

Position Paper on the Productivity Enhancement Program (PEP)

Purpose

The Productivity Enhancement Program (PEP) is an innovative program directed at an emerging group of young Russian business men and women, who are well educated and adaptable. They are anxious to convert their professional knowledge into thriving businesses and they are currently succeeding in ways that are very exciting and positively altering the business landscape in Russia. The PEP program provides the highest level of production and business training available to Russians today. PEP is aimed at a new breed of seasoned entrepreneurs who represent the very best chance for substantively changing the economic climate of Russia. The main purpose of this program is to help these entrepreneurs build a vital market based economy in the former Soviet Union. For a variety of reasons this goal is in our own national self interest and these reasons are highlighted under “talking points”.

The Experience of Muscogee Rotary Club

A Private Medical Clinic Delegation (#382) came to Columbus, Georgia from May 22 – June 15, 2003 under the PEP program. This delegation was sponsored by the Muscogee Rotary Club which currently has 59 members. We are proud to be the very first Rotary club in District 6900 to participate in this exciting PEP program. Three other Rotary clubs in Georgia have participated previously but all three of these clubs were in the other two Rotary Districts in Georgia. The first was the Canton Rotary Club in Canton, Georgia that hosted a PEP Legal Services Delegation (#88) between April 1 – April 24, 1999. Then there were two Rotary clubs in Macon, Georgia, the Downtown Macon Rotary and Macon Rotary Club, that co-hosted a PEP Accountants Delegation (#140) from October 28 - November 20, 1999.

Allen Kerr, as the local coordinator, starting in January 2003 met every month with the executive board of the Muscogee Rotary Club to keep them informed of how plans were developing. Because our delegation was scheduled to arrive on the Thursday May 22nd just before the Memorial Day weekend and Monday was a holiday, we only had 14 full days of training as opposed to the general requirement to provide fifteen days of training. The Center of Citizen Initiatives CCI that monitors the PEP program throughout the United States only does four or five Private Medical Clinic Delegations a year, because they only have a limited number of medical interpreters. Our interpreter was very highly skilled and can only be described as incredible in his ability to interpret in a field that has its own very distinctive vocabulary. Our delegation consisted of 10 physicians of widely different specialties and one marketing director, Anna Kirillova, for a small medical clinic employing 25 people in St. Petersburg, Russia.

The very first task Allen undertook, as the local PEP coordinator, was to line up the business hosts in our community who would agree to provide the required 14 days of training. This eventually resulted in a 32 page day by day outline of training and social events for the 24-day visit of the PEP delegation. Once this training plan was completed it was forwarded to CCI to be translated into Russian. It was then sent to the seven satellite offices that CCI maintains across the seven time zones of Russia. We had representatives from every satellite office that made up our delegation of 4 women and 7 men. To this count were added the facilitator and

interpreter for our delegation both of whom were males. One of the personal perks I gained as the local PEP coordinator was that the PEP facilitator stayed with my wife and myself for the entire 24 days the Russian delegation was in Columbus. The facilitator has authored several books and he worked as a consultant, liaison, and interpreter for CBS News where he assisted Walter Cronkite and others in the production of programs on the former USSR. He is absolutely an incredible source for anecdotal stories about life in the Soviet Union and he kept my wife and myself laughing throughout our visit of this PEP delegation. Because of a death in one of our hosting families we also had the interpreter, Ilya Zlotnikov, live with us for fifteen out of the twenty-four days he was in Columbus.

We were very fortunate to have one physician in our club who provided two vans, drivers as needed and gasoline for the duration of the delegation's visit to Columbus. To prepare for the program our club also appointed a home host coordinator, two co-media coordinators, a training coordinator, a transportation coordinator, a social coordinator and we developed a special web page to detail our preparations. When the delegation of PEP interns finally arrived in Columbus on May 22nd after 25 hours of travel they had no luggage. We quickly enlisted the aid of our Russian speaking mayor and their luggage was delivered late the following morning on May 23rd. Our club made a video tape of all our preparations and planning that we took to show at our own District 6900 Rotary Convention at Jekyll Island, Georgia in April 2003 before our actual PEP delegation arrived. CCI liked our videotape so much that they requested that they be able to circulate this videotape nationally to allow other Rotary clubs considering the PEP program to see how we went about preparing for such a program in our community.

Once the Russian PEP interns actually arrived in Columbus, the effect of mixing two quite different cultures were catalytic. Our Russian facilitator, Mavei Finkel, said to me when he first called me on the phone, "Now we are going to have fun" and we did! Very quickly in addition to our 32 pages of training and social events the whole people to people aspect of the program took on a life of its own and spontaneous additions to what we had scheduled were added daily. Many of these were the direct results of interactions between the home hosts and their Russian guests. There were fishing parties, golf instruction and a short round of golf, a visit to the Columbus police station and to a Russian Clinic that the Russian physicians discovered in Atlanta. There was a visit and official recognition from our Russian speaking mayor at a City Council meeting. There were four key social events outside of our official welcome at the airport. First, there was a wonderful welcoming party, a home host party, a luncheon at Fort Benning where the delegation was addressed and recognized by our US Congressman Sanford Bishop and a final farewell party. Not to be out done the Russian's threw their own party on Saturday evening, June 14th before their returned on Sunday to Russia. My wife and I received an invitation to this very special party.

There is nothing that I have done in Rotary in the 12 years I have been a charter member of our club that I have enjoyed any more than my involvement in the PEP program. We received some publicity surrounding the visit from a local television station, and two articles in two different papers. We made every effort to involve the local media and there were so many interesting personal stories that developed spontaneously. From my own vantage point there could have been much greater publicity. Our local newspaper did publish my letter to the editor thanking our community for the outpouring of their welcoming support. We had a major share of our club members directly involved as home hosts, working on the various committees, or attending the planned and spontaneous social events and contributing money to

fund the program. Judging by the response from our members at the farewell party when the Russian PEP interns received their diplomas our club responded very enthusiastically to what certainly would be a major highlight in the short history of Muscogee Rotary Club. There was wide spread community involvement as well. There were a total of 34 home hosts, 38 business hosts and 109 different presenters that participated in the training phase of our PEP program. There were an additional 10 Russian speaking citizens from our community who were involved in many of our social events.

The other final observation I would make regarding this very exciting format is that I can not say enough about the wonderful support we received from CCI throughout this entire preparatory process and the actual visit itself. For six months I was in daily phone contact with CCI. There was not a single request we made that they did not respond to promptly in a highly professional manner. The coordinator for our particular delegation was Anna Noel and we also received a great deal of additional help from Natasha Basley a program officer of the Productivity Enhancement Program PEP.

I would highly recommend that any Rotary Club in our district that would like to consider this exciting program call either Anna or Natasha in San Francisco at their toll free number (888) 729-7071 or go to CCI's web site www.ccisf.org which has a great deal of useful information about PEP and everything you need to know to become a PEP sponsoring club.

This PEP program applies as both an international project and a vocational project. Because of the natural chemistry, which is spontaneously created by this format, Don Chapman in Newnan, Georgia has told me that many Rotary Clubs use this PEP program as a means of recruiting new Rotarians. There is certainly enough there for everyone in our community to become involved with the Russians at some level.

In our delegation of 13 Russians we had 2 interns who were already Rotarians and a great many other participants who came will join Rotary when they return home or like previous PEP interns start their own Rotary clubs in Russia upon their return. Our delegation came to the Muscogee Rotary Club meeting two times. The first time they came they presented a wonderful program about PEP from their perspective. They also visited the East Columbus Rotary Club where they again presented a very dynamic program.

A great local source for other clubs in our district to contact a local authority on PEP would be to contact Don Chapman a retired Delta Pilot in Newnan, Georgia. Don has been on the board of directors for CCI for the past 10 years. In 1987 Sharon Tennison the head of CCI challenged Don to go to Russia. Don took his wife Julie and his children and went there and he said that trip changed his life. Don now travels all over our country talking to various service clubs about the PEP program. Don may be reached at the following address:

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Historical Background of PEP

The Productivity Enhancement Program (PEP) is State Department funded program in the United States that is strongly supported by Rotary International. Since 1996, PEP has brought over 4,000 Russian entrepreneurs to the United States. Eighty percent of these Russian visitors have come through sponsoring Rotary clubs. The remaining groups have been sponsored by other service clubs like Kiwanis, Lions and Optimist clubs. Rotarians will be interested to learn that these visiting PEP interns have returned to Russia and started a total of 25 new Rotary clubs there once their PEP training has been completed.

PEP programs have been sponsored by more than 400 Rotary Clubs in 45 States. Each of these PEP groups consists of eleven PEP entrepreneur interns who are accompanied by a PEP facilitator and an interpreter during their 24-day visit to the United States. The sponsoring Rotary clubs are responsible for providing a total of 15 full days of industry specific training for the visiting Russian businessmen and women.

The seeds for the current PEP program are the result of one woman, Sharon Tennison's vision. Sharon was an ICU nurse from San Francisco, who at the height of the "Cold War" in 1983 agonized over the very real possibility of an armed conflict between Soviet Union and the United States. Over a heated discussion with friends one evening Sharon talked about what ordinary citizens could do to derail the seeming drift in both countries towards war. As improbable as it may sound this small group of self-actualized citizen-diplomats decided to go to Russia for a three-week period of time. They wanted to meet ordinary Russian citizens there, see their homes and try to collectively pressure their respective governments to prevent an armed conflict between the two Super Powers. In the next seven years this small fledgling group of ordinary American citizens facilitated over 100,000 people to people contacts in this country and in Russia. They formed a Center for Citizen Initiatives (CCI) that is the umbrella organization in the United States that monitors nationwide this growing international movement.

In 1991, when there was a collapse of worldwide communism and the Soviet Union dissolved, CCI changed their direction. Since this date CCI has concentrated primarily on the economic recovery of the former Soviet Union. They did this by launching PEP that replicates the earlier highly successful Marshall Plan. This program, following World War II, brought 24,000 non-English speaking Europeans to the United States for a period of time to teach them management principles and production concepts. Although this represented only 1-1/2% of the total cost of the Marshall Plan that ran from 1949 to 1960 it proved to be the most cost effective way of fostering the complete economic recovery of Europe after World War II. When our own government looked for ways that they could reinforce democracy in Russia, they learned about Sharon's vision and initiative and sought her out as an authority on the economic recovery of Russia. Sharon had focused on Russia, and she has raised more than \$60,000,000 of government and private funds to help implement her vision. In 1993 Sharon received a White House appointment in recognition of her positive leadership in Russian/American relations to sit on the 13-member board of the Russian American Enterprise Fund. Sharon is recognized for creating and executing streamlined, low-budget, cost shared technical assistance programs for the U.S. government.

Cost

The individual cost of bringing each PEP intern from Russia is currently \$10,520 per person. Fifty-one percent of the cost for each PEP delegation is made possible by a grant from the Bureau of Educational and Cultural Affairs of our own United States Department of State. Each Russian PEP intern individually pays \$1,500 to participate in this program. All these interns go through an extensive screening process in the seven regional offices that CCI maintains in Russia. These offices are staffed by local Russian nationals. The interns also agree to make a comprehensive presentation of what they have learned during the PEP program upon their return to Russia to other business groups there. Now there are active groups of PEP alumni all over Russia that the PEP interns can continue to network with when they return home. The remaining costs while the PEP interns are in the United States come from in kind donations arranged by the sponsoring service club that includes transportation, gasoline, drivers, training, meals, and lodging. The Muscogee club made the decision to participate in this program after the budget for the projected expenses for our club had already been set and approved for our Rotary year that ended June 2003.

We felt strongly that the PEP program represented an extraordinary opportunity for our club to become involved in an international effort that could literally change our world in a very positive way. Because money was not budgeted, Allen agreed to raise the necessary funds we felt we would need to make this program a reality. Allen agreed to raise \$3,000 to cover a wide variety of anticipated incidental expenses and he actually raised \$3,432. Our actual expenses for the 24-day program ran \$3,919. We anticipate that we may have an additional \$300 of expenses to make two more video tapes of several of the training venues for the PEP delegation, which we will be able to make as a part of our District 6900 Conference display next spring in Savannah, Georgia. Included in our costs were 20 baseball tickets for an Atlanta Braves baseball game, \$10 worth of phone cards for each intern, a wide variety of personal gifts from our club, photographs of the entire PEP stay that are posted on our web site, muscogeerotary.org, and many meals for the participants and a luncheon for 45 guests at the Fort Benning Officer's Club on Saturday, May 31st. We received a great many contributions of goods and services from our club members and the community at large. These gifts ensured a broad range of social as well as professional opportunities for our visiting Russian members of the Private Medical Clinic Delegation (#382).

Right at the very beginning of Allen's fund raising effort the entire club benefited from an unexpected windfall of \$1,317. Susan Patterson with the John S. and James L. Knight Foundation from Charlotte, North Carolina won our club lottery that we had been running for eleven months and she donated her entire proceeds from that lottery in this amount to the PEP program to start off our fund raising efforts. She was officially designated as a Muscogee Rotary club angel and as she frequently comes to our community for the foundation she became a part of our extended family. In this capacity she attended one day of the training which we provided for the Russian delegation as our honored guest. She received a standing ovation from our visiting Russian guests for her generosity. With this encouragement we secured the remaining \$2,115 of donations during our fund raising from our individual members as the result of a one time appeal. Because we had the funds we were able to provide a number of extra's for our delegation including the videotape we made and pay for an expanded dinner in Atlanta, but the program could certainly be done just as effectively with greater in kind donations and less cash.

Time Line

The PEP program at our Muscogee Rotary Club was a direct result of Allen just happening to make up a Rotary meeting at the Minnetonka Breakfast Rotary Club in Minnetonka, Minnesota. This is where Allen first learned about the PEP program. Just a year or two before he had been invited to join a People to People Ambassador Program to Cuba and so he knew first hand the power of this type of program. Just as soon as he returned to Columbus in September, 2002 Allen went before the executive board of the Muscogee Rotary Club to tell them all the details of the PEP program he had just learned about. At that point, Allen was about to leave for San Francisco to attend an Elderhostel in Napa Valley. He received the boards blessing to explore the possibility of a PEP program when he was in the bay area where the Center for Citizen Initiatives CCI is located. Allen met with Stacy Taylor, an outreach officer, in Berkeley, California. Upon his return to Columbus he went before the executive board of the Muscogee Rotary Club and they enthusiastically endorsed the plan to proceed. Allen offered to serve as the local coordinator. The club agreed to seek a private medical clinic delegation because 27.5% of the membership of the Muscogee Rotary Club is directly employed in the health care industry or closely related fields. This percentage includes five physicians and two hospital administrators who are members of our club.

Talking Points

- It is in America's economic and security interest to help Russia transfer to a market based economy. If we don't succeed Russia will again become the US's #1 security threat at an enormous cost to our country.
- The best way to counteract political instability in Russia is to improve the standard of living for Russian citizens. PEP promotes economic growth by supporting entrepreneurs in critical industries.
- Russia will become America's next major trading partner if the country stabilizes economically. The Russian market is vast and untapped, and Russians have a natural affinity for American products. They will choose us as future trading partners if we provide production and business assistance to them now.
- In 1995, the US State Department did a cost analysis of programs, which aid Russia and the former USSR. CCI's programs proved to be the lowest cost to US taxpayers. Moreover, CCI is acknowledged in the foreign assistance field for their unusually high level of effectiveness. This is due to the use of US volunteer specialists and the support of American communities, which provide enormous contributions of in kind donations j to this international effort.
- Personnel Management as practiced in the US is still unknown in Russia. Personnel Management is the second most immediately transferable skill PEP interns take back to Russia.

