade in the debate about the third way of development<sup>6</sup> and followed today trying to critically analyze the phenomenon of globalization and its most evident limits.

Sociology gives its contribute about the changeover of pre-industrial cultures into industrial and post industrial ones: the question posed was about the measure of this fast evolution that produces a revolution of social customs and classes. In the theory of enterprise, the challenge was to understand main factors of innovation in the growth of enterprises<sup>7</sup> while in applied psychology, the attention is devoted to the relational and behavioral approach by teaching to managers and volunteers engaged in development projects, in critical countries in order to face the human interdependence and a completely different sense of personal achievement; from a legal point of view trying to individuate the impact factor of law and rules supporting or facilitating entrepreneurial development<sup>8</sup>.

Lorenzoni resumes the amount of researches carried on in business management regarding the managerial hypothesis about the entrepreneurial development, mainly referred to S.M.E., declaring the inadequateness of traditional business theories facing the network dimension imposed by the technological revolution but at the same time inviting to new tools in noticing new entrepreneurial forms and new outputs by essays in stimulating entrepreneurial development<sup>9</sup>.

At the same time, Padroni stated that the explanation of entrepreneurial behavior and professional achievement in new small and medium enterprises has to face new profiles of activity and new demand from the environment, not only material or partially dematerialized as it

<sup>&</sup>lt;sup>6</sup> Cfr., fra gli altri, R. Dahrendorf, Sociologia dell'industria e dell'azienda, Jaka Book Milano 1967 e H.Bartoli, Scienza economica e lavoro, Ave Aditrice, Roma 1967.

<sup>&</sup>lt;sup>7</sup> Cfr. E. Mansfield, Entry, Gibrat's Law, Innovation and the Growth of Firms, American Economic Review, 52, 1962, pp. 1023-51.

<sup>&</sup>lt;sup>8</sup> Among the wide recent production in terms of law drafting, we can quote the circular letter dated 10<sup>th</sup> January 1997 on behalf of the Presidents of Italian Parliament on the law investigation in the Committee on the basis of the OCSE's recommandations in 1995. As main points are, here below, remembered:

<sup>-</sup> the evaluation of the need by a law intervention, considering the possibility to obtain the same results with other kinds of laws (regulations, collective agreements and so on) preferable for their better flexibility with respect to the law;

<sup>-</sup> the coherence evaluation of the discipline proposed by the Constitution, also by the light of the indications contained in the jurisprudence of the Constitutional Court;

<sup>-</sup> the coherence evaluation of the discipline proposed by the European Union's laws;

<sup>-</sup> the respect of the competences on regions and local autonomies;

<sup>-</sup> the definition of the intervention's aims and the suitability evaluation of means to achieve them, with the eventual individuation of applicative problems;

<sup>-</sup> Costs and benefits' analysis, with special check of costs for citizens, public administration and enterprises;

<sup>-</sup> the unequivocation of every disposition's meaning, also in relation to the current regulations' context in which they are enclosed:

<sup>-</sup> the suitability of foreseen schedules for the accomplishment of new regulations and terms settled by them.

<sup>&</sup>lt;sup>9</sup> Cfr.G.Lorenzoni, Lo sviluppo delle piccole e medie imprese, AA.VV., Validità del capitale di rischio e fattori di sviluppo delle piccole e medie aziende, Atti del XIX Convegno AIDEA CLUEB, Bologna 1996, pp. 17-53 ed anche A. Grandori, Reti organizzative e governo delle conoscenze, AA.VV. Relazioni Interaziendali e dinamica competitiva, Atti del XXII Convegno AIDEA, McGraw-Hill, 2000, pp. 14-24

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happens in services but in the field of ethics<sup>10</sup>. One among those new needs is the demand of knowledge management and the testing of new hypotheses in the measurement of results, needs that improve with the diffusion of practices and policies in bettering territorial capacity to attract investors and business activities<sup>11</sup>.

The theoretical situation is today in movement under the push of interdisciplinary exchange of methods as some authors, interested in the emerging of new professions for the change, hope and wish<sup>12</sup>.

The measurement problem of project results in improving enterprises start up or development is more extended than the listing of new enterprises or new jobs: it involves the basic relationship between the effect (the intervention) and the result linked by the managing of objectives and resources of the projected process.

Moreover, in order to verify the initial hypothesis on which each project is based, we have to preview some basic statements (Tab. 1). The Hypothesis that we can assume as managerial project of developing entrepreneurship can be linked in a functional way to cause or causes individuated as favorable to the creation of new enterprises that are: financial resources, an adequate legislation, a useful know how, human and professional resources, and so on. This functional link is today accepted as a necessary but not sufficient condition or as not sufficient in time limits assigned to the project and in the dimension of resources that could be employed.

Another basic hypothesis is connected to build generic favorable conditions mainly in a concurrent view of the market in a free chaos of activities that nobody is able to control. Bettering conditions of this chaos in favor of entrepreneurial attitude is the target of many projects but do not give us a satisfactory explanation in the use of limited or scarce resources in a target project.

The methodology emerging from transition countries' projects is connected to some hypotheses on trust and commitment activities that spread their actions in the creation of new enterprises especially in small and medium business. To the purpose of deepening this methodology we have to refer to Giddens theories about the disease of modernity and particularly to what this Author told us about the expert systems, systems on which people trust as concerns the results but don't know anything about their functioning and rules<sup>13</sup>.

The question of trust about the results in most of entrepreneurial activities links this approach to the analysis of the precondition of these activities and the process to fulfill the projects that have the entrepreneurial development as a target.

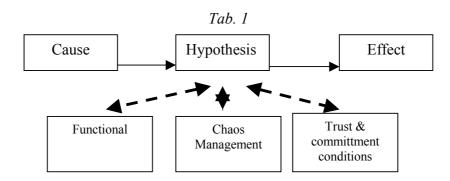
<sup>&</sup>lt;sup>10</sup> Cfr. G.Padroni, Aspetti della complessità e sensibilità post-moderna: peculiarità nell'azienda minore in B.Maggi (A cura di) Le sfide organizzative di fine e inizio secolo, ETAS,Milano 2000, pp. 9-22.

<sup>&</sup>lt;sup>11</sup> Cfr. W. Scherrer, Regional policy issues in the information age. Lessons from four case studies, in M. Bianchi (A cura di) Enti Pubblici e Competitività. Il Ponte Vecchio, Cesena 2001, pp. 29-40.

<sup>&</sup>lt;sup>12</sup> Cfr. B. Maggi, Introduzione a J.D.Thompson, L'azione organizzativa, ISEDI, Torino 1990, and of the same Author Introduzione in B.Maggi (A cura di) Le competenze per il cambiamento organizzativo, pp. VII-XXXIV.

<sup>&</sup>lt;sup>13</sup> Cfr. A. Giddens, Le conseguenze della modernità (Tr. of The Consequences of Modernity, Cambridge Polity Press 1990) Il Mulino, Bologna 1994, pp. 35-38.

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The starting point is the admission that without network links with the environmental system in today's world there are no possibilities of fast development in economic activities especially in S.M.E.'s area. The simplest relational unit is represented by the link between supplier and customer that is the link between the entrepreneurial organisation of supplier and the symmetrical organisation of the customer. To carry on this relationship both of them needs a minimum of trust mainly for two reasons just individuated by Simon as the causes bounded rationality<sup>14</sup>: they do not have all information about the business they intend to manage and the time of resources engagement is less or more previous with the time of results.

The trust can be defined in intuitional terms as an "assured reliance on some person or thing" and descriptive one like "dependence on something future or contingent" or functional as variable (dependent or not) connected to a relationship. In business relationship trust is the cause of the maintenance of a relationship in time.

In other papers<sup>16</sup> we demonstrated that the stability of relationships is at the basis of organizations' boundaries and at the same time of their existencies: so we put the stabilization of inter organizational relationships as a survival condition for small and medium organizations (note that each organization can be defined small or maximum middle at the moment of start up) particularly in a network society.

Starting from this theoretical background we assume, in entrepreneurial development projects the following hypotheses:

1. Each intervention in this field has the target of establishing an adequate and stable relationship with customer.

<sup>&</sup>lt;sup>14</sup> Cfr. H. Simon, Administrative Behavior: A study of decision making processes in administrative organizations, Free Press, New York 1947 and, of the same Author, Models of Bounded Rationality, MIT Press, Cambridge, Mass. 1982

<sup>&</sup>lt;sup>15</sup> Cfr. Webster Third New Dictionary, Encyclopedia Britannica Inc, N.York 1986

<sup>&</sup>lt;sup>16</sup> Cfr. M.Bianchi, Le relazioni interaziendali nella rilevazione e valutazione dei confini organizzativi, Atti del XXIII Convegno AIDEA "I processi di terziarizzazione dell'economia e nuove sfide al governo delle aziende", McGraw-Hill, Milano 2001, pp. 200-214.

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- 2. The supplier/customer relationship is based principally on the trust and consequently on strong interpersonal relationships between entrepreneurs and managers of both organizations.
- 3. The evaluation of the results of each entrepreneurial development project has to consider mainly the concrete creation of the above mentioned links as the most important grant of successful enterprise creation.

Having these orientation points, let's examine the model of action emerged in the above mentioned projects.

## 3. Lessons from SME's development model in Emilia Romagna<sup>17</sup>.

Emilia Romagna region shows characteristics that, as in the near Regions Marche and Veneto, have been analysed like a developing model of S.M.E. diffusion in the territory.

From a managerial point of view we emphasize the great capacity of these enterprises in adapting to the turbulent environment of New Economy and to the options created by the e-Business. In a few words, we assist to the explosion of network dynamics with S.M.E. in the role of successful and excellent performances makers.

Bologna University with its research and project structures took care of this field of intervention in entrepreneurial development for the spreading of this regional model in which a high sense of local identity is deeply connected to a powerful attitude for personal achievement and entrepreneurial fulfilment that is the major feature of small business.

We can resume the theories on this body in two main development paths: the entrepreneurial creation in push or in pull (Tab. 2).

The push option, verified in previous SME's development projects in transition countries <sup>18</sup>, was born from the hypothesis that for the creation of new enterprises is fundamental the first business order. Namely, for the success of new entrepreneurs, managerial characteristics and business conditions deriving from the first commitment and from its fulfilment have been indispensable as particularly concerns the relationship built between supplier and customer.

<sup>&</sup>lt;sup>17</sup> Cfr. M. Bianchi L'organization de réseau en milieu fortement entrelacé: Le cas des villages productifs de l'Emilie-Romagne, 2<sup>nd</sup> Conference "The Metamorphosis of Organizations " Grefige, Universitè de Nancy 2 Nancy, 21-23 Ott.

<sup>&</sup>lt;sup>18</sup> M. Bianchi "Su alcuni aspetti organizzativi e gestionali delle associazioni di rappresentanza imprenditoriale", CLUEB, Bologna 1983; "L'intervento degli Enti Locali nelle Aree Transfrontaliere", Convegno AIDEA del 18-19.09.1997 Imprese e istituzioni nel governo dell' ambiente CLUEB, Bologna 1999, "From national particularisms to European Public Administration through rediscovery of local systems" in: Makroökonomische Materialien of the Institut für Wirtschaftswissenschaften, University of Salzburg, Salisburgo, n. 3 Aprile 1999; "Lessons for diversity management from development projects in Balkan Countries.", Atti della VII Conferenza di Portorose, VII Dnevi slovenske uprave. Portoroz 2000, Zbornik referatov, Portoroz, 28, 29, 30 September 2000, Università di Ljubliana; (A cura di) "Enti pubblici e competitività. L'intervento degli Enti pubblici nella valorizzazione della competitività dei sistemi locali. Esperienze nazionali e internazionali", Ed. Il Ponte Vecchio, Cesena 2001.

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Tab. 2 –. Entrepreneurial creation path in push or in pull

Push	Pull		
Professional training	The entrepreneurial leadership.		
<b>↓</b>	<b>↓</b>		
Financial supports and facilities	The apprenticeship at a potential customer's (or supplier's) company		
<b>↓</b>	<u> </u>		
Minimum productive capacity fulfilment	The first business order		

What diversifies these two options? In general terms the pull solution is, also in other fields of organizational architecture, a low power process because the model starts from a well supported activity and is connected to an existing relationship with the environment that is the supplier-customer relationship .The pull model begins just from the result pursued by the push model starting, this last one, from the creation of better pre-conditions for the development of entrepreneurial activities in an organized economic activity.

*Tab. 3 – Main features of push and pull option in enterprises creation process.* 

	Push	Pull		
Theoretical background	Mix of strategy and contingency approaches.	Managerial action (See Thompson)		
Strategic target	Building a strong enterprise structures able to survive in a competitive environment	<u> </u>		
Objectives	To create the pre-conditions of entrepreneurial activity	To search and carry out the first commitment as supplier of goods or services.		
Resources	Financial, technological, learning activities	Market network knowledge, inter organizational relationships		
Operative target	To realise step by step the scheduled business plan	To find an available customer for a profitable partnership		
Professional orientation	To be able to realize abilities required by the market	To manage a role in network		

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We would mention in a synthesis other aspects of these two options to remark the main different points (Tab 3).

Let's remark some statements about the role of the network to be managed with a peculiar attention in pull option. The theory of the embedded enterprise, the on-going decentralisation pressure, the attention paid to the development of local system and network organisations in the relationship between companies, are components of the newest approach related to a better use of resources and the analytical schedule of targets and programmed targets.

A contribution to this new strategy certainly came from a reduction in resources available from the State, a competitive culture which has in the meantime become stronger also in the weakest areas and, last but not least, the gaining ground by districts and territorial dimensions as points of reference for activity organisation.

Another element was the close interconnection between the various initiatives, which was encouraged by the development of technological infrastructures particularly suitable for the success of small and medium-sized company units. The network organisation at the basis of these concepts has several distinguishing specific features which led to the development of its original concept from the strong technological background to a wider scope concerning activity and environment organisation (Tab.4).

MANAGERIAL FIELDS.	NETWORK CHARACTERISTICS.
System	Self-regulation capacity of relations
Organisation	Limited number of connections
Strategy	Sharing of objectives and task assignment
Structure	Suitable stability of the existing relations between components

*Tab.* 4 – *Network features of main field of managerial intervention.* 

This development of a wide-ranging network concept has led to a special interest for the experiences where an organisation acted as interconnection between the different initiatives in order to efficiently support the development of a certain area or sector by passing on information and resources which would otherwise not be used or be exploited in a fragmentary way.

# 4. Intervention tools in support and improving new initiatives.

Italy, with the problem of South areas of the country (The so called "Questione Meridionale") has been, especially after second world war, an experimental field of very different initiatives that we can resume, starting from the fifities in the following phases:

1950 – 1970: The development poles (Later on called the desert cathedrals)

1970 – 1990: Diffused distribution "rain style" of incentives.

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1990 – today: The structured projects.

Each of these phases corresponds to different political seasons in the culture of public Italian management that is: at the beginning of the fifties the support to big and basic industry recognized as a strategic investment at the same size level of state industry. Like in the middle of the seventies as the intervention model based on industrial poles failed, the policy started to consider the small and medium entrepreneur as a development agent and also as a building unity of local systems .

In the same time the Italian industrial system spread with its business units in most of the country with the re-localization of activities, the outsourcing of work resources, the establishment of business organizations and the diffusion of new, advanced technologies in the production function but also in marketing and administrative offices.

Consequently, in last years, prevailed, the idea of structured projects between organized subjects as Public Municipalities, Development Agencies, local and central government with public/private companies and temporary organizations and the employment of more sophisticated tools in business partnership and joint ventures. The various gender of these initiatives is reported in the Tab. 5.

*Tab.* 5 – Different types of structural initiatives in entrepreneurial development and improvement.

Туре	Main Mission	Aspects	Positive		
			Negative		
	Advice on projects and selected initiatives.	Use flexibility.			
Service Agencies		Scarce utility in a non competitive environment. Service's quality inclines to the environmental low level.			
Science and Technology Parks	Institutional cooperation for research and innovation.	Global improvement of local system			
		To be employed in countries with a visible entrepreneurial take off in progress.			
Enterprise Breeding Grounds	Advice and logistic services for new initiatives.	Great operative support in hostile environments.			
		Low survival rate of new initiatives in the middle term.			
Enterprise and Innovation centres	Private service centres for new companies.	Efficacy and sinergy in the resources exploitment. International relevance.			
		To be employed in countries with a visible entrepreneurial take off in progress.			

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	Public-private cooperation	Immediate positive employment results.		
Job creation interventions	(especially large companies) to encourage selected new activities.	Frustration in the expectation of stable employment that in the middle term can't be satisfied.		
Training courses	Promotion of corporate and professional culture.	Strong impact on the individual culture and empowerment of personal achievement.		
	professional culture.	Creation of expectations that at the end of training can't be satisfied.		
Territorial agreements and area contracts	Coordinated	Political coordination in the assignment resources.		
	nplementation of terventions to promote sadvantaged areas.	Bureaucratic obstacles in the realization of initiatives. Public organization has lower times compared to private ones. To be employed in countries with a visible entrepreneurial take off in progress.		

# 5. Agencies and one stop business shop: networking and personal achievement activities.

Moving from this very large typology of tools we can resume some structural characteristics of projects managed by the author listed in chronological order:

- The project for the establishment of a Cross border Italian-Slovenian entrepreneurial agency in Gorizia (1996-1998) and The technical support to the development of partnerships in wood industry of Slavonskj Brod, in the Republic of Croatia (1998-2000).
- The Simulimpresa experimentation in the support of Italian-Albanian small and medium business partnership (2001- still in progress).
- The project in Serbia, still in progress, for the realization of a national network of development agencies (2002- still in progress)<sup>19</sup>.

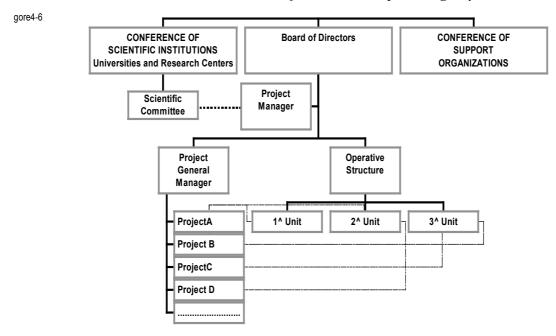
The cross border Italian-Slovenian entrepreneurial agency in Gorizia.

A central role in the system is played by the General Manager of Central National Agency supported, for the duration of Pilot Project of Local Center by the Project Manager. This Pilot

<sup>&</sup>lt;sup>19</sup> We are referring to the Progetto di assistenza tecnica alla agenzia centrale per lo sviluppo delle piccole e medie imprese della Repubblica di Serbia by the Provincia di Bologna, Italian Ministry for Foreign Affairs, National Serbian Agency for SME Development, 2003.

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Project was the purpose of the establishment in the first Local Agency for SME'S Services. The inner organization of this last one can be shown by the structure experienced in previous Cross Border Centres (Tab. 6)<sup>20</sup>.



Tab. 6 – Main structure of Local Development Agency

In particular, we have three different resources areas distinguished by their source and temporary employment.

1. Current authorities put into action for the installation initiation of the project. Person in charge of the and Project <sup>6</sup>

2. Current authorities put into action in relation to the life of each individual entrepreneurial development project.

Project Manager

3. Standing bodies

All the others

<sup>&</sup>lt;sup>20</sup>Cfr. M. Bianchi, Cross border public centres of support and technical assistance for small business development nella Riv. Ekonomska Istraživanja .Economic Research, Pula, V. 12, n° 1-2 1999, p. 21 e ss.

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The Board of Directors (B.D.) is meaningfully formed by three members appointed by the Authority in Charge to the Local Development. The B.D. has mainly got the task to define the intervention plan and the management one; moreover it must assign appointments and mandates necessary to the fulfillment of the project and, once started the Agency, the responsible in charge of the ordinary management.

The Conference of the Support Organizations could be presided over by the President of the Administration Board advised by the Local Authority and is composed by a representative of the Central Government, by the delegations of entrepreneurial categories and of Unions; moreover by the firms and ordinary banks and special credit ones working in that area.

As regards the starting phase, the Conference should have the duty to activate the availability of the necessary resources for the realization of the project and verify the compliance of real times and the control of results.

But, about the ordinary management, the Conference must keep the contacts and arrange the relations with the interested Institutions. It is of its competence the promotions of cadre agreements like for ex. the Territorial settlements and the Area Contracts experimented in Italy, also with Foreign Organizations, apt to facilitate the Center Activity and the Entrepreneurial Promotion. At last, the Conference takes care of the level control in achieving targets and of distributed services. It also proposes to the Operative Structure Responsible person, with regard to the state of project in progress, the strategic action directions.

The Scientific Committee (S.C) plays the role to ensure the scientific and technical quality of projects and to co-operate for the identification of the intervention directions and definition of the scientific-technical resources necessary to their implementation.

The S.C. is constituted by the President of the Center, by the Pilot Project Responsible in Charge (P.P.R), by the Operative Responsible (O.R.), by the Projects Supervisor (P.S.) and by Institutions and Research Centers at Universitary level interested to the entrepreneurial development. Its tasks are the following ones:

- to propose to the P.P.R., in accordance with the pilot project state of progress, the strategic action guidelines.
- to define the objective parameters of service verification about participants of the pilot project and achieved targets.
  - to check the real times compliance of pilot project and results control.
- to suggest, in accordance with the project progress state, the programmatic action guidelines.
  - to oversee and support the results' follow up phase of the pilot project.
  - (Afterwards the Pilot Project's end)
- to co-ordinate the project activities with the internal structure of the Agency and as regards the routine activity phase of the Agency.

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- to check the achievement of targets and services supplied.
- to collaborate with O.R in order to ensure the availability of necessary resources for the ordinary management of the Agency and of those ones eventually necessary for the realization of entrepreneurial projects.
- to contribute to the projetcs co-ordination with the institutional realities of the interested territory.
  - to support the S.O.R and P.C. in the fulfilment of programs.

The Responsible in Charge of the Pilot Project is liable of Pilot Project results towards the Referring Local Authority. He plans, according to the instructions of S.C., the organizative, managerial project of the experimentation, the scientific and made known proceedings followed and the verification of achieved results. From a scientific-technical point of view he relieves the activities of the Conference for Support Organizations and the P.S. in his own ones.

Coherently with the organizational and managerial project he arranges and co-ordinates the re-orienting and formation activities that might result necessary. The projects supervisor plans, according to suggestions received by the B.D. and instructions by the S.C., the intervention projects. In carrying on his task, he traces and co-ordinates the necessary resources to the projectation and and sets in order the activities of Project Managers.

## The long distance S.M.E.'s support center of Simulimpresa.

The experience carried on at Bologna University, in accordance with project financed by Ministero della Funzione Pubblica of Government Prime Minister, by Ministry of Foreign Trade and with Ministry of Foreign Affairs, brought to the constitution of a Long Distance Support Center for new SME. At Economics' Faculty was established a virtual enterprise that is able to duplicate in laboratory the activities of real business-concerns and on the basis of information received by these last ones.

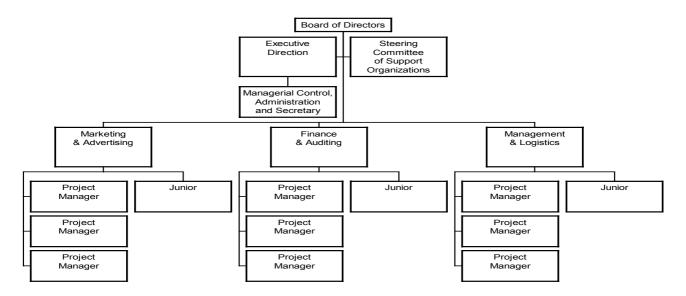
Working within net with other belonging network unities, the following phases can be executed:

- development of a business idea
- choice of the activity field in which operate
- individuation of potential purchasers
- pre-arrangement of the business plan and system estimate
- choice of the most suitable legal mean
- pre-planning of the financial plan

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The center structure, in which Teachers, Researchers, Entrepreneurs, Neo Graduates and Students of business courses of Economics Faculty of Bologna University cooperate, is shown at Table 7

Tab. 7 – Main structure of Long Distance Support Center of Bologna University . Faculty of Economics in Forlì.



During 2001 in the development of the Project realized with the Contribution of Italian Ministry for Foreign Affairs for the creation of new SME in the Republic of Albania the Long Distance Support Center of Forlì applies this methodology in the analysis and correction of Business Plans prepared by Albanian participants to the project before their apprenticeship in an Italian Enterprise.

The experiment was carried on with the partnership of Ekonomisti High School of Tirana and his Simulation Class Room. This experience, whose significance is limited to a survey of the possibilities of this tool allowed to the organizers of the project to select the Albanian participants to the stage and the Italian organizations and enterprises with most probable possibilities of future partnership in new initiatives in Albania.

At the moment, stages have just ended but we have some news about projected partnership and a possible connection of this activity with the apprenticeship by "Simulimpresa" scheduled in our didactical curriculum.

National network of Serbian development agencies<sup>21</sup>.

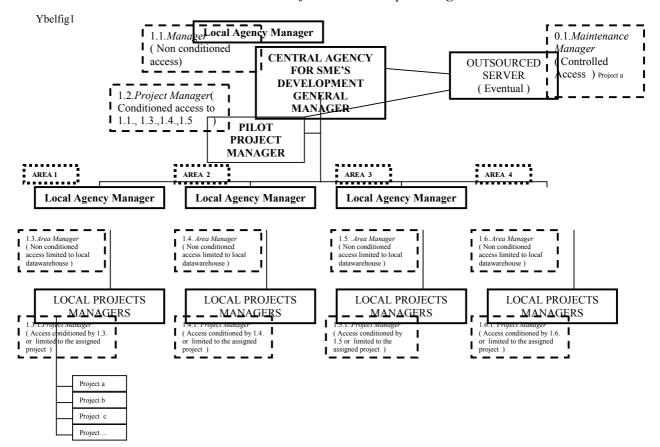
If we really want to support the creation of an efficient company there are two main needs:

<sup>&</sup>lt;sup>21</sup> Cfr. M.Bianchi: "The use of the modern informative systems in the SME creation phase. "Report to the Seminars on Assistance in technology transfer and adaptation for SME clusters and Funding opportunities for technologically oriented projects from Central European countries, ICS Unido, Belgrado, 8-9 ottobre 2002. Not published.

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- coordination of the initiatives by a local institution with a sufficiently wide and culturally homogeneous territorial range;
- cooperation among several subjects in the public and private sector, on a national and international level, operating along the lines of a single basic strategy.

The major problem in new technologies applications to SME'S development is the net-management that is the management of the network dynamics. This implies the circulation of a lot of information, the building of efficient links and the guarantee of privacy.



*Tab.* 8 – *National network of SME's development agencies.* 

In the organizational chart at Tab. 8, experienced in many projects having as target the establishment of one stop business shops in Italian Local Administrations, these conditions are insured by a strict protocol in the management of information and in the access level of each position.

## 6. Perspectives and projects.

Some partial conclusions of this exposition are connected to the concrete evaluation in the results of the activities carried on for the development of entrepreneurial attitudes in foreign countries.

As the Literature has a lot of contribution in this field facing the managerial problem from many points of view: cultural, to principally explain the difficulties of U.S.A. development Projects in foreign Countries; political, trying to critically analyze the phenomenon of mondialization and its most evident limits; relational and behavioral approach by teaching to managers and volunteers in critical countries to face the human interdependence.

In table 10 we show a basic framework experienced in this standard evaluation using some interconnected indexes based on the processus model in which Targets, Resources and Results are evidenced in a typical transforming system (Tab. 9)<sup>22</sup>.

*Tab. 9 - Fundamentals of SME's Development Project Management.* 

<ul> <li>TARGETS</li> <li>Promote territorial competitiveness</li> <li>Entrepreneur professional education</li> <li>Support new initiatives</li> <li>RESOURCES</li> <li>Financial support</li> <li>Learning activities</li> <li>Business and territorial information</li> </ul>	Processing	<ul> <li>RESULTS</li> <li>New work places</li> <li>New enterprises</li> <li>Fast bureaucratic procedures in business</li> </ul>		
EFFICACY= Results /Targets	EFFICIENCY= Results/Resources	ADEQUACY= Resources/Targets		
ADEQUACY = EFFICACY/EFFICIENCY				

<sup>&</sup>lt;sup>22</sup> Cfr. M.Bianchi, "The municipalities services for the development and support of small and medium enterprises". Institut für Wirtschaftswissenschaften der Universität Salzburg 17-20 aprile 2002, n° 9

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In the realization of development and support entrepreneurial centres, the experiences already allow to consider the following directions as positive ones:

- a. The mission of these development agencies of SME, can't be restricted to the formation and support in the definition of financial plans or in obtaining credits, but must be extended to the construction of necessary net infrastructures in order to supply enterprises with essential information in accordance with the international net.
- b. The formation of entrepreneurs and useful professionalities for SME must be carried out taking special care for motivation and operative aspects especially for apprenticeships or stages by entreprises of analogous size that, in comparison with the new born firms can represent potential customers/suppliers.
- c. The use of net technology can't be restricted to the creation of active web sites for the promotion of entreprises or their products, but must also be used for the learning by doing and the distance support so as to make cheap a diffused proceeding of activation and support of entrepreneurial activities.
- d. The achievement of experimentations and, consequently of the structure spread in the territory, should be realized within an executive program that can identify both the targets to reach and the resources to utilize. Therefore, by the end of the experimentation or during the management of these agencies, a field to take care in a special way is the outcome and evaluation of results according to a standard method that enables the comparison of service and eventual remedial interventions and also incentives for managerial and professional resources employed in the centers
- e. The diffusion of SME development agencies, could, once identified a valid model in terms of efficacy, efficency and adequacy, namely the right relation among targets, results and resources, be accomplished in a public/private mixed form with service agreements or franchising. They can put into practice in their turn on the basis of a method which foresees the check of results.

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Tab. 10 - Evaluation prospect of local public services en the field of entrepreneurial competitiveness.

Organizati onal Unit	Target	Action	PARAMETERS			INDEXES		
			Target	Resour ce	Result	Efficacy	Efficien cy	Adequa cy
One Stop Business Shop	Utility information about entrepreneu rial opportuniti es and facility of local system	Fast procedur es for new initiative s	Schedule d time to complete the area allotment and authorizat ion of new plants	New network informat ion system and Area agreeme nt between local authoriti es.	Administra tive process completion in scheduled time	In what measure we fastened administra tive procedures in scheduled time?	How many new initiatives in scheduled time we authorize d in the boundarie s of territorial agreemen t?	How many local authoritie s faced duties connecte d to territorial agreemen t?
Professional education	Educate and support the professional and self- achievemen t of future entrepreneu rs.	Professio nal and incentive educatio nal courses and meetings.	Schedule d n° of participan ts who successful ly complete learning program	Number of courses Number of teaching hours	N°. of participants who have successfull y completed the learning program	N°. of participant s divided by n° of programm ed participant s	N°. of successfu lly participan ts divided by n° of courses or teaching hours	How many courses or teaching hours scheduled by each participan t?
Financial support to new enterprises	Support new business initiatives allowing them to survive to start up phase	Realize a program of credits in favour of new selected initiative	To promote an amount of new business initiatives surviving after three years (*)	Financia l amount of resource s distribut ed	New business initiatives survived after three years (*)	How many new business initiatives survives after three years compared with the schedules ones?	How many credit have we spent for each new survived initiative? (*)	How many financial resources we assigned to each program med new initiative?

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