The ProCredit Regional Academy

A Training Centre for ProCredit Bank Managers in Eastern Europe
Contents

The ProCredit Regional Academy Eastern Europe: Background and Purpose 4
Learning Objectives 8
Management of the ProCredit Regional Academy 10
The Curriculum 12
Programme Structure 16
The Campus 18
The Regional Academy was established in 2007 as one of three ProCredit regional training centres worldwide. It is located in Macedonia, one of the 11 countries in Eastern Europe where the ProCredit group operates. After an initial period housed in rented premises in a suburb of Skopje, the Regional Academy relocated in mid-2008 to a purpose-built facility on the shores of Lake Veles, situated 30km from the capital’s airport. The capacity of the training centre was significantly increased when we opened the new building, which has 66 bedrooms and three fully equipped classrooms. In addition to a regular programme of middle management courses, we offer supplementary courses in areas such as mathematics and business process and project management. We also organise English language courses for the benefit of all staff in the banks. Good use is made of the facility whenever there are time slots available, be it for conducting seminars or holding meetings at the group level. Through these measures we ensure that an increasing number of staff receive a high standard of training at the group level each year: almost 400 employees attended the Regional Academy in 2009.

The central goal of the Regional Academy is to make a significant contribution to the professional development of the middle managers of our group. The reason behind this aim is clear: the ProCredit banks are highly decentralised institutions that require responsible managers with a high level of technical
competence. In addition, our organisation needs people who have a common vision, who share the same goals, and who can stand up for ProCredit’s values and disseminate these to their staff. In short, we need people who are pillars on which we can continue building our banks, and the future of our organisation.

But one can ask: what exactly does it mean to make a “significant contribution”? It means intensifying the dialogue about ProCredit’s approach to banking – socially responsible, development-oriented, neighbourhood banking for ordinary people and small and medium-sized enterprises. In this sense, it means ensuring that our corporate values are fully understood and transmitted to staff at all levels; developing group cohesion and a feeling of belonging; fostering analytical and problem solving abilities; but, above all, developing a high sense of personal responsibility for the role of our banks in their local neighbourhoods. This not only includes responsibility for the way we work with customers and colleagues, but also our role as responsible corporate citizens in society as a whole.

We firmly believe that small and medium-sized enterprises are the main drivers of economic growth in the developing and transition countries in which the ProCredit group operates. That is why such businesses are the core target group for our credit operations. But we do not only make it possible for our customers to access responsible financial services; our staff maintain a continuous dialogue with their clients to ensure that they are able to identify and meet all of their business needs. Moreover, our institutions are equally dedicated to providing the full range of standard banking services to private individuals, whatever their age and professional background. This means that our banks require exceptionally swell-trained professionals at all levels, and this is particularly true for our middle managers, who need a deep understanding of both the diverse business needs of our clients and the complexity of the environment in which these businesses operate.

The main considerations in designing a training programme for ProCredit middle managers lay in the heterogeneity of our colleagues’ profiles: they come from extremely diverse social and educational backgrounds and have different levels of professional experience in a wide range of operational areas.

After assessing the training needs of our middle managers, we designed a twelve-week programme organised into six two-week units that are spread across a period of eighteen months. The curriculum covers a broad range of topics that can be categorised into three main areas: Managing with People, Banking and Finance, and Humanities. This combination of subjects allows us to further our staff’s technical knowledge while building on their managerial and communication skills and engaging them in a dialogue about values, business ethics and the main historical processes which have shaped Eastern Europe since the ascent of the Ottoman and Russian Empires.

Tackling such a demanding programme requires a concentrated effort from both the lecturers and the participants. The teaching staff comprises senior ProCredit managers from the banks in the region, who are able to share their extensive knowledge and practical experience, and external professional trainers, whose innovative teaching methods convey new theoretical concepts in a highly effective manner.
The lecturers are not only distinguished experts in their respective fields, but also people who are passionate about training. Upon beginning the programme, the participants quickly realise that the Regional Academy is not like any traditional institution where they received their formal education. They are often surprised to find interactive classroom activities and a completely different atmosphere from schools and universities. Instead of having to absorb and memorise dry facts and figures, Regional Academy students are strongly encouraged to make the most of the opportunity to reflect critically on concrete work-related situations and to engage with the ideas of their colleagues and lecturers. They are also placed in situations that require them to look for ways to solve problems as a group, either on a practical level or in a more abstract sense. For example, how can we continue to strengthen responsible neighbourhood banks across the region? Or, how can we best meet the needs for financial services of small and medium-sized enterprises, which represent the main drivers of economic growth and employment in the countries in which the ProCredit group operates?

The Regional Academy is a unique platform for our employees to share their ideas and experiences with peers from different countries who face similar challenges. Furthermore, it allows them to learn valuable lessons from each other’s mistakes: by analysing areas in need of improvement, the participants develop a strong sense of self-criticism and gain confidence in their ability to adopt critical views on their social and working environment as well as on the specific topics included in the programme. The Regional Academy is the ideal place to practise these skills because colleagues in a similar situation are exposed to each other’s opinions, and a group of peers is the most demanding, but also the most supportive and understanding audience there is.

Another important emphasis at the Regional Academy is that the participants should come to realise how powerful a group can be. We aim to demonstrate that a sustainable society can only function when teamwork is involved, and that any group will only be as strong as its weakest member. Students learn the importance of solidarity, of individual contributions for the benefit of the team, and of peer support. They also learn how to deal with cultural and social differences, and to be open and tolerant towards one another. These are not only key values of the ProCredit group; they are qualities that we believe should be cherished by all.
Learning Objectives

The ProCredit Regional Academy provides middle managers with an excellent level of training in a truly international environment. It sets them on a quest to build on their knowledge and inspires them to undertake a lifelong approach to learning. This prepares them for their roles in more senior positions and ensures that they have the necessary technical competence and sense of responsibility expected of serious professionals in their institutions, and in society at large.

Given that the ProCredit banks operate in such dynamic environments, our middle management staff must be able to communicate well, solve complex problems, and make decisions effectively, even when these decisions are hard to reach. At this level, it is imperative that our employees think in a logical, structured and creative manner, and that they are able to analyse diverse types of information and arrive at solutions, both independently and in discussion with their colleagues. The training offered at the Regional Academy is therefore highly intensive, relevant to the requirements of our students, and practically oriented. It exposes participants to a number of challenges aimed at honing their analytical and problem-solving skills.

It is essential that our middle managers fully understand the ProCredit group's business model since they are the people who are responsible for its implementation. Our training programme explains the ways in which day-to-day operations can be organised in line with the “neighbourhood bank" concept and teaches participants how to make this model a success. Furthermore, it discusses the rationale behind our unique approach to the banking business with reference not only to the opportunities this presents for institutional development, but also to the associated risks. Our participants develop a deep understanding of our credit technology and the many reasons why we do not promote consumer lending. On the deposits side, they learn about the importance of our efforts to foster a savings culture among ordinary people by offering simple deposit products and providing excellent customer service.

Over the course of the programme, our managers come to truly understand the importance and benefits of belonging to a group, and they develop close bonds that unite them with their peers. They learn to support each other, to sacrifice individual interests for the benefit of the group, and to make sure that each individual is fully integrated and able to help shape the overall group dynamic.

Our managers need to be excellent communicators, and we dedicate a significant part of the programme to fostering the development of skills in this area. During the training they learn to be active listeners, to make open and constructive contributions to discussions, to accept differences in opinion, and to be receptive to criticism. Furthermore, outside of the Regional Academy, they are strongly encouraged to pass on the knowledge and experience they acquire to their colleagues back home. More than anything, this helps to ensure that our corporate values are properly understood and clearly disseminated to all of our employees.

Most importantly, our managers are taught not to lose sight of what ProCredit stands for – socially responsible, neighbourhood banking for ordinary people and small and medium-sized enterprises. The recent international financial crisis has underscored the relevance of the emphasis we have always placed on responsible, transparent banking, and it has proved the importance of the high ethical standards we have set for ourselves when dealing with our clients, and colleagues – and with the broader community.
Managerial responsibility for the Regional Academy lies with Viktorija Mitreska, who ensures the smooth and professional running of the institution.

**Viktorija Mitreska**, born 1973, member of staff since 2003. Her teaching responsibilities include lecturing in economics, communication skills, financial analysis, structured thinking and decision making, and ProCredit corporate governance. Prior to being assigned to the Regional Academy, Ms. Mitreska headed the Treasury Department of ProCredit Bank Macedonia. She holds a BA in financial management from the economics faculty of Skopje University, and she has also graduated from the ProCredit Academy in Fürth, Germany.

An academic council supports the manager in her decisions regarding the overall curriculum, the structure of the courses, and the employment of lecturing staff. It also offers advice on eligibility criteria for the selection of participants.

The council consists of three members:

**Dörte Weidig**
**Borislav Kostadinov**
**Susanne Decker**

The Regional Academy is owned by all of the ProCredit banks in Eastern Europe, which are represented in the Assembly of Members.
Dörte Weidig, born 1970, staff member since 1997. In 2008 she was named a member of ProCredit Holding’s Supervisory Board. Ms. Weidig was the manager of ProCredit Bank in Serbia from 2003 until 2009, when she became Chairperson of the Supervisory Board of the same bank. Before transferring to Serbia, she was manager of Micro Credit National in Haiti. Prior to these assignments, she was mainly responsible for preparing demand surveys and business projections for proposed microfinance institutions, and for advising existing microfinance organisations. Ms. Weidig has an MBA from the Goethe University of Frankfurt as well as a teaching degree (1st German State Exam) in business management and Romance languages and literature.

Borislav Kostadinov, born 1976, member of ProCredit's staff since 1999, and previously an IPC employee. Mr. Kostadinov currently serves as the general manager of ProCredit Bank Albania. He was previously a member of the senior management teams of the ProCredit banks in Macedonia, Serbia and his native Bulgaria, where he began his career as a loan officer. While in Macedonia, he also assisted in the establishment of the ProCredit Regional Academy Eastern Europe. He graduated from Sofia University with a degree in business administration.

Susanne Decker, born 1969, staff member since 1997. Ms. Decker currently serves as the general manager of ProCredit Bank Ukraine. Before transferring to Ukraine, she was the general manager of ProCredit Bank Bulgaria, and deputy general manager of KMB Bank in Russia. Prior to that, Ms. Decker worked as a senior bank adviser for the Russian Small Business Fund. She graduated from the University of Bonn, Germany, with a master's degree in political economy.
The middle management training programme offered at the Regional Academy consists of six two-week units spread across a period of eighteen months. The courses focus on a range of topics that address the various skills that ProCredit managers need if they are to deal successfully with the complex scenarios they encounter in their daily work. The curriculum aims to make the most of the diverse social and educational backgrounds of our employees, and to draw on their collective professional experience. Each course combines a highly practical approach to learning with more traditional classroom methods. Throughout the programme, each participant is encouraged to concentrate on the skills he or she personally needs to improve the most in order to enhance individual performance.

An introductory seminar helps to integrate the participants on a personal level, but also brings them into close contact with ProCredit’s business philosophy and our unique approach to banking. Over the first two days, participants in the 12-week programme share with each other their personal and professional background in a range of activities that demonstrate both the similarities and the differences between the ProCredit institutions in the region. The rest of the first week is dedicated to a study of ProCredit Holding – its shareholders, its role, and its corporate governance – and the ProCredit group as a whole. We answer questions about our historical background, the current status of the group’s development, and the direction in which we are headed in the years to come. Naturally, we also devote a considerable amount of time to discussing and underscoring the importance of the ProCredit approach to banking: socially responsible, development-oriented, neighbourhood banking for small and medium-sized enterprises and ordinary people.

The rest of the courses offered at the Regional Academy are broadly categorised into three areas: Managing with People, Banking and Finance, and Humanities. A summary of the purpose and content of these various courses is provided on the following pages.

**Supplementary courses**

In addition to the regular programme that is provided for middle management staff, the Regional Academy offers a number of courses aimed at developing the skills of employees at all levels in the institution.

English is the common language for international training measures and a precondition for meaningful staff exchanges to take place. In co-operation with the ProCredit Language Centre in Germany, we therefore offer a one-month course to employees who need to improve their command of English. When allocating places on the English training courses, priority is given to Regional Academy participants so that they are able to make an active and constructive contribution to the programme.

Furthermore, a course on business process and project management aims to provide our staff with a better understanding of these areas and of the benefits of careful strategic planning for the ProCredit banks. It also draws attention to the risks involved in leaving processes and projects unmanaged.

In co-operation with the ProCredit Academy in Fürth, Germany, we also run mathematics courses aimed at reinforcing our staff’s knowledge of this subject, especially when applied to financial topics.
At the most fundamental level, the Managing with People courses aim to help our managers identify and develop key managerial competencies, and encourage them to apply these to themselves and others in their organisations. In this context, we strive to emphasise that management entails more than overseeing processes and systems: it also requires a strong ability to manage people. We are dedicated to providing excellent service to all of our customers, and we follow a personal approach that aims to build and maintain long-term client relationships based on openness and trust. This requires a large number of employees, each of whom we expect to adhere to the professional and ethical standards of our organisation. One challenge for our middle managers is therefore to identify and retain the right people; they must also ensure a professional and friendly work environment that allows each member of the team to reach their full potential.

Our banks currently employ around 20,000 people in 22 countries. As a group, we aim to function as one – we share the conviction that what we do is best for the growth of the economies in which we operate, and we are all committed to the same mission. It follows that training is an area that should receive intensive investment at all levels within the ProCredit group if we are to meet our ambitious long-term goals. Again, it is our middle managers who are responsible for the development of their employees, identifying possible weaknesses and helping to remedy these by offering staff members the opportunity to grow both professionally and personally.

We do not see our middle management staff as executors of the policies and procedures established by senior management, but as responsible professionals who are free to make decisions on the basis of structured, critical thinking. Our goal is to ensure that they are able to analyse complex situations and arrive at the best solutions in discussion with their peers and employees.

We expect our managers to understand that excellent communication is a prerequisite for successful management. They must be able to translate ideas effectively into words and actions, to ask critical questions, to listen actively to their colleagues, and above all, they must know how to pass on messages from senior management, ensuring that their employees are aware of how they should respond.

According to our philosophy, the local branch is the key driver of our business. With this in mind, all middle managers, regardless of their current position, are expected to understand the complexities of everyday branch processes, and to develop an understanding of the varied responsibilities that lie with branch managers.

Last but not least, our middle managers must be able to focus on the strategic long-term positioning of their organisation, rather than considering institutional development only in terms of the results achieved and the projections included in their business plans.
The subjects related to Banking and Finance aim to develop participants’ overall awareness of our core business operations and to enhance their technical skills.

One need only consider the recent developments in global financial markets, and particularly the impact of the international financial crisis on our business, to understand why we believe that a ProCredit manager must demonstrate sound knowledge of the general economic climate in which our institution operates. It is vital that our employees know the macroeconomic environment of the country in which they work, and that they are equipped with the skills to be able to foresee the impact of the central bank’s decisions on the overall performance of the local banking sector.

On the micro level, the managers enrolled at the Regional Academy develop a better understanding of how their operational decisions translate into business and financial results. We ensure that they are able to read and interpret the financial statements of their banks, that they can compare different institutions and identify the similarities and differences between them, and that they learn how best to prepare for the future using sensible business planning.

In addition, we seek to enhance our managers’ awareness of the various financial and economic risks incurred in the bank’s day-to-day activities, and to further their understanding of the most important tools and instruments for risk management. The management of each bank implements a specific system of internal controls in addressing risk, and so it follows that our middle managers should also have a sound knowledge of this system and of their own role in its successful implementation.

A ProCredit manager should never lose sight of our simple concept of banking. It is essential to remember that ProCredit is a neighbourhood bank, a bank for ordinary people, and the first-choice banking partner for small and medium-sized enterprises. A major emphasis here is on the importance of offering reliable and straightforward banking products that our customers can easily understand. The Banking and Finance curriculum therefore includes two topics focused on our core business operations: lending and banking services. The lending course provides a comprehensive overview of our credit technology and our approach to building a sound and socially responsible lending business in changing environments. The banking services course also focuses on our commitment to responsible neighbourhood banking, but in terms of providing excellent customer service and collecting deposits effectively.

Furthermore, we aim to foster a deep understanding of our target-group orientation and of the implications this has for the business. For this reason, we run a two-day course about the "neighbourhood bank” concept from a PR and marketing perspective, facilitating a discussion of the manner in which we communicate with the public.
The Humanities curriculum encompasses four broad topics that address a number of fundamental questions about human interests and corporate values. We include such subjects in our curriculum because we firmly believe that a high degree of sensitivity in these areas is an integral part of being a good manager.

Business ethics and corporate social responsibility have become increasingly important issues in today's world, and they have always been at the heart of our approach. Such matters are discussed at the Regional Academy because we understand that values, business and development objectives and decentralised decision-making processes are based on something more than the mere pursuit of profits. We take the time to examine not only our personal values as human beings, but also the corporate values of the ProCredit group, which form the backbone of our corporate culture. For this reason, we devote a significant amount of time to discussing how we put these values into practice at work, and how we can transmit them to our employees.

Another aspect of the diverse Humanities curriculum is the course on cultural legacies, which aims to familiarise participants with an empirical and pragmatic approach to studying history and to sharpen their ability to explain past events from an objective viewpoint. They are prompted to ask how the cornerstones of today's world came into being, and they are challenged to develop a critical approach to historical analysis, extending their perspective to topical questions such as national identity, self-images of societies, and cultural traditions.

Most of our employees have experienced transition over the last few decades. However, they might not be familiar with the economic concepts behind this process or their implications. These concepts are therefore covered in a two-day course which presents an overview of the economic systems of socialism and capitalism, and which seeks to underscore the importance of civil society as well as to explain how civil society can influence – or be influenced by – political systems. This also affords an opportunity to discuss the social issues related to transition, such as poverty and inequality.

In today's industrialised and growth-driven global economy, ecological and environmental concerns have become increasingly pressing matters in the international arena. Accordingly, the ProCredit banks recently began including environmental protection activities as part of the neighbourhood bank concept: staff have helped to plant trees, clean up the environment, and increase public awareness of the scarcity of natural resources. Banks have also begun installing advanced energy management systems in their premises. By incorporating the topic of environmental awareness into the Humanities curriculum, we aim to provide our middle managers with a clear understanding of how ecological issues relate to the global economy and the challenges of economic development.
## Programme Structure

<table>
<thead>
<tr>
<th>Block I</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>ProCredit and me</td>
<td>The ProCredit Group: Past, present, and future</td>
</tr>
<tr>
<td>Week 2</td>
<td></td>
<td>How a good manager thinks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Block II</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 3</td>
<td>Living our values in the real world</td>
<td>History of finance and introduction to monetary economics</td>
</tr>
<tr>
<td>Week 4</td>
<td>Managing by communicating</td>
<td>Maintaining control in an environment based on trust</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Block III</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 5</td>
<td>ProCredit identity: How we communicate it</td>
<td>ProCredit and its clients: Private individuals</td>
</tr>
<tr>
<td>Week 6</td>
<td>Energy and environmental politics</td>
<td>Working together: A manager’s responsibility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Block IV</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 7</td>
<td>Historical legacies of the 19th century</td>
<td></td>
</tr>
<tr>
<td>Week 8</td>
<td>At the heart of ProCredit banks: Branches and service points</td>
<td>From “to do” lists to strategic planning</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Block V</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 9</td>
<td>Countries in transition: Where do we stand?</td>
<td>Introduction to macroeconomics and current economic challenges</td>
</tr>
<tr>
<td>Week 10</td>
<td>Balancing risks and opportunities</td>
<td>From feedback to development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Block VI</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 11</td>
<td></td>
<td>From business to financial results</td>
</tr>
<tr>
<td>Week 12</td>
<td>ProCredit and its clients: Businesses</td>
<td>Managing by communicating – Revisited</td>
</tr>
</tbody>
</table>
The Campus

We believe that management training is best conducted in a pleasant and natural setting, away from the hustle and bustle of city life and the distractions of the workplace. For this reason we decided to build the Regional Academy in the tranquil surroundings of Lake Veles, overlooking the scenic lake and nearby vineyards. The location is also very convenient, situated 40 minutes away from Macedonia’s capital, Skopje, and just 20 minutes away from Skopje Airport.

The building has 66 bedrooms, three fully equipped classrooms, six smaller rooms for group work, and a large dining hall. In addition, there are two lounges with fireplaces where informal gatherings and evening discussions can take place. A computer room with Internet access is also available, as are facilities for sport and leisure activities.

A team of 17 people strive to make the participants’ stay a pleasant experience from their arrival until their departure.

Vesna Prentoska is the administration co-ordinator. She is responsible for the day-to-day running of the facility and for overseeing the other staff, helping to make sure that participants feel at home during their stay at the Regional Academy. She also supports the management in their decisions regarding any financial and legal issues.

Cvetanka Mihajlovskv Misheva is the administration officer. Her main duties include arranging arrival and departure schedules and liaising with the banks and local authorities to resolve visa issues. She also makes sure that each participant has a room to stay in, and that the classrooms are equipped with all the necessary training materials.
Pavlina Nikolova, Daniela Arsovska, and Ljubica Teovska are the first to welcome people at the reception area. They look after the participants during their stay and attend to any individual needs or concerns.

The team of cleaners, co-ordinated by Valentina Angelovska, makes sure that the building is always kept tidy, and that the seminar rooms in particular are spotless and ready to use again each day.

Our cooks, Zagorka Stojanova and Elizabeta Mitrova, prepare fresh, delicious meals three times a day. A selection of dishes are placed on a self-service buffet and salad bar, allowing participants to choose as they like.

Vlade Dzufovski and Angel Velev are responsible for maintaining our beautiful gardens and tending to the plants. They help to provide a pleasant environment for our participants to enjoy when they have time to relax or play sports.

Ljupco Lazov is the technical support specialist and deals with any IT or electrical issues that arise at the Regional Academy. He makes sure that all equipment is fully functional, and that immediate attention is given to any technical problems.

We care about animals almost as much as we care about people – our family of dogs and cats are always among the first to wish our participants a warm welcome.