



***infoDEV* GRANT PROGRAMME – PHASE II**

SUPPORT FOR EXISTING INCUBATORS IN DEVELOPING COUNTRIES

LONG TERM BUSINESS PLAN

Business Incubator Centre

C.D.I.M.M. MARAMUREȘ FOUNDATION

The Development Center for Small and Medium Sized Entreprises Maramures Foundation

PROJECT NAME:

**“ICT” - A WAY TO IMPROVE THE SKILLS FOR THE YOUNG
ENTREPRENEURS**

GRANT AGREEMENT: III-013

Elaborated by:

**Dipl. eng. Vlad PASCU
Incubator Manager**

June, 2004

BUSINESS PLAN

A. GENERAL INFORMATION

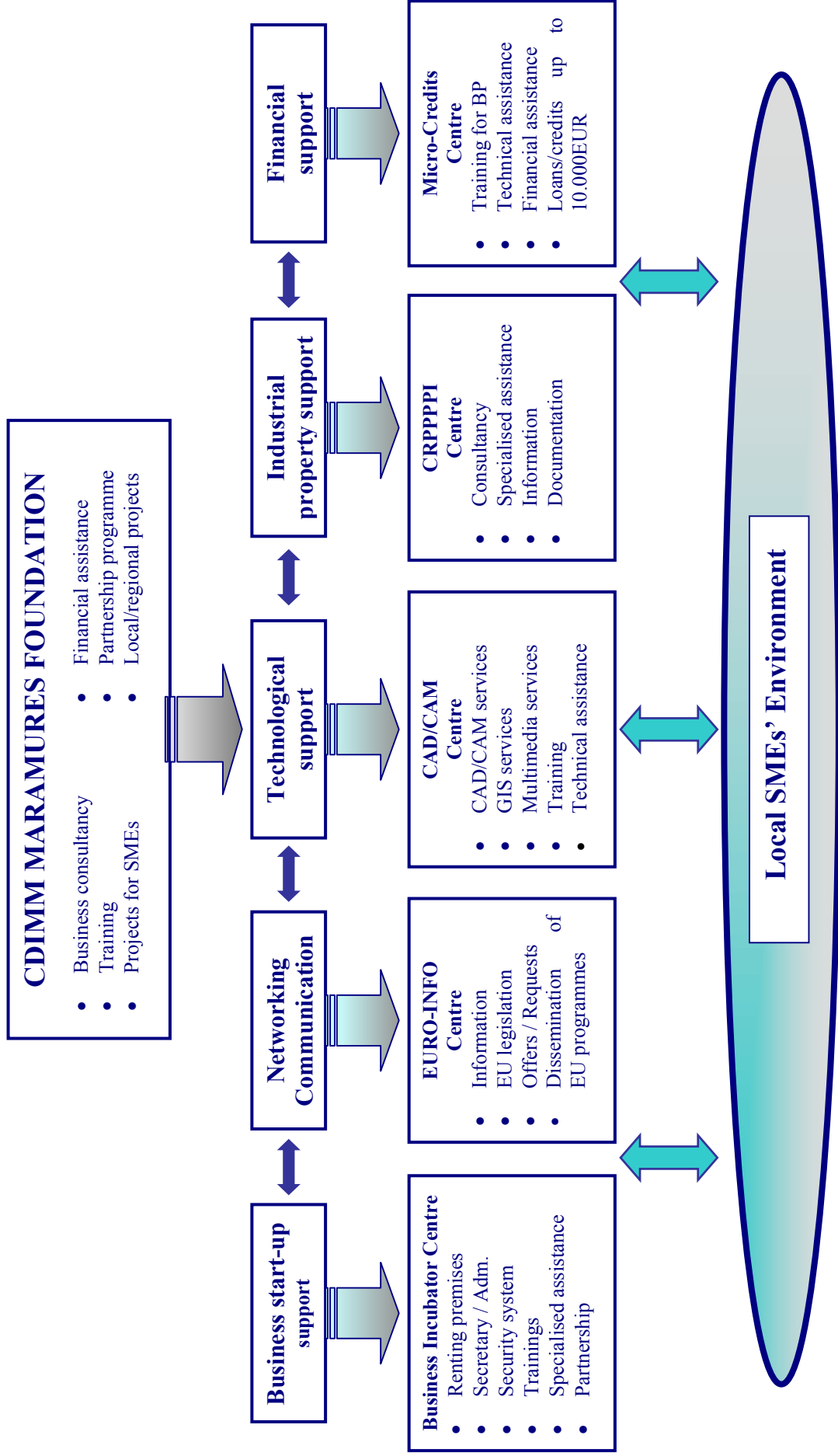
- 1. Name of the company:** "The Development Center for Small and Medium Sized Entreprises"
Maramureş Foundation
- 2. Registration number:** 1/PJ/1994 (The Legal Persons' Special Register)
- 3. The organisation legal form:** Foundation (Law No 21/1924)
- 4. Social head office:** 9/16 Traian Blvd., 430211 Baia Mare, ROMANIA
- 5. Working place:** 2 Melodieii Street, 430353 Baia Mare, ROMANIA
- 6. The type of the current activity:** Economical development assistance
- 7. The member list of the leadership committee / council members of the organization:**

Name	Profession	Sex	Function	Seniority in the council
Nicolae Dascalescu	Dipl. Engineer	M	President	10 years
Petre MITRU	Dipl. Engineer	M	Vice-President	10 years
Sorin POP	Dipl. Engineer	M	Member	3 years
Ioan Micle	Dipl. Engineer	M	Member	10 years
Ioan Brezoski	Economist	M	Member	3 years
Melania Muresan	Economist	F	Member	7 years
Marandei Cristian	Dipl. Engineer	M	Member	10 years

8. Organization chart

See next page.

OPERATIONAL SUPPORTING SYSTEM FOR THE SMEs’ DEVELOPMENT



9. The executiv staff of the organization

In the following, we are going to present the evolution of the organization's executiv staff during the last three years:

Staff flow

No.	Specification	2001	2002	Balance 02-01	2003	Balance 03-02
1	Full-time (from which)	18	18	0	18	0
1.1	Consultants, project managers	8	9	+1	9	0
1.2	Administration	1	1	0	1	0
1.3	Secretary	2	2	0	2	0
1.4	Security	5	4	-1	4	0
1.5	Cleaning	2	2	0	2	0
2	Part-time	24	24	0	24	0
2.1	Accountant	1	1	0	1	0
2.2	Experts	16	16	0	16	0
2.3	Volunteers	6*	6*	0	6*	0
	TOTAL STAFF	42	42	0	42	0

10. Equipment and offices

CDIMM Maramures owns an apartment, 80 sqm, the main office, located in Baia Mare, 9/16, Traian Av.

Also, the Foundation is administrating a building (P+4), 1,550sqm, owned by the local municipality and designed to the Business Incubator Services. It is located on Melodiei Str., no. 2, Baia Mare. The building was refurbished (196,000EUR as investment costs) and it is 100% operational.

The equipment owned by CDIMM Maramures are:

Computers	14 peaces
Laptops	3 peaces
Projector (bimmer)	1 peace
Printers	6 peaces
Photocopiers	3 peaces
Digital duplicator	1 peace
Scanner	1 peace
Phone central units	2 peaces
TV set	1 peace
Video recorder	1 peace
Cars	3 peaces

11. Activities developed by the CDIMM Maramures Foundation

The activity of the CDIMM Maramures Foundation is carried on through 5 departments, each of them hosting specific activities. The main activities are:

A. Providing business consultancy

Through its own specialists or collaborators, the CDIMM Maramures Foundation provides business consultancy to those private companies or natural persons that request assistance in the following fields:

- start-up consultancy
- consultancy regarding marketing, management and financial problems
- consultancy regarding the elaboration of the company's business plan;
- consultancy regarding the crediting conditions on behalf the banks;

These activities are developed within the "*Consultancy/Training Department*".

B. Organizing training seminars and courses

The CDIMM Maramures Foundation periodically organizes seminars and courses addressed specially to the private companies' managers, these bringing forward major interest problems.

These activities are developed within the "*Consultancy/Training Department*".

C. Elaborating business plans and feasibility studies

The CDIMM Maramures Foundation elaborates documentations (business plans or feasibility studies) for:

- obtaining bank credits;
- obtaining non-repayable financing (grants);
- obtaining financing from investment funds;

These activities are developed within the "*Financing Resources Department*".

D. Granting grants or micro-loans

So far, the CDIMM Maramures Foundation has directly participated to several programmes that offered non-repayable support to the SMEs or that granted micro-loans.

Up to this moment, non-repayable financings have been granted through the following programmes: "Support for the SMEs – PHARE Programme RO.9207" and "Stimulation of establishing SMEs and supporting new companies", according to Government Decision no. 788/1998.

The CDIMM Maramures Foundation also disposes a fund of 80.000 USD, through which micro-loans are granted with a maximum value of 10.000 EURO, but only to the companies that work in the rural area.

These activities are developed within the "*Financing Resources Department*".

E. Incubating start-up companies

The Baia Mare Business Incubator centre was established through an investment of 196.000 USD, in a building having 1.010 m.p. completely used for the effective incubation of the companies. At the first floor, there are some administrative spaces (a secretariate, an administrative office, a meeting office/the library, a business consultancy office and an industrial property consultancy office) in which services are provided for the incubated companies.

These activities are developed within the "*Business Incubator Centre*".

F. International partnership through EIC RO 824

- information about the European Union and the united market (European institutions, community legislation, financing resources, statistical information, etc.) and also information from the European countries (national legislation, institutions, organizations involved in programmes, custom information, etc.)
- organizing seminars on subjects of interest regarding the European Union
- assistance / consultancy on searching for cooperation partners, support in accessing financing resources, elaboration of documentation requested for participation to community programmes

These activities are provided by "*The Euro Info Centre RO824*" of Baia Mare.

G. Activities in the industrial property field

- utilization of some data bases consisting of information in industrial property field and technological transfer;
- support for the commercialization of the inventions, trademarks, industrial design, etc.;
- guidance in evaluating the industrial property objects and in bringing them into the company's patrimony;
- making up selective documentary researches regarding the state of art and the industrial property portfolio of a certain company;
- guidance in defending the industrial property rights and in suppressing unfair competition.

These activities are taking place in "*The Maramures Regional Centre for Promotion and Protection of the Industrial Property*".

H. Support in technological development – through The CAD/CAM Technological Support Centre. This activity este coordinated by the TechnoCAD Company.

B. PRESENTATION OF THE BUSINESS INCUBATOR CENTRE

B.1. History

In 1997, the Initiative Group for Social and economical Development was established (DESIG) and it was formed of: CDIMM Maramures Foundation, Baia Mare ASSOC Association, KELSEN Foundation and Baia Mare Municipal Townhall. One of this group's objectives was to create the "Support Centre for Social and Economical Development" of Baia Mare. As one can see from the name of the centre, this centre intended to work in those two directions (social and economical) through the following subcentres:

- I. In the sociale development field:
 1. Protected spaces for young people coming from orphanages
 2. Protected workshops
- II. In the economical development field :
 1. Business incubator centre

Establishing a Business Incubator Centre in Baia Mare means creating a local institution dedicated to the direct support of local Small and Medium Sized Entreprises, this centre being specially dedicated to companies from the "micro-production" and "service" fields. By the Decision no. 148 from September

1997, the Local Council of the Municipality of Baia Mare decided to afford to the "DESIG" Group two buildings (2 and 4 Melodieii Street) for achieving the above mentioned objectives.

In 1998-1999, by a PHARE/FIDEL financing, the building located on 2 Melodieii Street began to be refurbished. In the first stage, 700 square meters were refurbished. In July 2000, CDIMM Maramures Foundation participated to an auction organized by A.N.O.F.P. for creating an Incubator within the Redistribution Programme of the Labor Force. As a result of this auction, Baia Mare was selected to be the one to launch a pilot incubator within this programme. With the support of this programme, the whole building could be refurbished.

The Incubator was built starting from an old block of studio flats that has 5 floors. According to the initial project, the block had 104 studio flats, each of them with a total surface of 12 square meters. Because the surface of a studio flat is very small, the walls between the studio flats had to be brake in order to make a modulated space. The total investment made by CDIMM Maramures Foundation for building the Business Incubator Centre was of 196.000 EUR.

B.2. Business Incubator infrastructure

At this moment the Incubator has:

- A building of 1550 sqm, from which
 - 1.010 sqm – spaces for business incubation
 - 36 sqm – spaces for secretary services
 - 36 sqm – spaces for the meeting room and information-documentation centre
 - 192 sqm – sanitary groups
 - 276 sqm – common spaces
- parking area – 450 sqm

The companies that are hosted in the Business Incubator can chose for 24, 36, 48 sqm modules. The spaces have the following facilities:

- electric energy – 220 V
- electric energy – 380 V
- heating (through our own heating unit)
- phone line
- warm and cold water

B.3. Services offered by the Business Incubator

The secretary, located at the ground floor, has the following facilities:

- Fax unit
- Copying (A4 and A3 format)
- DTP and printing
- Binding in brochures
- INTERNET access

The consultants of the Business Incubator deliver the following services:

- Consultancy for start-up
- Consultancy in marketing, management and financial analyze
- Consultancy for business plans
- Consultancy for bank credits
- Consultancy for credits and grants
- Information about EU and the single market (European institutions, EU legislation, financing sources, statistics) as well as information from European countries (national legislations, institutions, participant organizations to various programs, custom information etc)

- assistance / consultancy concerning co-operation partners
- consultancy in Industrial property field
- use of databases with information from industrial property and technology transfer field
- support for marketing of patents, trademarks, industrial design etc
- consultancy for evaluation and registering into the patrimony of the industrial property objects;
- documentary research concerning the actual situation of techniques and the portfolio of trademarks, inventions, design and industrial models of certain companies

Moreover, the companies from the Business Incubator have free participation at:

- seminars on interest themes concerning EU topics
- courses for managers of the private companies on marketing, management and economic-financial analyze.

The services of the Business Incubator are addressed to the

- persons that want to start up a business
- newly created companies that are in development phase.

In the framework of the second group there are active companies that have been created less than 2 years ago, but also older ones, proving that their temporary location in the Business Incubator will support job creation, lost otherwise due to various circumstances.

Having in mind the two target groups, the services of the Business Incubator Centre have been differentiated as such:

Assistance for persons wishing to start up a business:

Steps made	Modalities of achievement
Business idea clarification	Discussions with consultants
Achievement of the business plan	Participation at entrepreneurship courses Participation at consulting sessions Writing the Business Plan
Business evaluation	Participation at analyze sessions
Legal registration of the business	Making the steps for the creation of the company
Company incubation	Signing the incubation contract Using of the facilities of the Business Incubator
Development of the business	Organization of the company Mass production Perfection of the strategy together with the consultants from the incubator
Mature business phase	Increasing the turnover, of the employers and of the equipments Identification of other suitable facilities together with the consultants from the Incubator

Assistance for the companies willing to develop a business:

Steps made	Modalities of achievement
Evaluation of the business in the prior to the entering phase	Discussions with consultants
Business Plan	Participation at entrepreneurship courses Participation at consulting sessions Writing the Business Plan
Company incubation	Signing the incubation contract Using of the facilities of the Business Incubator
Development of the business	Organization of the company Mass production Perfection of the strategy together with the consultants from the incubator
Mature business phase	Increasing the turnover, of the employers and of the equipments Identification of other suitable facilities together with the consultants from the Incubator

The advantages of joining the Business Incubator Centre are:

- access to working or services places at very favourable fees
- decrease of the investment costs in the start-up period of the business by using the endowments in the secretariate of the Business Incubator Centre (telephone, fax, computer, printer, copiator)
- free access to entrepreneurial training courses
- free access to the speciality library
- free business consultancy

The effects of these services on the incubated companies are:

- low costs for starting-up a business
- big chances for the business to survive

B.4. The position of the Business Incubator Centre on the local market

The SMEs sector represents 70% from the total number of the Romanian companies. The SMEs own 25% of the total number of employees, 30% of the national GDP, 11% of the fixed assets and over 40% of the total investments.

The Baia Mare Business Incubator Centre was established in a region very affected by the industrial restructure. In the first stage, the decrease of the activity in the mining field led to a significant increase of the number of unemployed workers. However, the official statistics of the last three years show that, in general, those who found a place for work are more than those who lost it.

According to the official statistics, the number of small businesses started by dismissed persons stabilized to 4%, even though 10 % thought to start a business. These businesses were very small in

general and they involved those who were interviewed and their family. The official informations show that in the mining regions the entrepreneurial activity level did not improve significantly from 2000 and it is under the national average. The business environment in the mining regions did not improve at all in the last years, the general perception of the mining regions' inhabitants being that this environment got worse. Still, for many mining dismissed persons their businesses continue to be the only way to cover their essential economical needs.

Although at a national level, in the last years, you can see an improvement of the economical situation in the mining regions, the situation is not the same with the rest of the country. Starting a new business involves a lot of problems because one can see the following problems:

- ❖ The business environment became more difficult
 - higher starting initial capital;
 - the planning is very difficult because the business legislation is continuously changing;
 - inobservance the legislation may lead to substantial penalties;
 - the business competition is strong;
 - the infrastructure necessary to develop a business is not enough developed;
- ❖ The lack of an entrepreneurial culture
 - the lack of basic marketing, management and finance knowledge;
 - the lack of some companies/organizations to provide the training of the potential entrepreneurs;
 - the insufficiently participation of the potential entrepreneurs to the few training activities that are organized.
- ❖ The lack of personal funds for starting a business
 - non-existent personal funds ;
- ❖ The lack of warranties necessary for accessing the different financing sources
 - real estate warranties of small values;
 - difficulties in accessing warranty funds

Even though the economical situation is not so favorable, Baia Mare Business Incubator Centre succeeded to make itself known in the local business environment as a supporting point for starting and developing businesses. A great contribution to this favorable imagine had the fact that Baia Mare Business Incubator Centre is working within the CDIMM Maramures Foundation, an organization well known at a local and regional level for its SMEs' supporting activity. The other aspects that contributed to a positive image of the Business Incubator Centre on the local market are:

- the quality of the services;
- the mediated advertising campaign;
- the emplacement of the Business Incubator Centre in a relatively central area of the city.

All these aspects concurred so that the Business Incubator Centre should be searched by those who wish to start a business or by those who own young companies.

B.5. The personnel structure of the Business Incubator Centre

According to those presented in the introduction part, the Baia Mare Business Incubator Centre is working within the CDIMM Maramures Foundation. Even if the incubated companies benefit from the consultancy of all the specialists of the organization, a team was created for a better management and this team defines strictly the Business Incubator Centre.

This team is formed of:

- Manager 1
- Administrator 1
- Secretary 1
- Guardians 4
- Cleaning staff 2

C. THE DEVELOPMENT STRATEGY OF THE BUSINESS INCUBATOR CENTRE

Although in the last years the Business Incubator Centre is permanently full and the demand for incubation services is bigger than the incubator's possibilities, a strategy was established in order to increase permanently the quality and the attractiveness of the services offered by the Business Incubator Centre.

This strategy consists of three elements :

- the permanent improvement of the Business Incubator Centre's infrastructure
- the increase of the performances of the consultancy team
- the diversification of the services, specially IT services

But taking into consideration the general evolution of the business environment all over the world, we may appreciate that providing services in the IT field represents a priority.

C.1. The development strategy in the IT field

CDIMM Maramures decided to develop a new structure designed to the Technological Transfer activities, a structure integrated into the actual operational system. The TT Unit is planned to be set-up in 2 phases:

- The First phase = ***virtual*** services for SMEs
- The Second phase = ***real*** services for SMEs.

This means that during the first phase CDIMM Maramures will develop an INTERNET portal (CDIMM Portal) as the main interface for clients as well as for the e-services and it will be included on the existing system for SMEs support.

The e-services will be focused on:

- ❑ Infodesk = on-line data information and data base acces
- ❑ On-line training = in business administration, ITC for SMEs, IP Rights; Evaluation and certification for graduation
- ❑ Business assistance = on-line business plans preparing and tutoring
- ❑ Technological transfer – virtual unit = for specific business applications
- ❑ Simulated company = virtual experiment of an existing business plan

This stage of assistance does not request the direct contact client – advisor. This is the preliminary phase for the practical application of the valuable business plans.

The second phase is regarding the ***real*** services delivered to the clients and linked to the e-services system. The good business plans will be transferred to the ***real*** supporting system, that will include the client in the Business Incubation Programme.

The services delivered into this phase to the SMEs are:

- ❑ Business incubation and assistance for growth = assistance during the start-up phase and the development phase
- ❑ Information services and data base acces = access to the EURO-INFO Network
- ❑ Technological support for CAD/CAM activities = CAD/CAM service and training, GIS services and training, multimedia services and training;
- ❑ IP protection = patents protection, marks registration, research for IP rights
- ❑ Financial support (micro-loans) = loans up to 10.000EUR for micro companies
- ❑ Technological Transfer – real unit = for specific business applications

The unit designed for the Technological transfer support will become a *real* unit, with own staff and activities. This unit will be included under the CDIMM Maramures frame system, and will co-operate with the existing units/departments.

The system building started few years ago. The real components are operational, except the Technological Transfer unit. The virtual system was started in the period 2001 – 2002. There are few components ready: the information structure (EIC RO824; e-training materials on business administration, ITC for SMEs, IP rights; the CISCO Academy link; the Autodesk training system link), or under construction (data base for clients; on-line data information) at this moment.

The software support will be the LOTUS SERVER platform, that was experimented during 2001 – 2002, with the German partners assistance.

For the next period we will start to improve the existing hardware support, the existing LAN system, as well as the WAN system. The pilot phase will start in 2003 (the second part of the year) and will cover 24 months. At the end of this period we planned to have operational the CDIMM Maramures Platform, the interface with the existing services as well as the client interface for e-services.

The all project regarding the long distance services will be implemented in 3-5 years (including the pilot phase). The system components will become operational step by step, after testing and pilot phases and they will cover the customer demands in:

- business assistance
- business training
- business start-up and growth
- expert assistance (information searching, CAD/CAM services, GIS services, IP Rights, ITC systems etc.)
- financial assistance.

The main advantage for the CDIMM Maramures clients will be that they will have the opportunity to “learn” and to “experiment” the business administration on-line, with low costs and to “jump” into the real business world after a simulated phase, that reducing the risk on less successful investments, as well as to save efforts and ressources.

The system will be open to improvements based on the customer recommendation, requests or based on the other similar experiences background.

Planned activities

The CDIMM Maramures’ aim is to set-up next 3-5 years an operational interface/platform designed to offer long-distance assistance for the beneficiary/client companies or individuals. The main reason is to offer an electronically means of information, self training, evaluation and testing for the entrepreneurs (new or existing).

The idea is to organise a platform under INTERNET that will offer the basically services:

INFODESK

- ❑ On-line data and information: regarding the SME sector, programmes, projects, financial resources, training resources etc.
- ❑ Data base for clients: existing facilities for clients, access of the on-line services, subscription services, monitoring services etc.

ON-LINE TRAINING

- ❑ Long distance training for SMEs and for individuals on the following topics:
 - Business administration: management by objectives, planning, business plan using, marketing
 - ITC for SMEs: INTERNET tools, e-business principles, e-commerce principles
 - Industrial Property rights: IP in Europe, how to get a patent
- ❑ Long distance self assessment: for the topics learned (see previous)
- ❑ Evaluation: client evaluation for on-line certification of the training

BUSINESS ASSISTANCE

- ❑ e-business advisory: long distance assistance for business pre-start-up
- ❑ e-Business Plan preparing: online & long-distance assistance for BP preparing

Virtual T.T. Unit

- ❑ data base with human resources with high qualification on technologies
- ❑ data base with available patents for valorisation
- ❑ on-line guidance for TT requirement identification for a specific business
- ❑ links to technical universities with operational TT units

SIMULATED Company

- ❑ Set-up a virtual company
- ❑ Run a virtual company
- ❑ Evaluation after the running by the financial "simulated" indicators

All these elements will support through a logical flow the new company creation and testing under a virtual matrix. Only the business declared feasible will be recommended for official start-up and assistance through the real system, starting with the Business Incubation Centre.

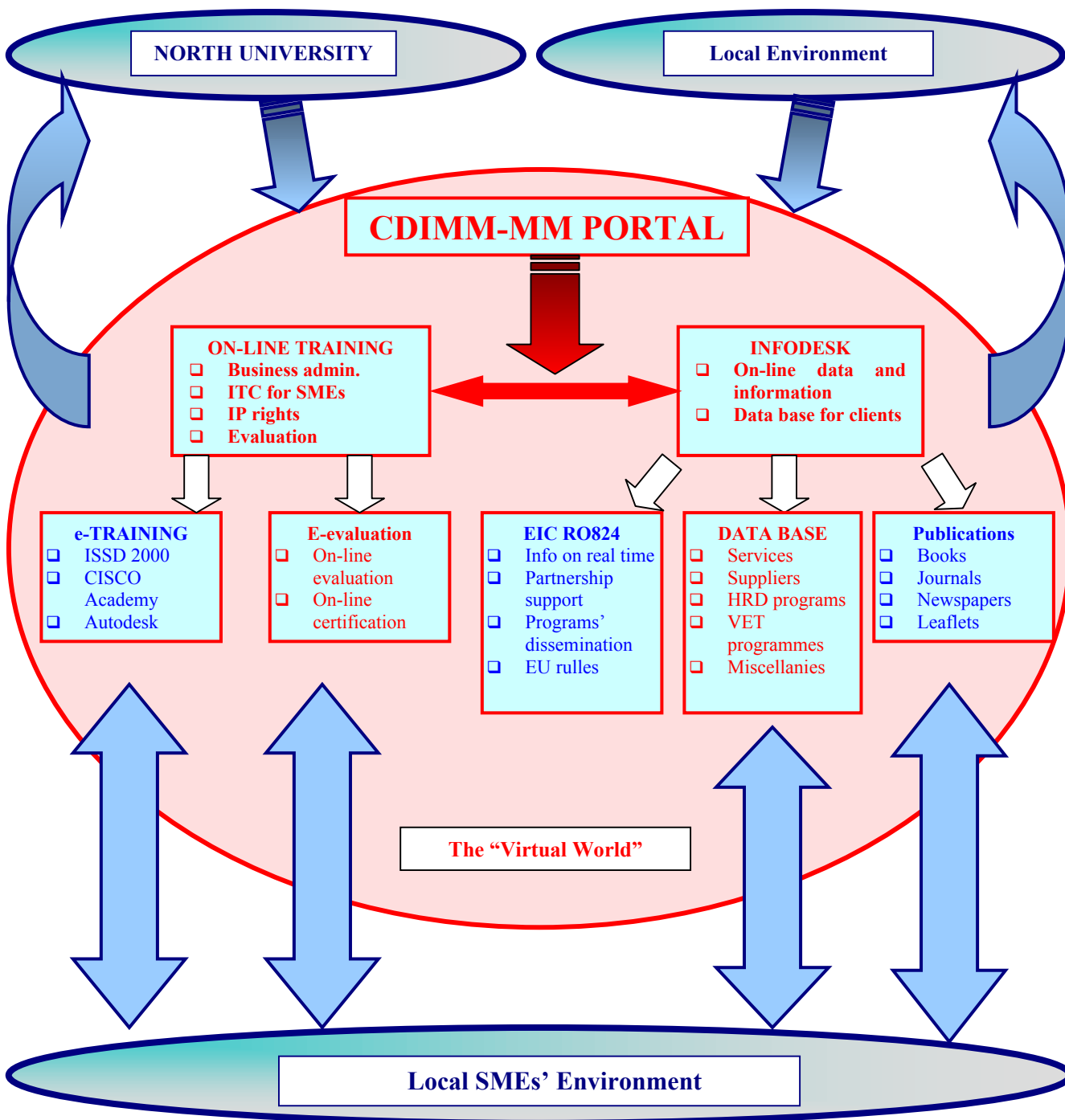
This platform will offer the virtual mean for business idea testing, as well as an excellent training system for the existing students, during their education period.

1.1. Virtual services creation

First step: CDIMM Maramures Portal creation

LEGEND:

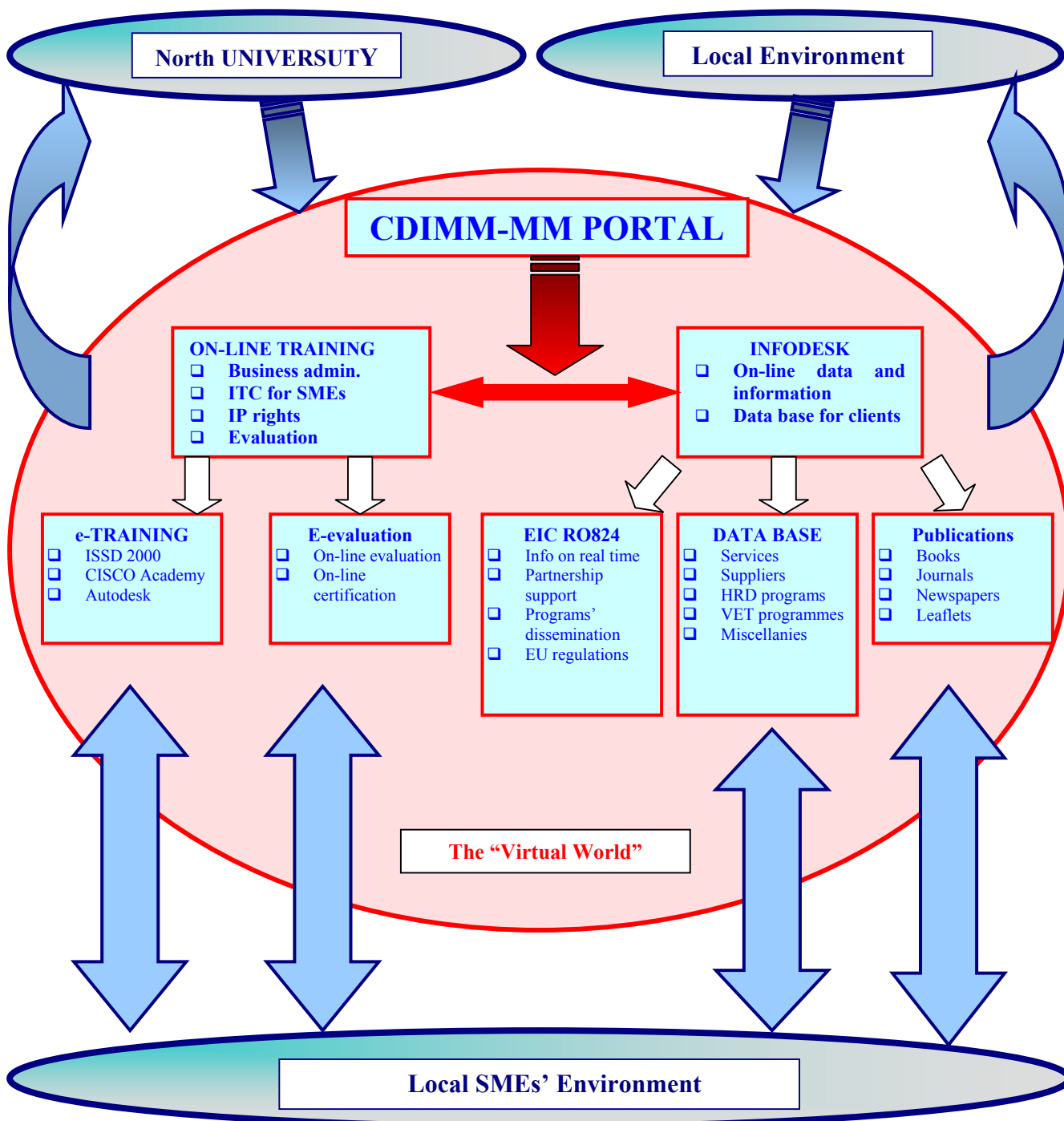
- Existing components
- Planned components



Second step: CDIMM Maramures Portal operational

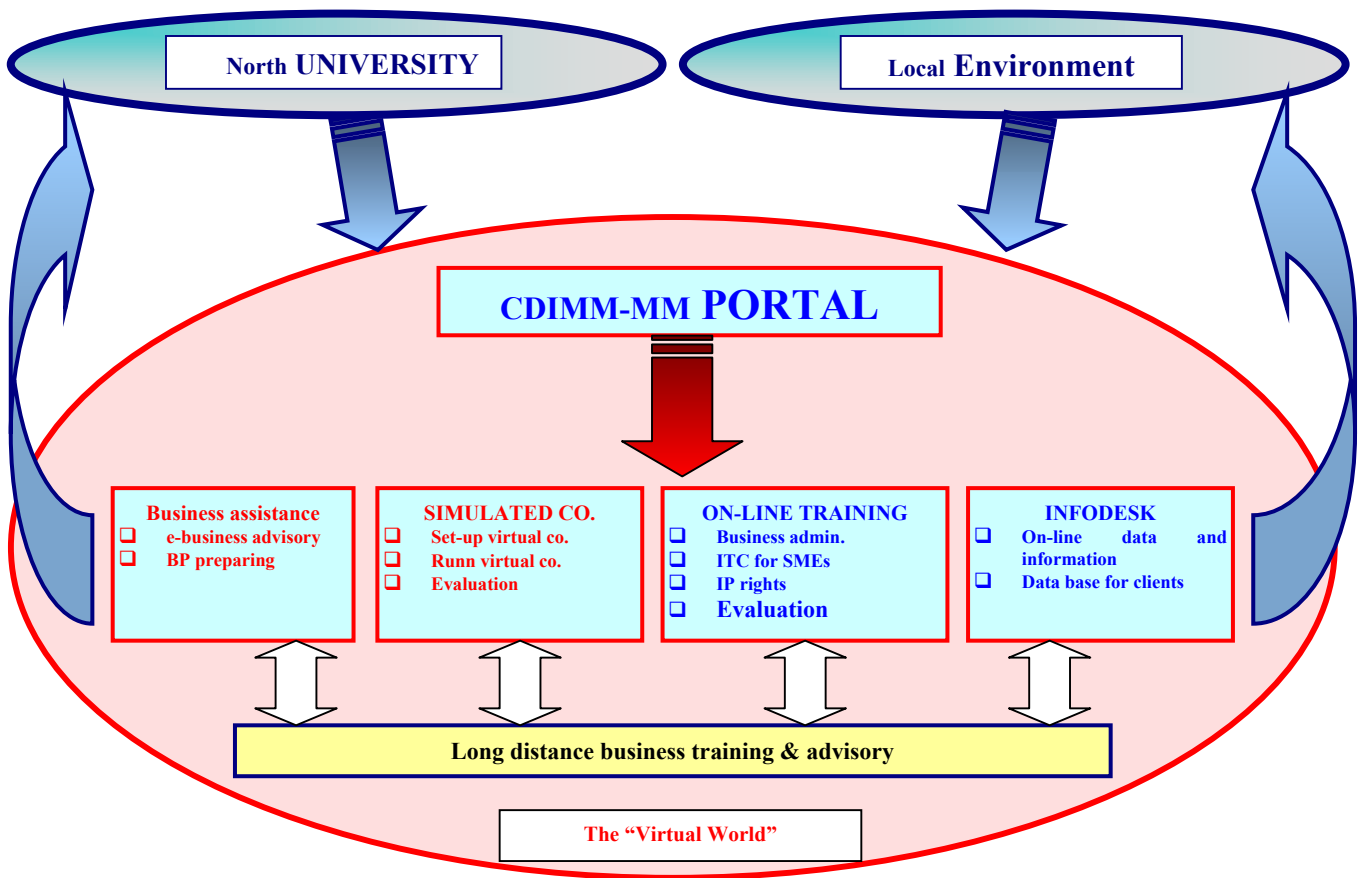
Legend:

- Existing components
- Planned components



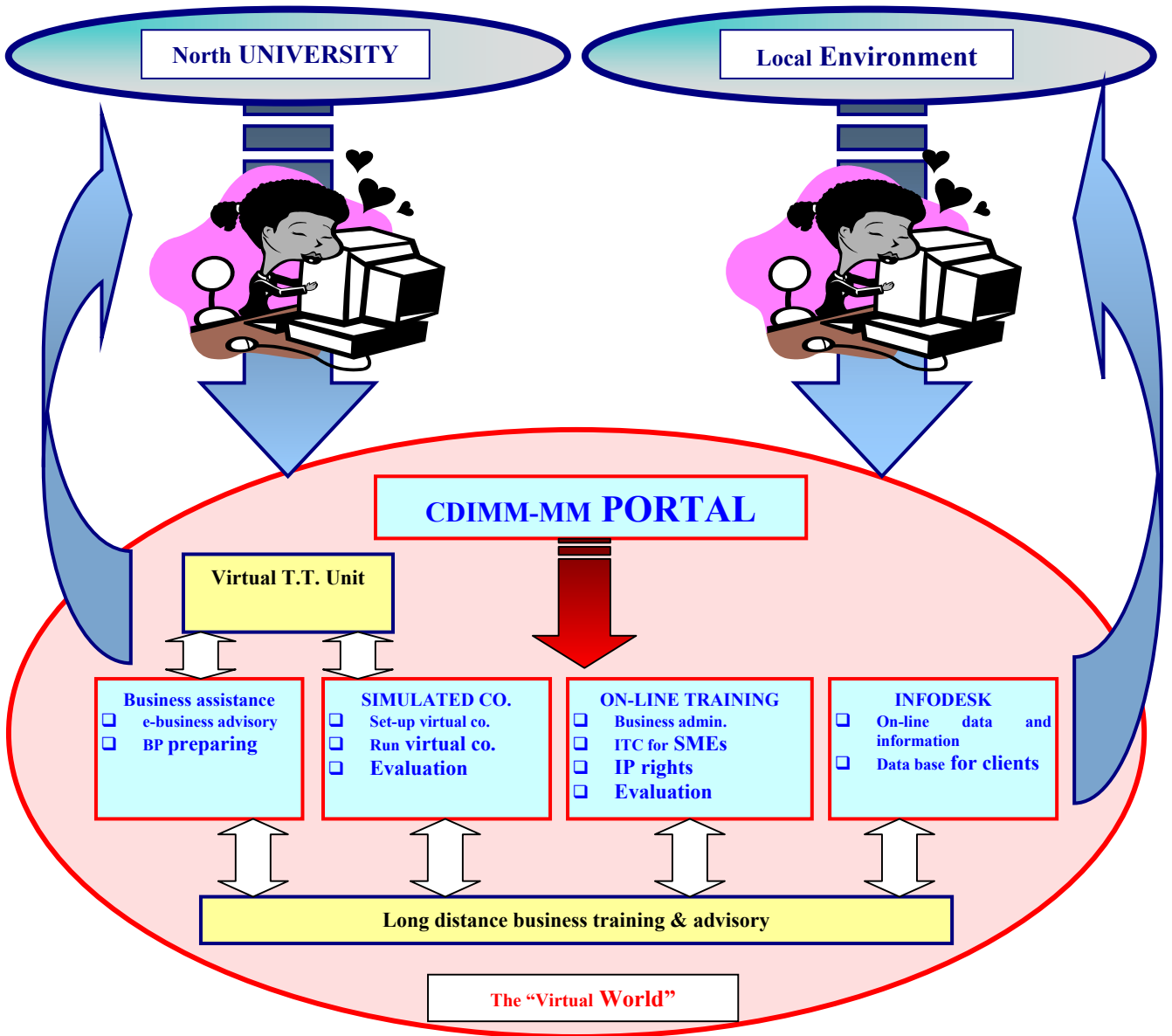
Third step: CDIMM Maramures Portal improved

- Existing components
- Planned components



Fourth step: CDIMM Maramures Portal operational for Technological Transfer

- Existing components
- Planned components



Detailed timetable

The Technology Transfer project is planned to be implemented during next 3 years (end of 2006). We considered the actual stage of the advisory services existing in CDIMM Maramures, as well as the on-going or the planned project administrated by the mentioned organisation.

We will work in partnership with Romanian organisations, as well as foreign expert organisations. The planned TT unit will be integrated in the CDIMM Maramures' operational system designed to assist the SMEs start-up and growth.

TIMETABLE – TT UNIT IMPLEMENTING PROCESS TO THE CDIMM Maramures

YEAR	03	2004				2005				2006			
ACTIVITY	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. CDIMM Maramures Portal creation	■	■											
Existing infrastructure up-grade	■												
Existing software up-date	■												
2. CDIMM Maramures Portal operational		■	■	■	■								
INFODESK services		■	■	■	■								
ON-LINE TRAINING services				■	■								
3. CDIMM Maramures Portal improved						■	■	■	■				
Business assistance						■	■	■	■				
SIMULATED COMPANY							■	■	■				
4. CDIMM Maramures Portal operational for e-Technological Transfer									■	■	■		
e-TT data base									■	■	■		
e-TT guidance									■	■	■		
e-Links to other TT units										■	■	■	
5. TT Live services creation												■	■
TT data base												■	■
TT guidance												■	■
Links to other TT units												■	■
6. Project evaluation													
Interim evaluation		□		□		□		□		□		□	
FINAL EVALUATION													●

Planned project budget

The project planned budget is **160.000EUR**, representing the total costs for CDIMM Maramures e-Platform implementation as well as for the Technology Transfer Office creation. The budget is planned for the period September 2003 – December 2006. A part of the planned budget is already contracted and is representing a part of a larger project. A part of the planned costs are part of projects that are under preparing to the CDIMM Maramures or to the other partners (in Hungary and in UK, Northern Ireland).

CDIMM Maramures will support the project budget with 23.000EUR, coming from its own resources (incomes from delivered services, business incubation etc.)

Total budget: 160.000EUR (100%)

From which:

External resources..... 137.000EUR (85,6%)
Own resources..... 23.000EUR (14,4%)

Costs justification

The project budget is presented with a breakdown of costs for the main planned activities. The budget considers the costs with project staff, materials, equipment, communications services for all services under the CDIMM Maramures Portal.

TT Project budget

PLANNED ACTIVITIES	Planned costs [EUR]
1. CDIMM Maramures Portal creation	
Up-grading the existing LANs	16.000
Up-grading the software for existing LANs	18.000
2. CDIMM Maramures Portal operational	
<i>INFODESK services</i>	5.000
<i>ON-LINE TRAINING services</i>	35.000
3. CDIMM Maramures Portal improved	
<i>Business assistance</i>	10.000
<i>SIMULATED COMPANY*</i>	5.000
4. CDIMM Maramures Portal operational for e-Technological Transfer	
e-TT data base	15.000
e-TT guidance	20.000
e-Links to other TT units	4.000
5. TT Live services creation	
TT data base	10.000
TT guidance	15.000
Links to other TT units	5.000
6. Project evaluation	
Interim evaluation	1.000
Final evaluation	1.000
TOTAL PROJECT BUDGET	160.000

□ **Planned incomes**

A part of the planned incomes are already contracted at the CDIMM Maramures Foundation. For other incomes we have projects under evaluation or under preparing phase.

TT Project financial resources

PLANNED SOURCES	Planned INCOMMES [EUR}	STATUS
World Bank – infoDev initiative	42.000	Contracted
Leonardo Da Vinci Programme I	20.000	Contracted
Leonardo Da Vinci Programme II	25.000	Under evaluation
Leonardo Da Vinci Programme III	50.000	Under evaluation
Other sources (own services)	23.000	Ongoing
TOTAL PLANNED INCOMMES	160.000	

2. FINANCIAL MANAGEMENT STATEMENT

TT Centre financial flow

The TT project cash flow is prepared considering the ongoing contracts as well as the under preparing projects, aimed to build, step-by-step, the CDIMM Maramures e-Platform.

The financial flow considers the own resources as well as the requested grants for project implementation process. The financial forecast is presented in the table below.

TT PROJECT PLANNED CASH FLOW

[Thousands EUR]

YEAR	03	2004				2005				2006			
SPECIFICATION	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Balance from previous	0	20	12	23	14	34	29	23	17	41	33	26	21
INCOMMES													
World Bank – infoDev initiative	42												
Leonardo Da Vinci Programme I			20										
Leonardo Da Vinci Programme II					10				10			5	
Leonardo Da Vinci Programme III					20				20			10	
Other sources (own services)				2	2	2	2	2	2	2	3	3	3
TOTAL INCOMMES	42	20	32	25	46	36	31	25	49	43	36	44	24
COSTS (per activity)													
1. CDIMM Maramures Portal creation													
Existing infrastructure up-grade	10	3	3										
Existing software up-date	12	3	3										
2. CDIMM Maramures Portal operational													
INFODESK services		2	3										
ON-LINE TRAINING services				10	10	5	5	5					
3. CDIMM Maramures Portal improved													
Business assistance					2	2	2	2	2				
SIMULATED COMPANY							1	1	1	1	1		
4. CDIMM Maramures Portal operational for e-Technological Transfer													
e-TT data base									5	3	3	2	2
e-TT guidance										5	5	5	5
e-Links to other TT units										1	1	1	1
5. TT Live services creation													
TT data base												5	5
TT guidance												7	8
Links to other TT units												3	2
6. Project evaluation													
Interim evaluation				1									
Final evaluation													1
TOTAL COSTS	22	8	9	11	12	7	8	8	8	10	10	23	24
PROJECT CASH FLOW	20	12	23	14	34	29	23	17	41	33	26	21	0

2.1. Financial management

CDIMM Maramures is an independent and private organisation. It is set-up as a nonprofit and non governmental organisation. It is own responsible for its financial management and it is not subordinated to a national or regional body. The Board of Directors is the high decision unit responsible for the CDIMM Maramures strategy.

From the managerial point of view, CDIMM Maramures is organised based on a matrix system, with autonomous units, and structured departments.

The Technology Transfer Centre will be organised as a working point of the CDIMM Maramures Foundation. It will have managerial and financial autonomy to implement the present project. The financial resources attracted through programmes or projects will be separately managed and monitored in accordance with the donors' rules.

The TT office will have separate bank account aimed to monitor easily the financial flow. The TT staff will be trained as consultants aimed to be able to support directly the beneficiary companies.

The TT office, as an autonomous unit will have financial obligations regarding the host organisation. This means that the staff must be market oriented and they will have financial targets as an office, as well as experts. The financial obligations will be increased yearly.

The TT office will be supported by from the CDIMM Maramures budget as following:

SPECIFICATION	2004	2005	2006	2007	2008
Total TT office budget	100%	100%	100%	100%	100%
Subvention from CDIMM	80%	60%	40%	20%	0%
Own income	20%	40%	60%	80%	100%

The TT office will be in the position to integrate its own services into the CDIMM Maramures Operational System, as well as to develop other services based on their clients requests and needs. The staff will have the opportunity to deliver combined services in partnership with the existing CDIMM Maramures' departments.

The TT office manager will prepare financial quarterly reports for the CDIMM Maramures executive manager, as monitoring instruments regarding the planned project.

FINANCIAL FLOW AT CDIMM MARAMURES FOUNDATION 2000 – 2002

SPECIFICATION	2000	2001	2002
	000 ROL	000 ROL	000 ROL
1. Incomes (from which)			
1.1. Non profit activities	3.396.363	4.485.250	7.061.804
1.2. Economical activities	2.042.000	2.564.221	1.007.996
Total Incomes (ROL)	5.438.363	7.049.471	8.069.800
Total Incomes (US\$)	250.700	242.576	244.129
2. Costs (from which)			
2.1. Costs for non profit activities	1.255.268	4.068.864	4.943.100
2.2. Costs for economical activities	2.507.055	2.598.175	2.602.644
Total Costs (ROL)	3.762.323	6.667.039	7.545.744
Total Costs (US\$)	173.437	229.416	228.275
Balance per year			
(+)Exceeded income / (-)Deficit	1.676.040	382.432	524.056
Cumulated balance			
(+)Exceeded income / (-)Deficit	1.738.073	2.120.505	2.644.561
Annual rate ROL/US\$	21692,74	29060,86	33055,46
(+)Exceeded income / (-)Deficit	80.122	72.968	80.004

2.2. Research on the SMEs needs

2.2.1. General frame

The Development Centre for Small and Medium Sized Enterprises Maramures (CDIMM Maramures) was founded in 1994 with a direct contribution of the North University of Baia Mare, as founder. CDIMM Maramures, as Non Governmental Organisation (NGO) is aimed to support the private sector development, focused on the SMEs' area. It made a regional marketing research on the SMEs' main activities in Maramures and Salaj counties in order to identify the advisory and training request in the private sector. This research was the basic document for the CDIMM Maramures strategy and for a customer oriented services offer.

The marketing research was made starting in 1997-1998 (data collection) and done in 1998, as part of a national initiative supported by CDIMM Teleorman Foundation and CRIMM Bucharest Foundation. The national research was done in six centres: CRIMM Bucharest (Bucharest), CDIMM Teleorman (Teleorman and Bucharest), CDIMM Arges

(Arges and Valcea), CIAT Timis (Timis and Arad), CDIMM Braila (Braila and Galati), CDIMM Maramures (Maramures and Salaj).

2.2.2. Research objectives

The research aim is to fundament the CDIMM Maramures activity and to orient it to the customers' needs. The main directions of the organisation's activity will be defined following the analyse and the interpretation of the present research. The future services and the promotional activities will be based also on the research results. The general frame of the organisation's activity is the local and the regional development of the economic communities that have commune interests. Also, CDIMM Maramures is focused on the economic improvement in general, and the SMEs share improvement in the local GDP particularly.

The research aim and objectives were:

- To identify the characteristics of the SMEs' activities in both counties**
- To appreciate the CDIMM Maramures activity oriented to support the SMEs**
- To identify the "main energy" that motivated entrepreneurs to set-up SMEs**
- To identify the main factors that motivated the selection of the "field of activity"**
- To identify the main difficulties met by SMEs**
- To identify the main causes that improved/reduced the SMEs' activities**
- To identify the main field of interest concerning the business advisory for SMEs**
- To identify the main influences related to the companies options to use business advisory services**
- To identify the SMEs' structure and dynamic**

For the objectives' statement we considered the following elements:

- What problem's aspects must be investigated and how deep**
- The relevance of the collected data and how they will be used; data related to CDIMM Maramures and its activity**
- The organisation's capacity to solve the daily problems of the SMEs**
- Financial aspects and the flexibility of the offer**
- The managerial skills of the SMEs managers**

2.2.3. Methodology

The data collect methodology selected was the direct research, at the selected companies' office, by investigation. The research was applied to a representative group for the local economy, using the questionnaire as a structured means of communication.

The SMEs sector represents 70% from the total number of the Romanian companies. The SMEs own 25% of the total number of employees, 30% of the national GDP, 11% of the fixed assets and over 40% of the total investments.

As a method to establish the target group we chose the proportional targeting. There are well known under this procedure the essential characteristics of the relevant research environment age, gender, geographical location, socio-economic group, etc. During the present research we choose the field of activity, based on the premise that the advisory and training needs are different from an economic sector to other.

The sub-group from a target group been established the operators for interview were trained to contact the established number of companies "the share" from the interviewed companies, with the same characteristics. The investigator established the particular visited companies.

Based on the field of activity the investigated group has the following structure:

TARGET GROUP SHARE BY ACTIVITIES Table no 1

No	FIELD OF ACTIVITY	NO OF SUBJECTS IN MM + SJ	%	NO OF SUBJECTS IN ROMANIA
1	A. SMES FROM INDUSTRY	70	9,33	360
2	SMEs from commerce	500	66,67	3240
3	SMEs from services	165	22,00	810
4	SMEs from constructions	15	2,00	90
	total	750	100%	4500

The research items were:

- "activity start-up year"
- "business start-up"
- "selection of the field of activity"
- "marketing understanding" and "market type"
- "position related to competitors"
- "difficulties on activity"
- "volume of owned information"
- "difficulties on the company management"
- "company background"
- "development factors" and "decline factors"
- "support to pass the difficulties" and "other support"
- "utility of expert assistance"
- "field of interest" for expert support
- "support"
- "knowledge of the services granted by CDIMM Maramures"
- "using advisory services"
- "efficiency of the received services"
- "field of activity", "environment", "juridical entity", "total income", "employees number", "type of capital"

We used for the items measurement: the nominative scale aimed to divide the group in small distinctive groups, homogenous, that members are different considering the investigated item, the interval metric scale that allow to establish the intensity of investigated item.

The scaling used methods are: the semantics differential (e.g. five-step scale, very favourable – very non-favourable).

We used the written questionnaire as support for the collected data recording from the group (SMEs).

2.2.4. Research outcomes

We present starting this point forward the main outcomes and results of our research. We selected to be focused on the main items related to the future activity of CDIMM Maramures.

Basically, we investigated the companies using the questions:

First example

- Did you meet difficulties during your company managerial activity?
- What type of support you desire to receive?

EXPERT SUPPORT SHARE BY SERVICES Table no 2

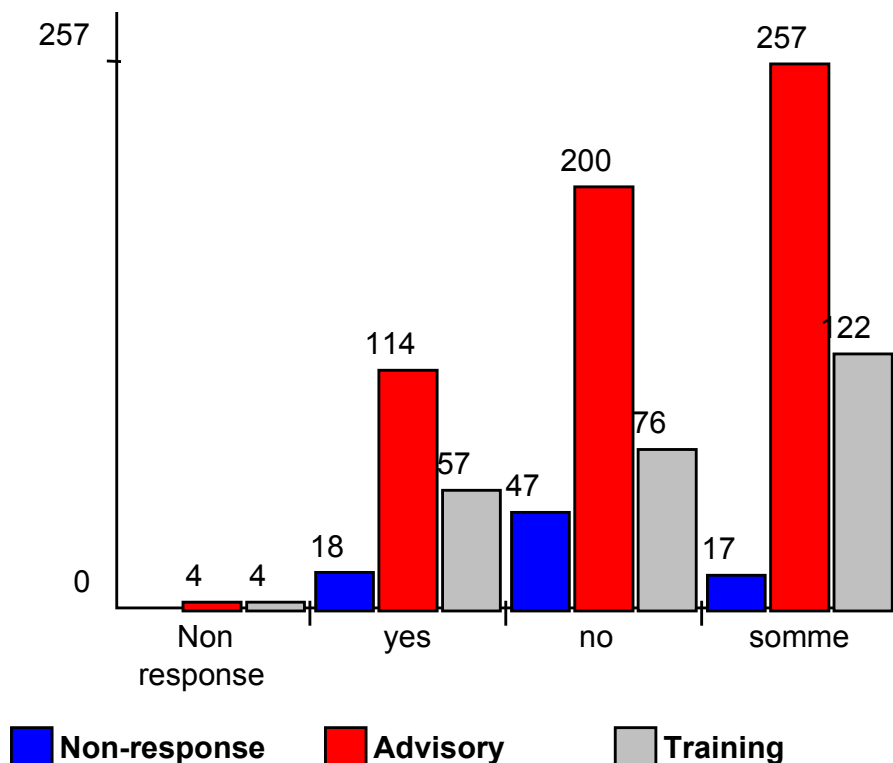
Support Field of interest	Non-response	ADVISORY	Training	TOTAL
NON-RESPONSE	0	4	4	8
Yes	18	114	57	189
No	47	200	76	323
Somme times	17	257	122	396
TOTAL	82	575	259	916

Comments:

The dependence is highly significant (Chi2 = 27.45, df = 6, 1-p = 99.97%).

Cell values are the number of responses for each pair of value labels.

This table is based on sub-sample "Sub-sample no 6" containing "750" observations and defined by the following screen:



Second example

- In which field you desire to receive expert support?
- What type of support you desire to receive?

EXPERT SUPPORT SHARE BY ACTIVITIES Table no 3

B. SUPPORT Field of interest	Non- response	ADVISOR Y	Training	TOTAL
NON-RESPONSE	24	2	0	36
business plan	1	81	48	130
finance - credit	27	356	170	553
supplies	9	195	97	301
sale market	13	218	97	328
organisation - planning	0	50	23	86
foreign trade	2	117	57	176
account	4	39	16	59
human resource	1	59	35	95
commercial legislation	10	202	103	315
technology	9	154	91	254
partnership	5	147	77	229
information	12	249	126	387
equipment supplier	6	101	58	165
other	2	9	6	17
TOTAL	135	1979	1017	3131

2.2.5. Comments

The dependence is highly significant (Chi² = 742.11, df = 28, 1-p = 99.99%).

Cell values are the number of responses for each pair of value labels.

Considering the research made for a representative group result the necessity to develop a strategy to increase the role of CDIMM Maramures relative to the business environment. It is essentially necessary to change the point of view concerning the services market, and to approach it by verified marketing principles.

The services offered:

- it is necessary to be unitary taking in consideration the customer's needs, actual and potential customers (fields of interest - financially, loans, market, partnership,)
- it is necessary to be customer oriented, new, attractive
- high level of quality

2.3. Conclusions

The marketing research made by CDIMM Maramures Foundation represents the start point of its future institutional development at regional level. In accordance with the results presented above the priority activities for SMEs are:

- ❑ Business plan & Financial support71.53%
- ❑ Partnership (market, foreign trade, partnership)77.32%
- ❑ Technology & Information64.94%

The main components requested to be developed as local system for the SMEs development support are:

- ❑ Business Incubator Centre – expert support during start-up period (training, advisory, infrastructure, information, communications, etc.)
- ❑ EURO-INFO Centre – expert support regarding business information (offers and requests), EU regulations, support for partnerships, etc.
- ❑ Technological Supporting Centre “TechnoCAD” – expert support in CAD/CAM services, GIS services, multi-media services, high-tech training
- ❑ Regional centre for Industrial Property – advisory and counsellor assistance for industrial property protection, property promotion, etc.
- ❑ Micro-credits programme – business advisory, business plan preparing assistance, financial support by credits

Note: today all these components are operational at Baia Mare and CDIMM Maramures administrates them.

2.4. CDIMM Maramures strategy on TT

The CDIMM Maramures strategy for development was elaborated in the first version in october 1995, and it covered the period 1996 – 1998. It was stated by the CDIMM Maramures board of directors the general development frame.

The key word was the development us a “self sustainable” organisation, based on the services delivered to our customrs, as well as on the administration of projects or programes aimed to support the SMEs sector development in Maramures County.

The strategical direction for action stated in that period were:

- ❑ To improve the client number in the local and surrounding area
- ❑ To start the actions aimed to develope a Business Incubator Centre
- ❑ To start the actions aimed to develope a Technological Supporting Centre
- ❑ To start the actions aimed to set-up a microcredit programme for SMEs

These goals were achieved during the period 1996 – 2000, as well as the informational structure under the EURO-INFO frame. All these components formed the ***“Operational system aimed to support the SMEs development”***, as it is presented in the annexed materials.

The actual strategy, prepared in the year 2000, is covering the period 2000 – 2006, the Romania preaccession period. For this period the on-going goals are stated below:

- ❑ To improve the services portofolio
- ❑ To improve the services' quality
- ❑ To ensure the "leader" position on the local/regional market

In accordance with the first goat one of the direction selected to act for the strategy implementation is to co-operate with the local actors, including the local universties, aimed to support the technological transfer in the benefit of the local SMEs. It will be in accordance with the actual services delivered through the CAD/CAM Technological Supporting Centre, the Industrial Property Centre, as well as the Business Incubator Centre.

The implementation strategy is aimed to use the CDIMM Maramures Foundation resources optimally, and the existing infrastructure as well.

This means that we will implement the new components during 2 stages:

- ❑ 1st stage = virtual services for SMEs (including T.T. services)
- ❑ 2nd stage = real T.T. services for SMEs

The planned structure, in accordance with the new strategy, is prezented in the attached documents (Technological Transfer System).

2.5. Comments

The CDIMM Maramures is a privat and independent structure, that is in the position to draw and to implement its own strategy. It is not under the frame of a state institution or a local/regional public body. This status its offer maximum flexibility to draw plans and to implement them, but also the responsibility to look tor financial support from donnors or from the own services.

Besed on this position we will draw a time table for the planned activities in accordance with our forecast regarding the organisation's income and the possibility to implement new structures aimed to support the SMEs development in Maramures County and in the region.

The key issues for the planned timetable are:

- ❑ The customer oriented approach for the existing services
- ❑ The customer oriented services for the new services
- ❑ The balance between the planned goals and the requested resources
- ❑ The feasibility of the planned investments
- ❑ The "Virtual simulation & virtual services" for modeling the structure
- ❑ The "Real services" implemented after the virtual testing phase

Based on these key concepts we will statr to work under the technological transfer frame, in accordance with the existing startegy and the existing resources.