



# Partnership Case Studies

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## U.S. Department of Commerce

### Special American Business Internship Training (SABIT) Program

Since 1991, the SABIT program has exposed business executives and scientists from the New Independent States (NIS) to market-based management and scientific skills through hands-on training in U.S. companies.<sup>1</sup> SABIT provides these participants from the NIS with opportunities for individual and group training.

SABIT's individual training programs, based in the United States, show NIS entrepreneurs examples of American innovation and management skills. During the internships, the NIS participants receive the practical tools for benchmarking their companies against U.S. corporate business practices; they modify what they have learned in the United States for use in the NIS business environment. In addition to providing valuable training, SABIT programs facilitate business relationships between the U.S. and NIS private sectors.

In addition to the one-on-one business internships in American companies for three to six months, SABIT provides group training in the form of industry-specific programs for 15-20 person groups of NIS business professionals. This program originated in 1995 to fill a training gap, by providing non-English speaking entrepreneurs a way to enhance their management and technical skills. The group training exposes participants to:

- Business plan development
- U.S. management practices
- U.S. technologies, equipment, and applications
- Financial sources for future projects

## ***What are some examples of industry-specific program topics?***

Examples include:

- Oil and gas clean-up
- Accounting, banking, and finance
- Securities
- Water systems management
- Mining clean-up
- Standards and certification training
- Travel services
- Automotive aftermarket (auto parts)

The industry-specific programs last from four to six weeks; they include site visits to U.S. companies, trade associations, nongovernmental organizations, and other multiplier organizations.

## ***What are some results of the SABIT program?***

Since its creation, SABIT has been credited with:

- Training over 1,750 NIS executives.
- Forging hundreds of partnerships between American and NIS businesses, including joint ventures, distributorships, and collaborative research.

In turn, these relationships have generated over \$165 million in revenue for U.S. and NIS businesses.

In FY 1998, SABIT received the Department of Commerce's *Gold Medal* of highest achievement, in recognition of the program's outstanding contributions to partnership development and technical assistance in the NIS and the United States.

## ***Who are SABIT's training partners?***

SABIT's non-USG training partners include:

- American nonprofit private sector groups, including trade associations and other such organizations
- American for-profit private sector organizations

USG entities include:

- Commerce: International Trade Administration (ITA), Foreign Commercial Service (FCS) both domestic and overseas network (see example below), NIS Desk Offices, Trade Development Administration (TDA), National Institute of Science and Technology (NIST) through its standards and certification programs, and Business Information Services for the New Independent States (BISNIS)
- Environmental Protection Agency (EPA)
- U.S. Agency for International Development (USAID)
- Department of Labor (DOL)
- Department of State (DOS), through its Office of the Coordinator for Business Affairs

[For a list of over 700 partner organizations, see [www.mac.doc.gov/sabit/company/sabco~1.htm](http://www.mac.doc.gov/sabit/company/sabco~1.htm)]

### ***Who manages the program?***

The Department of Commerce manages the SABIT program. Its extensive network provides critical in-kind contributions to the SABIT program, including administrative support, management, industry expertise, contacts, and representation in most of the United States and in most of the NIS countries. Managed by ITA's Market Access and Compliance unit, SABIT has staff stationed in Foreign Commercial Service offices overseas.

FCS offices help SABIT disseminate information, interview candidates, and identify training candidates. SABIT also relies heavily upon input from other governmental and nongovernmental organizations in developing program topics and in identifying qualified candidates for the programs.

### ***Describe partnership involvement in the program.***

Guided by SABIT, partner organizations often participate in program implementation and sometimes program design.

The division of responsibilities, costs, and benefits between the USG and U.S. industry distinguish it as a true partnership between government and the private sector. This balance has continued since the inception of the program and has not been affected by budget cuts or changes in policies or priorities.

***Do SABIT administrators/programmers meet regularly with partner organizations to discuss program issues and the progress of participants?***

Program recruiters and officers maintain regular contact with SABIT's partner organizations prior to, during, and after the training to ensure that the programs meet the needs of the interns. After the training program, hosts, partners, and participants routinely conduct follow-up discussions to ensure that SABIT continues to improve and streamline programmatic procedures, delivery, and content.

***What measures are used to ensure that the program is on target?***

SABIT uses a number of evaluation and monitoring instruments:

- Regularly scheduled contact with the U.S. companies and their assigned SABIT interns
- Exit interview forms completed by interns and sent to SABIT prior to departure
- U.S. company final report forms submitted to SABIT as a precondition for reimbursement of awards
- Feedback surveys completed several times a year by selected foreign participants for review by their U.S. host companies
- Alumni seminars and workshops in NIS countries to evaluate the effectiveness of the SABIT programs
- Monthly alumni interviews by SABIT coordinators and assistant coordinators in Moscow, Kiev, and Almaty to assess program effectiveness
- Program reviews conducted by independent contractors used to track alumni progress upon their return to their home countries
- Feedback sessions with SABIT participants at the end of each specialized

training program

- Team debriefings (including interpreters, facilitators, program officers, company recruiters, and directors) after each program has been completed to discuss lessons learned.

### ***Has SABIT undergone a program review?***

Yes. An independent program review of activity from FY 1992 to FY 1999 verifies that the SABIT program continues to meet its objectives of providing quality training to NIS managers and scientists.

The program review, conducted through primary research methods, consisted of personal interviews with 157 alumni from Central Asia, Central and Northwestern Russia, and Ukraine. The review revealed that the SABIT program benefited both the NIS participants as well as the U.S. companies hosting them. An average of 66 percent of SABIT alumni reported having entered into a business relationship with a U.S. firm because of their SABIT training. Almost 70 percent of SABIT alumni have assisted their U.S. host companies in areas such as market access, certification, customs, taxation, shipments, contacts, and marketing data or information related to the business environment. A large majority of alumni reported having shared this newly acquired information with their colleagues and members of their community upon their return to the NIS.

### ***How is the program funded? Does Commerce receive a transfer of funds to operate? How does the process work?***

The program receives funding under the FREEDOM Support Act (FSA) through a transfer of funds from USAID to Commerce. The U.S. Congress passes the FSA annually to provide technical assistance to the countries of the former Soviet Union. The State Department's Coordinator for U.S. Assistance to Europe and Eurasia maintains oversight on all programmatic activities funded by the FREEDOM Support Act.

As such, the coordinator's office discusses and approves SABIT's budgets and programs, and participates in any policy decisions affecting its implementation. SABIT regularly works with the coordinator's office to ensure that SABIT's programs correspond to U.S. Government foreign policy objectives.

The SABIT program bears the hallmark of a Commerce-designed effort in its responsiveness to U.S. industry needs. SABIT's programs and priorities are heavily guided by its interactions with other offices within Commerce and by the private sector. In fact, feedback from many Commerce offices is critical to ensuring that SABIT programs are of the highest priority to both the U.S. and NIS business communities. With these resources, SABIT can identify U.S. and NIS business trends and rapidly implement programs that respond to those needs.

***Describe the coordination surrounding the budget process.***

Approval of SABIT's annual budget begins with the preparation of a document for the State Department's approval. The document outlines SABIT's programs, goals, budgets, objectives, performance measures, and milestones. After the State Department has reviewed and approved SABIT's proposal, it is sent to Congress for approval before SABIT funding is transferred to the Department of Commerce. SABIT reports annually to the State Department and to Congress on program results and the degree to which it meets its objectives and performance measures.

In FY 1999, SABIT sponsored over 355 participants from 11 NIS countries. (In FY 1998, 240 individuals from 12 countries participated in SABIT programs.) U.S. private sector contributions total nearly \$1.2 million, or approximately one-third of the program's total cost.

In FY 2000, the SABIT program trained 293 participants. About one-fourth of them participated in one-on-one internships with small, medium, and large U.S. companies in an extensive range of industries. The majority participated in 14 different industry specific group training programs.

***How are logistical arrangements administered?***

[For the grant-based program for individuals:](#) Companies have flexibility in their choice of candidates. They can name a specific intern they would like to host (subject to final approval from SABIT) or they can choose from a pool of candidates tailored to the U.S. host company's needs. SABIT staff overseas screen and interview intern candidates prior to making final selections.

After SABIT identifies the candidates and makes arrangements for their placement, U.S. companies cover a portion of the costs related to housing, medical insurance, training, and any U.S. domestic travel required during the course of the internship. U.S. companies also arrange for the interns' B-1 visa sponsorship. The Department of Commerce reimburses companies for the interns' international transportation costs, provides \$30 a day stipends, and covers up to \$500 per month for housing.

[For the group training programs](#): The private sector, USG agencies, and nonprofit organizations provide 80 percent of the training free of charge. In many cases SABIT partner organizations provide for meals, receptions, and roundtables. On rare occasions, companies provide housing and transportation, which can prove very costly when hosting groups of up to 20 interns.

### ***How does the program accomplish true partnership?***

SABIT staff actively solicit applications from American companies to host interns through:

- Advertising.
- Attending business conferences.
- Liaising with local business organizations.
- "Cold-calling" industry specialists.

With program content driven primarily by U.S. and NIS industries, SABIT is most responsive to the business community. SABIT conducts extensive research on each industry sector to ensure that it:

- Complements, rather than duplicates, other existing federal programs.
- Provides the appropriate and necessary training to NIS executives.
- Delivers quality contacts to the U.S. private sector.

Since the inception of the program, the Department of Commerce has actively publicized U.S. company benefits derived from SABIT internships.

### ***Is this a difficult process?***

SABIT program administrators and staff have worked hard to simplify the process. American companies can partner with SABIT with relative ease thanks to a reasonable amount of paperwork and manageable requirements for program reporting.

SABIT encourages companies to file reports electronically to speed up reimbursement and approval procedures. SABIT is currently working with the Commerce Grants Office to develop a system that eventually will enable companies to apply to SABIT online. For now, interested parties can view application forms, examples of success stories, and upcoming program calendars on the Department of Commerce's [SABIT website](#).

U.S. companies develop initial contact with SABIT in various ways. Some companies become familiar with the SABIT program via long-term relationships with the Department of Commerce and other USG agencies working on certain initiatives or research and development projects. Other businesses learn about SABIT through Commerce-related sources (such as world trade centers), Commerce's export assistance centers in each state, and their overseas offices.

***What challenges does SABIT encounter in its partnership with other U.S. and foreign governmental organizations?***

Some of the challenges SABIT faces include coordinating schedules for training, dealing with travel expenses, and ensuring that program topics are covered thoroughly for participants. With most of the training provided *pro bono* by other federal agencies and the private sector, SABIT begins planning meetings and programs months in advance. Regular contact with these organizations prior to and during the training helps to ensure that the program runs smoothly.

Another challenge revolves around the training content, especially meeting the varied needs and interests of individuals participating in groups of up to 20 people. Despite this tall order, the program review indicated that over 90 percent of SABIT alumni gave the program favorable marks and spoke highly of its administrative management.

***What benefits accompany a partnership with the program?***



Partnership brings significant benefits to program participants and sponsors:

- Cost savings (through training and contacts provided by U.S. companies)
- Technical and managerial expertise gained through hands-on experience
- Increased networking opportunities
- Exposure to private sector and NGO perspectives in the United States
- Knowledge of other USG initiatives
- Opportunities to learn how to obtain business financing and from whom
- Opportunities for SABIT alumni to continue dialogue with the Department of Commerce through its NIS Offices
- Alumni invitations to receptions and conferences by the FCS (e.g., its Export Assistance Centers throughout the United States) assist SABIT in identifying U.S. company clients willing to train interns, to create business roundtables, and to arrange video and teleconferences (e.g., automotive aftermarket teleconference with FCS St. Petersburg, Russia, a U.S. company in Detroit, the SABIT Russian delegation, and U.S. businesspeople in Washington, D.C.)

***How has SABIT reduced costs and time involved in the logistical aspects of the program?***

SABIT has significantly reduced the amount of time and money spent on program logistics. Instead of hiring an outside contractor or planning logistics in-house, the program identified a travel agency willing to manage the operation for a nominal commission. The travel agency has a General Services Administration-sponsored Memorandum of Understanding (MOU) with the Department of Commerce. The MOU outlines the logistical requirements for SABIT programs. Consequently, SABIT has one contact person at the travel agency who deals with travel and lodging for SABIT's participants. SABIT estimates that this saves, at minimum, the time that one full time employee would devote solely to logistics each year. Use of the travel agency enables SABIT staff to focus on the activities associated with their areas of expertise: developing and implementing training programs.

***Explain in more detail the work that the travel agency does for the program.***

The travel agency books all international and domestic air travel, transportation

from each site visit, hotels, conference rooms, and city tours. The travel agency also verifies and submits invoices to SABIT monthly. SABIT has a special centrally-billed travel account to which the travel agency can directly charge travel-related expenses. To track obligations, accruals, and expenditures, SABIT has developed special forms authorizing obligations to its accounts. The travel agency has access to special databases and rates unavailable to SABIT. In emergencies, such as when logistical arrangements need to be changed for a group of 20, the travel agency has been totally responsive and accommodating.

Finally, SABIT has reduced costs further by hiring interpreters through direct contracts and purchasing wireless interpreting equipment to avoid costly rental charges.

***Describe the benefits of networking for participants.***

SABIT encourages its participants to network with representatives from a broad spectrum of American companies across the United States. Firsthand interaction with these U.S. companies often leads to spontaneous and innovative business contacts between the participants and the U.S. host companies. In each U.S. state, SABIT participants also meet with multiplier organizations, such as world trade centers, export assistance centers, trade associations, and other business entities.

***What have SABIT administrators and staff discovered from partnering with the U.S. private sector?***

Companies expressing an interest in wanting to do more as "corporate citizens" have used the SABIT program as a vehicle with which to contribute to the international community, as well as to create a market overseas for U.S. products and services.

U.S. business program sponsors have suggested that the U.S. Government must "convince the private sector that they are going to get something out of the program" if they wish to attract additional partners for international exchanges and training activities.

SABIT has also enabled smaller U.S. companies which lack an overseas

presence to develop partnerships with people and organizations that they otherwise could not reach. Participating organizations indicate they welcome the influx of new expertise and the knowledge base that SABIT interns offer, and contend that many companies are unaware of the outstanding skill levels of participants recruited for SABIT exchanges.

Larger companies with overseas subsidiaries in the NIS find that SABIT alumni make useful contacts in expanding on-the-ground operations and developing markets for their products in the region. SABIT alumni, with new experience in Western standards and practices, are a positive influence on the emerging business culture in the NIS. U.S. host companies find that SABIT offers "something we can get from the government" which pays direct dividends without creating a burden.

### ***What is an example of an alumni success?***

One participant in a SABIT Environmental Technology program expanded his business after completing his training. He acquired the exclusive rights to distribute a U.S. firm's products in the NIS market. His SABIT experience, which consisted of training in wastewater management, helped him to modernize 11 water purification systems in Moscow, Tver, Kostroma and other regions of Russia. He has already acquired 20 customers for the new products.

SABIT recognizes the importance of maintaining contact with its alumni and providing follow-on support for their businesses. In FY 2000, SABIT sponsored seminars, conferences, and workshops for its alumni in four different countries focusing on topics such as: business development, e-commerce, quality control and certification, benchmarking, and resource management.

### ***Have other programs at Commerce replicated the SABIT program concept?***

Yes. [The American Business Internship \(AMBIT\) Program](#), established as part of the White House initiative to support trade and development in Ireland, is modeled on SABIT's success. Additional Commerce offices, as well as the private sector, are requesting similar programs in other regions of the world.

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<sup>1</sup>The State Department now refers to the NIS as Eurasia.

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