



BOSNIA AND HERZEGOVINA
CHAMBER OF ECONOMY OF SARAJEVO CANTON

WORLD CHAMBERS COMPETITION 2007

CATEGORY:

Best New Membership Recruitment Project

PROJECT:

*Recruitment and retaining of membership and
promotion of the Chamber services*

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1. Project summary

For the World Chambers Competition in the category Best New Membership Recruitment Project, the **Chamber of Economy of Sarajevo Canton** sends application with the project named ***Recruitment and retaining of membership and promotion of the Chamber services*** which is implemented in the period 2003 to 2005. The Project included a number of activities from different categories: participation in international projects, development of the Chamber image, development of new services for the members, education of the Chambers professional staff and education of the businessmen.

The BIH Chamber system has been functioning for a hundred of years with historical heritage of the Austrian-Hungarian type of chamber. The Chamber of Economy of Sarajevo Canton is operating since 1910. There are 15 cantonal/regional chambers of commerce in BIH and there is one national Foreign trade chamber of BIH. The Chamber of Economy of Sarajevo Canton (in further text: Chamber) includes nine municipalities of Canton Sarajevo with 402.166 citizens. The Chamber has Expert service with 35 permanent employees and other administrative bodies.

With the adoption of the new Law on Chambers in BIH (1st January 2004.), the membership of the companies in regional and cantonal chambers of BIH, became, for the first time in history non-mandatory.

In 2003, the Chamber did the **Analysis** of the financial situation, **Analysis** of the services development, **Programme** and **Plan** of gathering the membership. **Promotion membership programme** defined the activities for promotion and development of services, development of membership and education of Chamber employees. In relation to that, the Chamber participated at international projects; CIPE, PARTNERS and EU ACADEMY.

When the new Law entered into force on 1st January 2004, the Chamber initiated a number of activities on gathering members. The company register and new rules on managing were created. The inner reorganisation of Chamber was initiated. The educations of the Chamber staff lead to the new consulting services. There was also a change in the Chamber structure of financing, so the finances related to services increase up to 20%. Activities related to development of membership lead to the increase of 30% of members in relation to the number of members from the period of law with the mandatory membership. The Chamber established the Codex of business ethics, which is mandatory for all members. About 150 initiatives were sent to the state bodies with the aim of improving the business conditions. More than 50 different publications were issued.

The Project innovation lies in the fact that the Chamber started with new activities before the new Law entered into force. New values were defined such as professional education of employees, new activity: «Members develop membership» and complete orientation towards the members.

The project activities resulted in the strengthening of business, especially SME, in achieving better influence on adoption and changing of business legal regulation. The members obtained new businesses through agreed participation in consortium and municipality projects. The quantity and the quality of services were improved. The Chamber became the absolute leader in the BIH chamber system and wider.

With the implementation of this Project, the Chamber built distinguished image of reliable business partner, primarily to companies – members, but also to all relevant institutions in Canton Sarajevo and in Southeast Europe.

The activities and the results of this project may ensure its implementation in chambers in the Region (Croatia, Slovenia, Montenegro, Serbia), but also anywhere in the world.

2. The innovative nature of the Project

- **Prevention activities prior to adoption of law on non-mandatory membership**

Marketing campaign of the Chamber services, submission to international programmes, preparation of analysis related to the members' satisfaction, development of services, financing structures, etc.

- **Transformation of the Chamber organisation according to current services**

Fantastic percentage of **20%** reached from **service** income, transformation of priority activities of two departments

- **New values defined**

Professional education of employees, orientation towards members, members develop membership, Codex of business ethics adopted as the basis for members' behaviour

Chamber of Economy of Sarajevo Canton is the only chamber in BIH, which has implemented its Project on membership development prior to entering into the force of the new Law on non-mandatory membership. The Law was unique for this region and the Chamber could not use its experiences of similar chamber systems of transitional socialistic countries.

In order to find the solutions to the problems, the Chamber sent applications for many international projects and it actively participated in projects of CIPE, PARTNERS and EU ACADEMY, as an integral part of this Project. The Chamber maximally used these projects in the marketing service campaign, education of employees and in gathering other experiences.

Through the Project, the Chamber did a number of analysis; Analysis of members' structure, Analysis of services (questionnaire for members on expected and necessary services, classification on services, reached income from services, participation in total income, experiences and indicators of chambers having non-mandatory membership). Besides activities prescribed by Law, the Chamber oriented on offering services to members, so that currently the Chamber makes about **20% of profit** from those services.

The Chamber adopted its organisation and structure of the Professional service, and other bodies according to the services offered.

The Chamber also remained non-political organisation and its work is based on satisfying its members. Having that in mind, the Chamber was the first one in BIH who prepared and established the Codex of business ethics and has put into practice the Court of Honour.

3. The impact of the Project on Chamber and/or the business community

The Project had manifold impact;

- **on the Chamber**
 - The Chamber became the main leader in the Chamber system BIH and wider
 - Employees were educated in using the modern business methods and in maximal usage of the information technologies
 - The number and the quality of services were increased
 - Good partnership relationship was established with the Sarajevo Canton Government, with the Cantonal Ministry of Economy, Association of the employers and the Syndicate
 - Good partnership relationship with the regional agency and all municipalities through joint projects of business development
 - The network of the Chamber partners was widened
 - Enabled the active participation of the Chamber in applying for the projects and grants of EU
 - Initiated the changes in the organisation of the Professional service of the Chamber
- **on the business community through strengthening business, especially SME by:**
 - Better influence on decision-making and changes of business legal regulation
 - Better assortment and better quality of services; education, consulting, empowerment, etc.
 - Better and timely information on business movements
 - Efficient information and education on requests and business legislation in EU
 - Initiation of consortium and winning jobs
 - Participation in the implementation of the municipality projects, development agencies, etc.
 - Usage of Internet marketing on the Chamber web page
 - Establishment of business ethics

4. Measurable outcomes

4.1. FINANCIAL INDICATORS

Until 2003 all legal enterprises had to become mandatory members of the Chamber upon registration and the Chamber was mainly financed by membership fee. With the modifications and amendments of the Law on the chambers of economy in Federation of Bosnia and Herzegovina (Official gazette F BiH 34/03), which entered into force on the **1st January 2004**, voluntary membership was introduced into chambers, which lead to the change in the structure of financing the Chamber's operation.

In 2003, the income from the membership fee was dominant and in the total income it participated with 94, 11 %, and the income on the commercial basis were 5, 89%. Due to the voluntary membership, there was decrease of income in 2004 and 2005, and the total income decreased for 45 % in relation to 2003. However, there were changes in the structure of income gathering in the years of voluntary membership.

There was an increase on commercial basis; in the structure of the total income its part is around **20 %** in relation to the previous period, where the income from services was symbolic. This kind of income reached its maximum following the standards of the European chambers (where such standard is 15 – 25%).

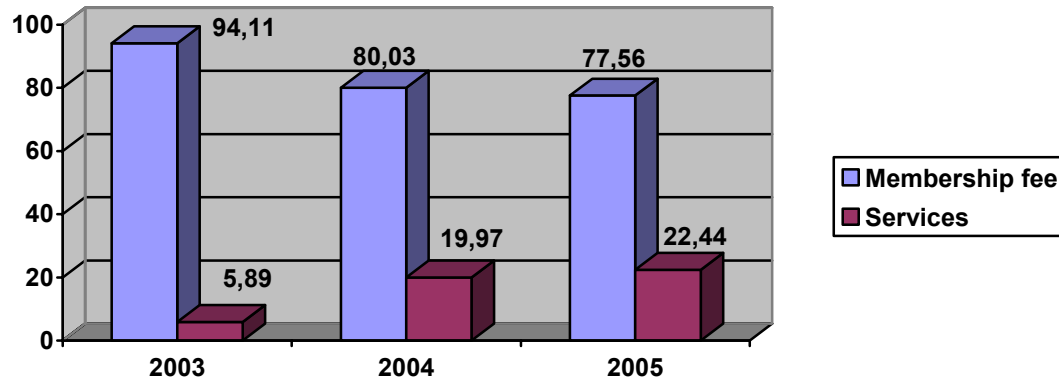


Diagram 1: Overview of the percentage of the income from services and membership fee. - This overview shows that the incomes related to the membership fees were significantly decreased, while the income on the commercial basis has increased, i.e. they have such a tendency.

4.2. MEMBERSHIP INCREASES

With the adoption of the new Law on Chambers in BiH on 1st January 2004, the number of Chambers members fall down from previous mandatory 1847, to a zero. After the 1st January 2004, the Chamber obtained about 30% of this number.

The complex political and economic environment and inconvenient business conditions cause continuous fluctuation of number of members. The overview of the fluctuation of the Chamber members is given below.

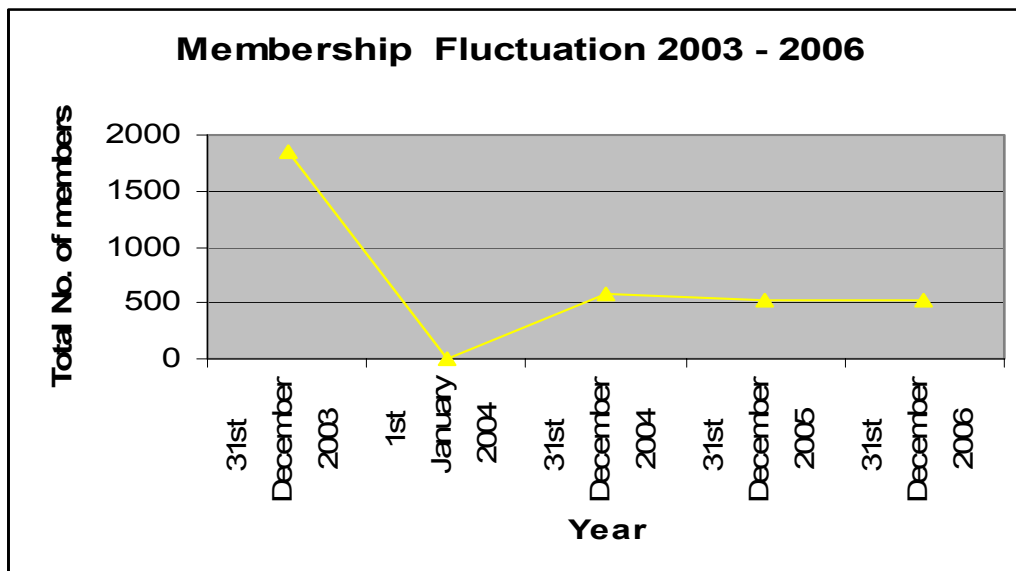


Diagram 2: Overview of No. of members

4.3. BUSINESS AND JOB CREATION

CHAMBER SERVICES

With the Chamber development, the current and new services were developed. Services included and not included into the membership fee were newly defined. The services not included into the membership fee are offered on the commercial base. All members have particular discount with this services.

Chamber services included into the membership fee		Chamber services on commercial basis (members have discount with these services)	
	<ol style="list-style-type: none"> 1. Represents the interests of the Chamber members in the partner relations with the executive authorities in the preparation and adoption of laws and other regulations 2. Offers information to the members on current economic issues 3. Initiates and participates in development projects of common interest 4. Promotes economy and business subjects and initiates business contacts in the country and abroad 5. Supports science and practice and development of innovative 6. Establishes and maintains business cooperation with chambers and other institutions in the country and abroad 7. Establishes and maintains the Codex of business ethics for the Chamber members 8. Contributes to the economy of Canton to be connected to the modern information courses 9. Promotes activity of the Chamber members through the data base on the Chamber web site 		<ol style="list-style-type: none"> 1. Organises seminars, courses and other types of education on the basis of the annual programme 2. Organises fair visits and exhibits, exhibitions and other economic manifestations in the country and abroad 3. issues certificates and other documents which have the character and the significance of the public documents 4. Offers information (B2B, B2C, business forum, laws and regulations from other countries, etc.) 5. Performs activities of public attorney-of-powers, offers visa services 6. Organises firm presentations, of its products and services 7. Arbitrates in the cases of damaging good business customs and the Codex of business ethics of the Chamber members 8. Offers consulting services, business plan, introduction of QMS, B2B, conditions of business in Canton Sarajevo and BIH, etc. 9. Web developing, web hosting and Internet marketing on web site of the Chamber 10. Offers translation services, organisation of the language courses upon request 11. Rents meeting rooms with the equipment in the Chamber building

Table 1: Overview of Chamber services

4.4. PARTICIPATION RATES

PARTICIPATION IN INTERNATIONAL PROJECTS IN PERIOD 2003 – 2005

With the aim of faster and more efficient overcome of the problems due to voluntary membership, the Chamber participated in the implementation of several international projects related to development of membership and services. These are:

2003 – 2004

Project: Development of membership and improvement of services – in cooperation with CIPE (Centre for International Private Enterprise), Washington - duration from 1st October 2003 to 30th April 2004

Aim:

- Increase of active Chamber members on voluntary basis
- Adapt the Chamber and services to the members' needs,
- Improve the image of the Chamber and promote the leading business role in the BH environment
- Develop financial sustainability of Chamber through increase of portion from membership fee and portion from service

Activities:

- Analysis of the current situation
- Preparation of the Chamber membership register, Rule on register management, Statements of accession and membership cards
- Preparations for direct gathering of the Chamber members
- Marketing campaign
- Review of plan for direct contact with potential members
- Preparations for changes in the organisation of work of professional Chamber office

Results:

- Analysis showed that the Chamber, related to the number of members, is oriented to SME, but most of the financial means is provided by large and medium enterprises.
- The register was created and new rules on register management prepared, the membership cards distributed
- Direct contact with the members and potential members became usual and permanent activity
- Internal reorganisation of the Chamber was completed – organisational scheme was prepared according to the activities

The work of the Chamber in the conditions of the voluntary membership is an open process, which requests permanent improvement of services as the basis for the increase of the member numbers.

2004-2005

Project: PARTNERS Project of Assistance to Regional Trade and Networking for Economic Recovery and Stability

In the Project, for whose implementation were responsible Eurochambres from Brussels, participated 5 countries from WB and 11 countries from EU. During the project, 15 successful partnerships were initiated between the countries of WB and EU, and larger number of the chamber staff participated in educations related to the international trade, interregional cooperation and accession to EU. The partner of the Chamber of Economy

of Sarajevo Canton was CCIAA from Treviso, Italy. The partnership established between these two countries resulted in the project of Improving services of the Chamber of Economy of Sarajevo Canton in the field of internationalisation and services.

Aim:

The promotion of services related to internationalisation and certification in the Sarajevo Canton Chamber of Commerce with the aim of offering those services to the local SME.

Activities:

- Development of services in the field of internationalisation

Initiation of cooperation between companies in the Sarajevo Canton and the companies from the Veneto region.

- Development of services from the field of certification

Education of professional staff from the field of CE labelling and ISO 14 000

Result:

- Presented possibilities of cooperation between the Veneto region and the Canton Sarajevo in Treviso and in Sarajevo
- Organisation of B2B meetings in Treviso
- Four employees were educated in the field of CE labelling
- Visit of the Chamber staff to CERT laboratory in Treviso and exchange of experiences with Treviso Tecnologia
- On the field of education on ISO standards, 5 employees were educated and 10 representatives of SME from the Sarajevo Canton

2005

Project: European academy for the chamber staff of the Western Balkan

Project is result of agreement on interpersonal cooperation in the implementation of the joint project which is achieved between the **Embassy of Great Britain in Slovenia, Economy and industrial chamber from Sheffield, Chamber of Commerce of Slovenia – Field unit Ljubljana, Chamber of Commerce from Belgrade, Chamber of Commerce of Macedonia, Chamber of Commerce of Monte Negro and Chamber of Economy of Sarajevo Canton**

Aim:

Promotion of capacities of the chamber staff in the Western Balkan, for the efficient integration of the local community into EU.

Activities:

- Education of the professional staff of the Western Balkan chambers
- Exchange of experiences with other chambers in the Region.

Result:

- A certain number of employees of the Chamber acquired knowledge on EU and integration processes.

The acquired knowledge was put into practice in the Chamber by offering consulting and advising to the members.

- The Chamber created the **Strategic chambers development plan in the process of the EU accession**. This document contains aims, mission, vision and the strategy which will be applied in achieving the future targets.

EDUCATION OF BUSINESSMEN IN CHAMBER

Development of the Chamber service in the mentioned period was one of the priority activities. The Education department of the Chamber offered a number of professional educations from different areas (management, marketing, IT technologies). Overview of the companies in their participation in the education are as follows.

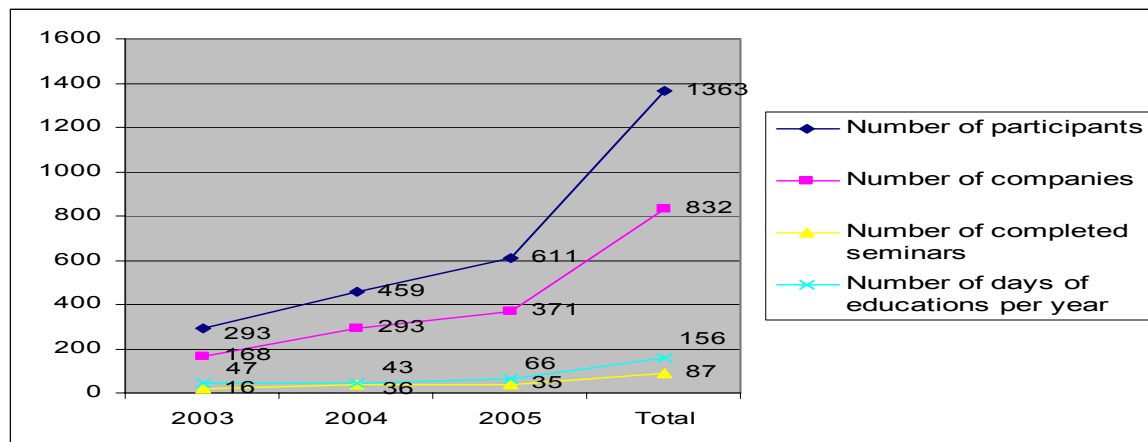


Diagram 3: Overview of businessmen education in Chamber 2003 – 2005

EDUCATION OF THE CHAMBER EMPLOYEES

With the aim of qualitative offering of services to the chamber members, the education of employees has become the permanent process. Following the ISO standards, the annual education plan is being prepared, and also the monitoring and permanent improvement of such a process. Annually about 60 % of the employees participate in internal and external education.

4.5. PEOPLE INVOLVED IN THE PROJECT

The Chamber staff and employees, members, local community partners and partners on international projects are involved in the implementation of the Project.

5. The relevance of the Project in the target category

The Chamber Project under the name ***Recruitment and retaining of membership and promotion of the Chamber services*** is an excellent example that shows how to overcome difficulties from abandoning the mandatory membership and adopting the voluntary one in the chambers of commerce, resulting in the raise of the services quality and the number of members.

The change of the Law on Chambers caused a number of changes, not only in the Chamber itself, but also in its environment. It was necessary that the Chambers reacted swiftly related to the internal reorganisation, restructuring in the area of offering services and new way of doing business in the conditions of the market economy.

Implemented activities in the framework of the project had the aim to develop new services, education of the professional staff of the Chamber and building of the recognizable image of the Chamber. The development plan and the plan for retaining the members were prepared. All activities were divided into two groups. The first group

was focused on retaining the current members, while the other was focused on attracting new ones.

With the development of its new services and with the continuous **education of the employees**, the Chamber has built the **image of the modern and functional** chamber which is ready to respond to the requests of the members, and also to the conditions of the market business in this segment.

By promoting its activities, the Chamber became significant business **partner in the local community**, but also on the higher levels of the state administration. Representing the economy interests, the Chamber represents the link between the businessmen and the representatives of the authorities. At the local level, with its suggestions, the Chamber actively participates in solving the issues that are significant for promotion of the economic development, related to legislation, economic policy measures and it advocates the interests of its members.

Activities in the area of **promotion of the regional economic development** included the improvement of the services and education of the professional staff of the Chamber for offering assistance to its members. In the process of stabilisation and association of BiH to European Union, the biggest problem for the BH companies, which want to enter the single European market, is insufficient knowledge of the EU business conditions. Activities of the Chamber are targeted towards offering help to those companies related to the regulations and standards of EU, and establishment of cooperation networks in the Region.

With the realisation of this Project, the Chamber built the recognizable image of the reliable business partner to the companies – members, but also to all relevant institution, in the area of Canton Sarajevo and in all South-eastern Europe.

6. Potential for the Project to be successfully adopted by other chambers of commerce throughout the world

Economic and political changes in the countries of the Western Balkan and the enlargement of the European Union lead to the changes in the total Chamber system.

The changes of the law already resulted in new business operations and lead from the mandatory membership to the voluntary membership in the market operations of the chamber institutions. Good preparation, activities planned in details and fast and efficient operation of the Chamber are the basic conditions for the survival.

The Project for development and retaining of the members is continuous activity and it calls for continuous adaptation to the changes in the environment. Educated professional staff of the Chamber has the possibility to transfer good experience and present its application in any chamber of the world. Clearly defined targets, detailed plans, permanent control of all activities and indicators and measurable results, give the Project its simplicity and application in other Chambers.

Following the basic postulates of adaptation to changes and trends in the world, this project may ensure its application in each chamber which aims to qualitative offering of services, retaining the current members and increasing their number. The implementation of this project is primarily possible in the chambers of the Region (Slovenia, Croatia, Serbia and Montenegro) but also in the world.