

**EPIC**  
**Enhancing and Promoting International Business Communication**  
**Project Nr: 2013-1-PL1-LEO05-37888**



**Feasibility and Implementation Plan**

**Kaunas Chamber of Commerce, Industry and Crafts**

**2014-01-06**

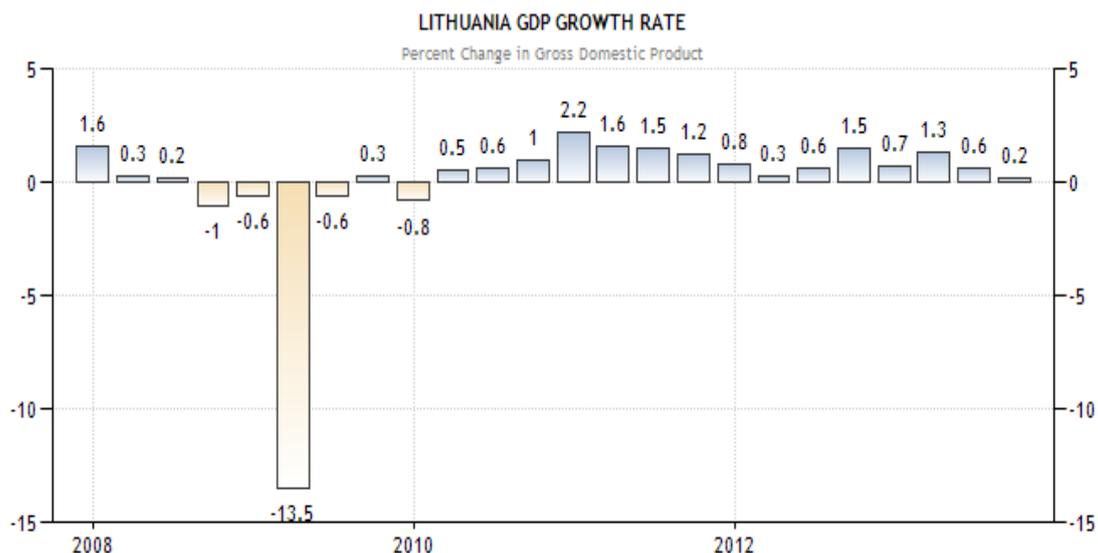
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### 1. Market need /rational for Scheme

#### General Market Information

The Gross Domestic Product (GDP) in Lithuania expanded 0.20 percent in the third quarter of 2013 over the previous quarter. GDP Growth Rate in Lithuania is reported by the Statistics Lithuania. From 1995 until 2013, Lithuania GDP Growth Rate averaged 1.1 Percent reaching an all time high of 4.2 Percent in March of 2003 and a record low of -13.5 Percent in March of 2009. Lithuania was one of the fastest growing economies in the European Union prior to the global financial crisis. Lithuania's service sector constitutes the largest share of GDP with information and communication technologies being the fastest growing. Also, in recent years Lithuania has shifted towards a knowledge-based economy: several companies produce sophisticated biotech products like pharmaceutical substances, components for molecular diagnostics and laser equipment.



SOURCE: WWW.TRADINGECONOMICS.COM | STATISTICS LITHUANIA

Lithuania joined the European Union (EU) in 2004, Lithuanian laws are now fully harmonized with the EU legislation. The country is a part of the single EU market ensuring unrestricted movement of goods, services, persons and capital within all EU. In addition, Lithuania is a member of the borderless Schengen area ensuring easy movement between Lithuania and other European countries. The exceptionally high level of education of the Lithuanian people enables the country to create a higher added value and ensures its rapid economic development.

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A strategic vision of Lithuania is to become a Northern Europe Services Hub and Centre of Excellence and Innovation for Traditional Industries by 2015, and Northern Europe Innovations Centre by 2020. The Lithuanian Government aims for the following three objectives: high value-added services, technological hubs, and innovative and consolidated traditional industry.

Market observers forecast a further rapid growth in the industry. By 2015, the share of exports of services should make approximately 1/2 of Lithuania's total exports.

According to the A.T. Kearney Global Services Location Index 2011, Lithuania went up by 7 places to rank 14th globally, leaving behind the UK (16) or the US (18) as well as the neighbouring Poland (24) or Hungary (31) and the Czech Republic (35).

Unlike in other Baltic countries, the population in Lithuania is spread quite evenly, and the differences in population density are minor. Balanced regional politics have created a harmonious network between the largest cities – Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys. This offers more appealing business opportunities.

Powered by ingenuity, dedication, and a strong work ethic, manufacturing in Lithuania makes up a large portion of the economy. As with many western countries, services make up around 2/3 of the economy. This diversification provides the base for expanding exports, successful recovery, and further growth of the economy.

### **SMEs in Lithuania - basic figures**

	Number of Enterprises	Employment
<b>Micro</b>	91 838	182 29
<b>Small</b>	10 742	208 510
<b>Medium - sized</b>	2050	196 251
<b>Total</b>	<b>104 630</b>	<b>587 490</b>

*Source: SBA Fact Sheet 2012 – Lithuania*

75,4 % of the employees are employed in SMEs in Lithuania. According to the recent studies lack of international management and export competences slow down the development of this sector. Particularly, small and medium - sized export companies (SMEs) face language and intercultural barriers that can reduce efficiency and competitiveness.

The Lithuanian SME sector shows a clear tendency towards a greater share of micro ones and a correspondingly smaller percentage of small and medium-sized enterprises. This characteristic helps to explain why the SME sector as a whole, while representing exactly the same percentage of all companies (99.8 %) as in the EU as a whole, nevertheless contributes more in terms of jobs and value-added: Lithuanian SMEs are larger than their EU peers.

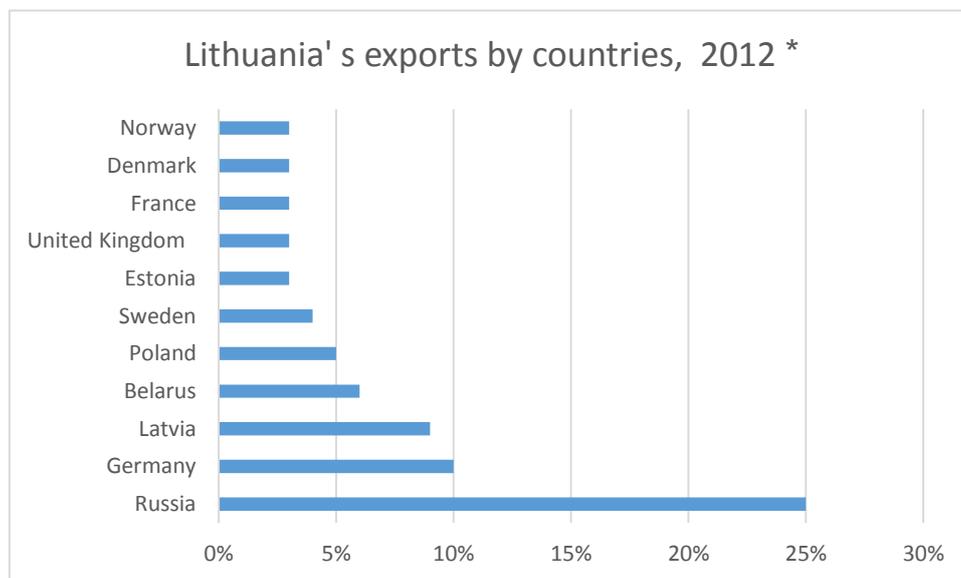
The sector they are most likely to be active in is trade, which accounts for a remarkable 47 % of Lithuanian SMEs, against an EU average of 30 %. However, these enterprises do not contribute in the same manner to the creation of jobs and value. By contrast, SMEs

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in Lithuania specialising in services represent only 32 % of the total (EU average: 45 %), but nevertheless account for a similar share of value-added (41 % to 43 %), suggesting that they are much more productive than their trading peers. Lastly, the percentage of Lithuanian SMEs specialising in High-tech manufacturing or knowledge-intensive services is much lower than in the EU as a whole.

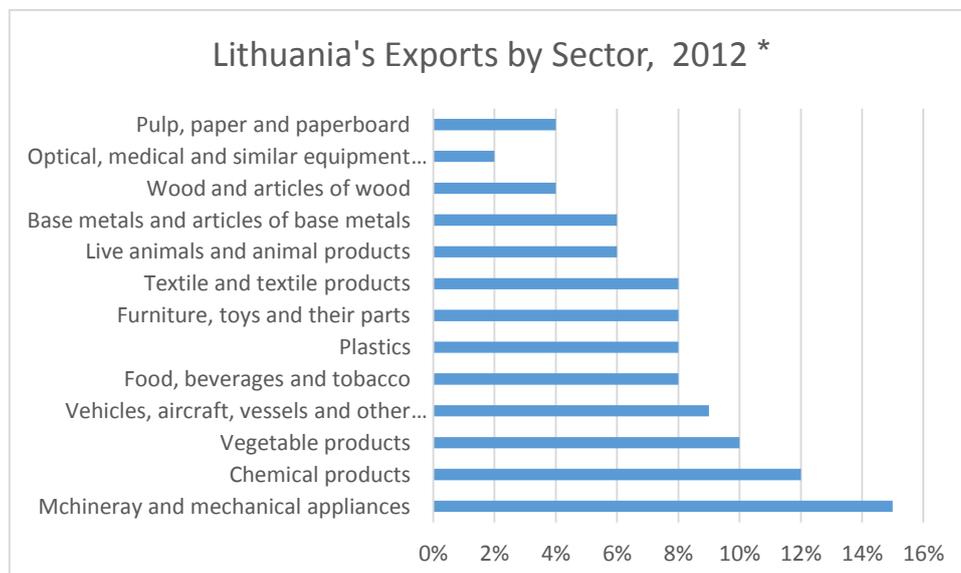
### Description of main foreign markets of SMEs export

The traditional market for Lithuanian SMEs is Russia. 25 % of the total export goes to this country. The other important target countries are Germany, Denmark, Belarus, UK, Netherlands, Estonia.



**Total EUR 17, 358 million**

\* Excluding mineral products (EUR 5.7 billion)



### **Other Important data about Lithuanian export activities**

International trade for such a small country as Lithuania is crucial. The ratio of foreign trade to GDP has always been at least 100%, and exceeded it for the last several years.

The EU is Lithuania's largest trading partner, which in 2011 accounted for 56% of Lithuania's total imports and 61% of total exports. The Commonwealth of Independent States runs closely behind as an economic union, with 34% in imports and 25% in exports), focusing mainly on mineral fuels, mineral oils and products of distillation, bituminous substances and mineral waxes. Russia has been Lithuania's largest trading partner, followed by Germany, Poland, and Latvia.

Certain economic sectors in Lithuania are basically geared to export markets. Two-thirds of the transport and logistics sector production and/or services have been exported. The export of biotechnologies accounts for 84%, plastics industry – 56%, laser technology – 86%, metal processing, machinery and electrical equipment manufacturing – 59%, furniture manufacturing and wood processing – 55%, textile and clothing industry – 79%, and food – 44%.

### **1.2 Potential target companies**

International trade for such a small country as Lithuania is crucial. The ratio of foreign trade to GDP has always been at least 100%, and for the last several years exceeded it.

Lithuanian companies are constantly looking for new business ideas. High technology parks and other innovative companies, transport and tourism industries are actively expanding its activities.

Very active exporting SME's can be found in Kaunas region. Over the last three years production and exports in Kaunas region grew two times faster than in the whole country.

The following categories of SME's may be the targets of LCA services:

- 1) Metal industry
- 2) Textile industry
- 3) Wood/ furniture industry
- 4) Food industry

These are considered as traditional industries in Lithuania. Other very important sectors are:

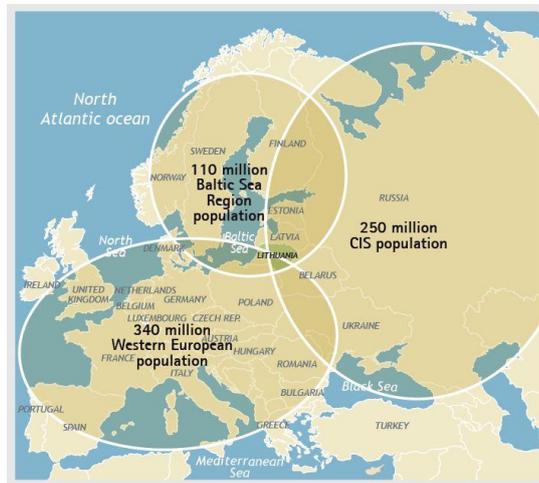
- 1) Electronics industry
- 2) Pharmacy industry
- 3) Building materials industry
- 4) Chemicals industry
- 5) Transport sector

Lithuania is a springboard to the EU markets of Western Europe and Scandinavian countries, while the Eastern markets of Russia and the Commonwealth of Independent States (CIS) are just to other side. Lithuania is a part of the Baltic Sea Region (BSR), and has always been an active business partner with its neighbours in the region like Germany and the Scandinavian countries, as well as Poland, Latvia and Estonia. The BSR accounts for almost 70% of Lithuania's foreign trade, and about 70% of foreign direct investment as well.

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The EU is the biggest trade partner of Lithuania with a 58% of total imports and 64% of total exports during the first ten months of the year 2009. The Commonwealth of Independent States is the second economic union that Lithuania trades the most with, with a share of imports of 34% and a share of exports of 23% during the same period.



The most important target countries are:

- 1) United Kingdom
- 2) Germany
- 3) The Netherlands
- 4) Estonia

New, just opening markets:

- 1) Sweden
- 2) Finland
- 3) Denmark
- 4) Norway

Lithuania has one of the EU's most educated populations and continues to serve as a pool of well educated professionals for local and international businesses. About 90% of Lithuanians speak at least one foreign language; every second person speaks two foreign languages and every third person speaks English.

Multilingual workforce enable Lithuania to provide high quality business services worldwide.

During the difficult economic period Kaunas regional businesses refused redundant unprofitable activities and strictly evaluated the efficiency of their employees. Due to these changes the region's business has become more efficient and competitive.

An average exporting company employs 55 employees.

These are considered as potential target companies for the LCA services in Lithuania.

### 1.3 Support from other agencies

#### 1. Association of Lithuanian Chambers of Commerce, Industry and Crafts

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Association of Lithuanian Chambers of Commerce, Industry and Crafts (ALCCIC) is a voluntary organization which unites five regional Chambers of Commerce, Industry and Crafts in Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys. Being a member of EUROCHAMBRES and of the Baltic Sea Chambers of Commerce Association (BCCA), ALCCIC represents interests of Lithuanian Chambers, economic entities. The key functions of ALCCIC are to prepare and offer proposals of economy development to Government of Lithuanian Republic and other national institutions, to represent Chambers in international exhibitions, conferences and other events, to number and encode goods (GS1 Lithuania).

## 2. Enterprise Europe Network



The network offers integrated services in support of business and innovation in Lithuania, thus contributing to the competitiveness and innovative capacity of the Community with particular attention to the Lithuanian SMEs needs.

Working through local business organisations, the Network can help SMEs to develop business in new markets, to facilitate market access and transnational collaboration/ partnership building, stimulates innovations (building innovation capacity, promotes EU policies and programmes and connects companies in particular SMEs to EU policy making, builds and promotes an integrated Network excellence through the professional provision of integrated services, exchange of best practices, branding.

## 3. Lithuanian Confederation of Industrialists



The business support organisation creates favourable conditions for the development of economic, technical and social progress of Lithuanian enterprises regardless their form of ownership.

The key activities of Lithuanian Confederation of Industrialists:

To represent rights of the members of the Confederation and to defend their interests in the governmental, social and international structures

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To expand markets for products and raw materials, to improve conditions of exports as well as for imports in order to enable Lithuanian industry to contribute a proper contribution to the strengthening of the national economy.

To represent entrepreneurs and defend their social and legal interests

To make contacts between Lithuanian manufacturers and their counterparts abroad through international exhibitions and available information systems.

### 4. Enterprise Lithuania



Enterprise Lithuania is a non-profit agency under the Ministry of Economy of the Republic of Lithuania, the key mission of which is to support the establishment and development of competitive businesses in Lithuania and to foster the country's exports by facilitating cooperation with our partners' networks and providing quality training, consultancy, market analysis, and business-partner search services.

The key goal is to help companies to develop their business and strengthen its competitiveness.

Enterprise Lithuania offers quality services aimed at helping companies to find the right business partners, assists in arrangement of meetings with business partners: incoming and outgoing business missions, international conferences and matchmaking events, various international trade-shows and exhibitions.

### 5. Invest Lithuania



The agency serves as a point of contact for foreign companies and guides international businesses through every step of the process of setting up operations in Lithuania.

Invest Lithuania also provides information on Lithuania's highly-skilled yet cost-competitive labour force, tax incentives, and financing options.

### 6. Agency for Science, Innovation and Technology (MITA)



Agency for Science, Innovation and Technology (MITA) is the main governmental institution, responsible for implementation of innovation policy in Lithuania.

MITA provides free of charge services for clients from business, science and public sectors, interested in possibilities to develop strong cooperation relations with international partners and get financial support for research and innovation projects.

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The main activity is the coordination of national (high-tech, industrial biotechnology) and international programmes (FP7, EUREKA, EUROSTARS, CIP) of research, technological development and innovation and other financial schemes (innovation vouchers, protection of industrial property rights). MITA provides national financial support for projects participants.

MITA also promotes business and science cooperation, commercialization of research and protection of intellectual property rights.

### **2. Overall Objectives of the Scheme**

#### **2.1. Overall Objectives of the Scheme**

The general and most important objective of the LCA Scheme is to

- 1 Help Lithuanian Small and Middle Size (SME) enterprises by providing feasible consultancy services on the area of business communications,
- 2 Increase effectiveness and market competitiveness of SMEs by helping them to identify their export communication barriers, their weaknesses and market advantages in communication and by providing them solutions for their identified problems.

#### **2.2. Objectives of the Lithuanian Partner**

- Implement a training programme with an e-learning component for language auditors in Lithuania
- Transfer theoretical materials for use in the Lithuanian LCA scheme
- Transfer and develop practical materials adapted to Lithuania's Business culture
- Select and train up to 10 future auditors in Lithuania
- Pilot the LCA in up to 20 SMEs
- Produce reports as part of the WPs
- Validate and disseminate the project and its outcomes
- Disseminate project information on the Chamber website
- Prepare for the permanence of the audit scheme in Lithuania

In Lithuania in the scheme will be involved Kaunas CCIC members – (SMEs) exporting companies. The main scope of auditors will be trained from Chamber staff. Participation of Chamber staff and Chamber members in the project will ensure sustainability of the scheme in Chamber as well as in Lithuania.

### 3. Scheme Management

#### 3.1 Management of Scheme

The tasks of the Kaunas Chamber of Commerce and Industry will be the following:

- Attend international meetings of Project Team and host one meeting (in Kaunas);
- Conduct initial feasibility study for a chamber-based Export Communications Review scheme in Hungary;
- Review any existing language audit processes for Lithuania and map against the European Protocol model;
- Identify key national players and agencies for the Language Communication Audit (LCA);
- Review available materials/resources for Lithuania and adapt/develop for on-line retrieval;
- Identify 'missing' resources and develop as appropriate;
- Review, adapt and localise the Protocol training materials, audit framework and model training scheme;
- Develop and enhance Scheme management handbook and training pack for auditors;
- Contribute to user needs analysis for on-line tools;
- Adapt tool for Lithuanian and proof/edit/adapt as required;
- Adapt Scheme Management training materials for the Lithuanian market and evaluate training;
- Implement an operational LCA scheme in Lithuania;
- Identify potential auditors in Lithuania for training;
- Train a minimum of 10 auditors;
- Conduct a minimum of 20 reviews of SMEs over 2 years;
- Prepare validation plan and set-up user panels for external validation of products;
- Carry out and record internal and external validation according to plan;
- Prepare a dissemination plan for promoting the Scheme and the Training Programme;
- Contribute to the setting up of Lithuanian webpages with news of developments and summaries of the work undertaken;
- Set up 2 seminars for dissemination of project outcomes to business advisers and consultants and exchange of knowledge between partner countries;
- Print hardcopy guides to promote the audit service;
- Disseminate results and information to training providers and companies by using: webpages, business and providers' seminars, articles and reports;
- Publish articles in press and trade magazines;

### 3.2 Infrastructure, Qualification, Resources

#### 3.2.1. Kaunas Chamber of Commerce, Industry and Crafts (KCCIC)

KCCIC is a non - governmental and a non - profit seeking organization whose key mission is to represent and defend the interests of business community comprised of various businesses, educational, scientific and high technology institutions, and to support the development of companies' economic activity. With 20 years of experience Kaunas Chamber of Commerce, Industry and Crafts is accredited to ISO 9001: 2008 (LST EN ISO 9001:2008) what means that provided services meet the needs of customers and other stakeholders.

Activity areas:

- Promotion of export and assistance to companies in entering European and world markets
- Enhancing competitiveness of the regional businesses
- Training and development of businesses
- Consultancy and advisory to companies on international trade and legislation topics and on doing business with foreign partners
- Accessing the most appropriate source of funding
- Assistance with trade missions and B2B

### 3.3. Marketing and Promotion of the Scheme

The objective of marketing and promotion of the LCA scheme is to inform Lithuanian SMEs about the consultancy service. In order to reach publicity for the scheme, we plan the following marketing and promotional activities:

- 1 Members of the Chamber will receive information about the project through
  - Publishing articles in "Chamber News", a monthly published newspaper by KCCIC,
  - Advertising the project in the KCCIC [www.chamber.lt](http://www.chamber.lt) homepage, Enterprise Europe Network Lithuania [www.paramaverslui.lt](http://www.paramaverslui.lt) homepage.
  - Presenting at Chambers Exporters club
  - SMEs in the region will gain information about the project through
    - Constant emails from Kaunas CCIC about the project progress, possibility to participate
  - SME's countrywide will gain information about the project through
    - Other national chambers (Vilnius Chamber of Commerce, Industry and Crafts, Klaipėda Chamber of Commerce, Industry and Crafts, Šiauliai Chamber of Commerce, Industry and Crafts, Panevėžys Chamber of Commerce, Industry and Crafts).

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### 4. Financing of the Scheme

In the beginning the financial support is provided by the European Union Leonardo da Vinci program. The Scheme budget will be the basis of the budget signed in the contract.

It is planned that when the program is over Kaunas CCIC will provide the services to the members of CCIC.

### 5. Scheme Operational Structure

#### Roles & Responsibilities

Name	Position	Classification s of Occupation	Number of days	Roles & Responsibilities
Rita Baidokaitė	Project manager	ISCO 1	53	<ul style="list-style-type: none"> <li>• General responsibility over the project</li> <li>• General operational management (activities and finances)</li> <li>• Attending meetings</li> <li>• Writing implementation plan</li> <li>• Writing articles to newspapers</li> <li>• Collect information from SME's</li> <li>• Participating in the forming of the consultancy concept</li> <li>• Contribution in defying curriculum and exam requirements</li> <li>• Collecting 10 auditors</li> <li>• Participation in testing and evaluation of the LCA process</li> <li>• Participation in organising dissemination</li> <li>• Writing final reports</li> </ul>
Ingrida Braziūnienė	Researchers	ISCO 2	78	3 persons will be in responsible for these activities: <ul style="list-style-type: none"> <li>• Follow accreditation framework/standard European quality procedures for conducting LCAs</li> <li>• Monitor standard of</li> </ul>
Aušra Giedrienė			48	
			17	

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Edmundas Cylikas			13	<p>reviews and Review impact – evaluation</p> <ul style="list-style-type: none"> <li>• Prepare validation plan for project</li> <li>• Review market in country and ensure all channels for dissemination have been identified</li> <li>• Participation in testing and evaluation of the LCA process</li> <li>• Attending meetings</li> </ul>
Audronė Jankuvienė	Technician	ISCO 3	17	<ul style="list-style-type: none"> <li>• Monitor standard of reviews and Review impact – evaluation</li> <li>• Publish information and results on webpage with links to relevant sites throughout Europe.</li> <li>• Informing companies and stakeholders about the result of the project</li> <li>• Participation in the organisation of local meetings and workshops</li> </ul>
Vaida Kriščiūnaite	Training assistant	ISCO 4	73	<ul style="list-style-type: none"> <li>• General administrative management of the project</li> <li>• Communication with SME's participating in the project</li> <li>• Handling data about target groups</li> <li>• Organising documentation of the project</li> </ul>

### **6. Training Plan for Auditors**

#### **6.1. Auditors Training**

The process of the auditors training will consist of the following steps:

1. Setting up criteria for LCA auditors: High competence in at least one foreign language; Some marketing, communication experience in business life; Empathy – to understand customers' needs; Excellent communication skills; Analytical skills; Good appearance.
2. Selection of auditors based on criteria, provided CVs
3. Selected auditors participate in adaptation of the LCA concept
4. Selected auditors collect information about the communication barriers of some exporting SMEs
5. Auditors training handbook is enhanced
6. Auditors training
7. Auditors regularly report their activities
8. Each auditor reviews two companies, collects information about communication barriers, analyses data and writes a report to the stakeholders of the two companies
9. Auditors' reports and activity reports, together with the customer feedback is evaluated

Potential auditors will be selected according to the criteria. Our objective is to recruit consultants mainly from the Kaunas CCIC.

#### **6.2. Main points of Evaluators**

1. The training handbook is well structured
2. 2 case studies are experience-oriented
3. Selection of consultants takes place on basis of measurable criteria
4. Consultant training efficiency is measured by means of a questionnaire filled out by participants
5. Trainer report is files on the participants' activity and acquired competences
6. Review report is evaluated in terms of specific indicators
7. Customer feedback is collected by means of questionnaires (Post-Audit Questionnaire)
8. The quality of reports made by consultants about selected companies

#### **6.3. Evaluation and Quality Control**

Kaunas Chamber of Commerce, Industry and Crafts is accredited to ISO 9001: 2008 (LST EN ISO 9001:2008), all processes are strictly documented and evaluated. Processes are described, quality objectives are determined and roles and responsibilities are clear. These are the following roles and responsibilities:

1. Scheme manager (project manager) is responsible for quality assurance of the project. The Scheme manager is responsible for the quality control and monitoring the project. His responsibility is selecting the auditors, representing

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- the chamber in consortium meetings, helping auditors and evaluating them.
- 2 Scheme manager reports monthly to the project owner. He reports activities, problems and dissemination activities. His duty is the financial reporting, too.
  - 3 Scheme (project) manager is responsible for setting up and adaptation of selection criteria for auditors, setting up measurable indicators for the auditors training program, collecting and analysing questionnaires filled out by participants and customers of the scheme. The Scheme manager is also responsible for evaluating and improving the work of the auditors by giving advice to both the auditors and company representatives. He is also responsible for conflict handling.

### **7. Available Resources/Materials for use by Auditors**

Potential auditors will be tested and evaluated. Basic requirements are: fluency in English, and one other European language, ability to understand client needs, ability to determine company's communicational strengths and weaknesses, ability to present solutions to client problems. According to the recent research, there are 10 potential LCA consultant applicants in the Region. All of them can speak English, are in connection with exporting companies and have some consultancy background. They have the necessary communication skills to present solutions to clients.

In the adaptation process, potential auditors and target companies will be involved. Potential auditors may develop their own material based on the sample. After auditors visit companies, special needs might be discovered. The development of the auditing material must be improved step by step, according to the new needs.

- 1 User needs analysis
- 2 Auditor's Training Syllabus
- 3 Resources Document
- 4 Auditor training packs
- 5 Auditors training workshop content
- 6 Scheme Manager's Handbook
- 7 Company Audit Reports