PROJECT SCREENING AS A BASIS FOR SUCCESS

Towards an efficient screening policy of potential projects for PSI-tendering application

Master Thesis
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TEAMpro

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SUMMARY

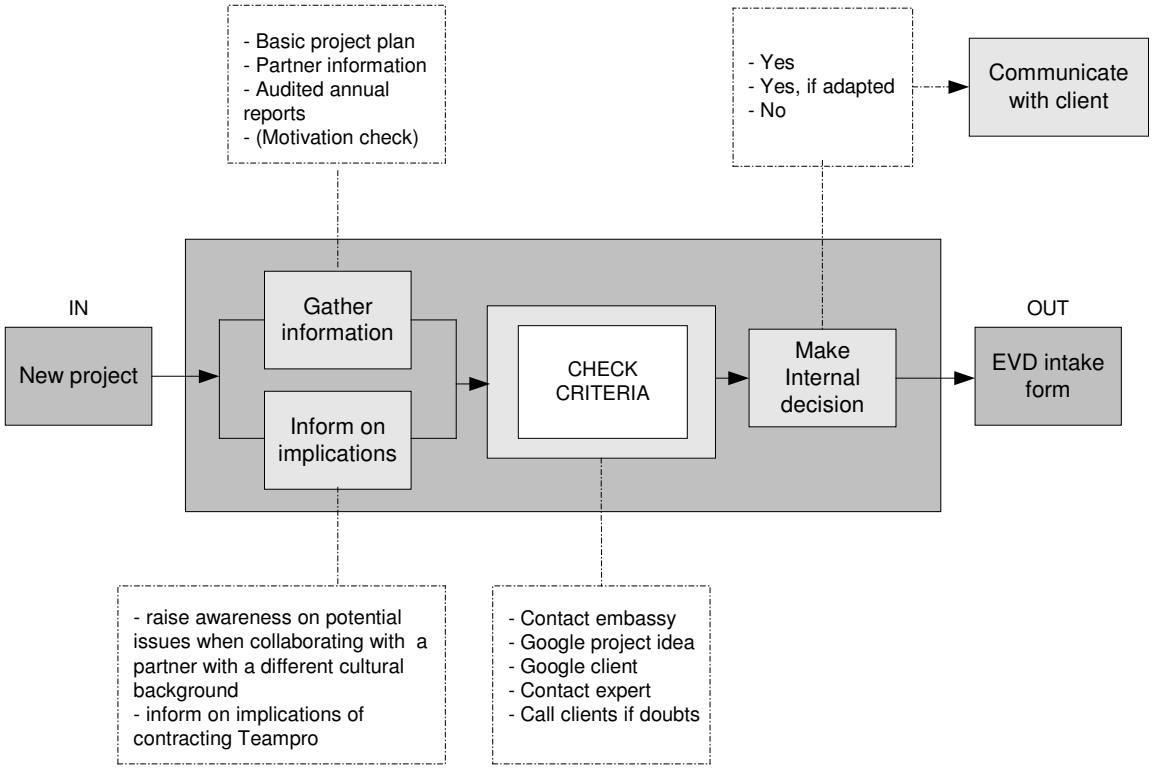
One of the tasks of the EVD, the Agency for International Business and Cooperation is to administer the Private Sector Investment programme (PSI), hereafter referred to as the PSI-programme. This programme is created to assist and support both Dutch and foreign business investments in emerging markets by making a financial contribution (in the form of a subsidy) through tendering, provided that the investment is organized in cooperation with a local partner. Companies are encouraged to initiate projects through a joint venture with a partner in a developing country, with the overall goal to support sustainable economic growth in these countries. Teampro, a consultancy company, has been operating in this field between the project applicants and the EVD, for example by assisting in applying for a PSI subsidy. Based on unsatisfying past results concerning the percentage of accepted applications, Teampro has decided to focus on implementing a new screening procedure to distinguish between potential and nonpotential projects in an early stage of the application process. The main research question of this thesis is formulated as follows: *"Which project screening procedure could Teampro institute, in order to efficiently enhance the chances of winning PSI-tenders in the future?"*

The core element of this research was to define and grasp the central evaluation criteria on the basis of which the EVD evaluates project proposals. In order to do this, several interviews have been held with, among others, EVD employees. The interviews revealed that many of the criteria are defined in a rather intangible or ambiguous way. This ambiguity has been reduced as much as possible by discussing every criteria into great detail, thereby trying to grasp each criterion's essence.

After analysing Teampro's business activities, its current approach towards scanning and the environment in which the company operates, a theoretical analysis of the literature on decision making has been performed. Etzioni's theory of Mixed scanning was found to be compatible with the specific situation. In short, Mixed Scanning proposes an incremental approach while not losing sight of the overall goal of the process.

A second, brief, analysis of the literature has been performed, on approaches towards creating awareness about the intercultural differences that could exist between partners of a joint venture. Creating awareness on this subject could potentially add to the smoothness of the intercultural collaboration. Examples of such approaches are Visual Problem Appraisal-techniques and role-playing simulations.

The figure below presents the screening procedure design that was developed during this thesis research.



The dotted blocks contain extra information on the different elements of the procedure. The presented design is to be interpreted as follows. After a new project assistance request is received, Teampro asks the project partners for specific information on the intended project. (A motivation check among the partners would be advisable in order to be able to check the EVD's criteria on this subject.) At the same time, Teampro informs the partners of the implications of working on a project with a partner that has a different cultural background. (Also, the opportunity could be used to inform the partners on the implications of contracting Teampro.) After having received the required information, an employee can start to check a specific list of criteria based on an automated excel sheet. The outcome of this analysis is the basis for Teampro's decision to either proceed or not proceed with this request. Based on the assumption that all required information was available, three main categories of conclusions can result from this analysis: to accept the project, to reject the project or to communicate with the client on required adaptations to the current idea of situation. If the client would concur with the required adaptations, this could result in the decision to accept the project. This finalizes the screening process. The outcome is potentially the decision to proceed towards filling in the EVD intake form, thereby presenting the project idea to the EVD for an initial evaluation and advice on how to proceed towards the final PSI project proposal.

Finally, a usability evaluation session was organized to assess the Criteria Check phase's ease of use. This session revealed that Teampro's employees consider this phase to be developed in such a way that it is indeed easy to apply.

While the criteria check phase has been developed into relatively large detail, it is advised to further invest in developing the other elements in the presented design, in order to enhance the quality of the screening process.

ACKNOWLEDGMENTS

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ABBREVIATIONS

APSI	Advisory committee Private Sector Investment programme
BuZa	(Ministerie van) Buitenlandse Zaken (Foreign affairs)
CSR	Corporate Social Responsibility
EVD	Economische Voorlichtingsdienst
EZ	(Ministerie van) Economische Zaken (Economic Affairs)
FOM	Fonds Opkomende Markten (Fund for Emerging Markets)
NCDO	Nationale Commissie voor Internationale Samenwerking en Duurzame Ontwikkeling (National Committee for International Cooperation and Sustainable Development)
ORIO	Ontwikkelingsrelevante Infrastructuurontwikkeling (Infrastructure development, relevant for the development (of a country/region))
PESP	Programma Economische Samenwerking Projecten (Programme for Economic Cooperation Projects
PSI	Private Sector Investment
PSOM	Programma Samenwerking Opkomende Markten (Programme for Cooperation with Emerging Markets)
SME	Small and Medium sized Enterprise
VPA	Visual Problem Appraisal
V&W	(Ministerie van) Verkeer en Waterstaat (Transport, Public Works and Water Management)

1. INTRODUCTION

1.1 Globalisation

Over the past few decades, economies and businesses all over the world have been interconnecting. Famous shoe brands have built large factories in China (Saporito, 1998), American accountancy firms have been outsourcing a part of their activities to India (Friedman, 2008), and Belgian call centres have been operating from Hungary (Het Nieuwsblad, 2006). These are just a few examples that reflect the new ways in which businesses have been organizing their activities. The internet and the existence of (relatively fast) transport modes have created completely new international markets in which many companies in many different areas have invested. This increasing interconnectivity is often referred to as the globalisation of the world. (Globalisation trends can be interpreted in many ways and on many aspects, but we here refer to the economic globalisation).

Different views exist on the extent to which globalisation is a great evolution that one should treasure. Arguments for globalisation can be that (BBC World, 2000):

- Human liberty is enhanced by the choices that are now presented to millions of people on the goods and services that they consume.
- Income is raised world wide, due to the fact that trade is the basis of globalisation, since that allows economies to perform at their best (and make money!).
- Through globalisation, the idea of 'one world' may one day come true: a world in which we all can understand each other's hopes and dreams.

On the other hand, the opponents of this trend should not be ignored. Possible arguments against globalisation are that:

- The mentioned positive effects mainly relate to the companies involved and the more wealthy customers.
- Jobs are lost in the richer countries as a result of the migration of businesses to places that offer cheaper labour.
- Income is not necessarily raised everywhere: the gap in average income between the richest and poorest countries is said to have doubled in the past 40 years.

The four regions in the world that top the world's market share ranking are the USA, China, Europe and India (World Economic Forum, 2009a). Today, these regions are probably the

most strongly connected in terms of trade (Friedman, 2008). It could be a realistic simplification to say that the first two 'rich' geographical areas are outsourcing and cooperating with the latter two, less developed areas. Mainly as a result of these new trade lines, India and China have shown a tremendous economic growth in the past decade (Ahmad, 2008). Though less impressive, Africa and South-America for example have also slowly but increasingly been connecting to parties all over the world (World Economic Forum, 2008; 2009b).

Whether personally in favour or against the trend of globalisation, the reality is that it has been manifesting itself in the past, and that it appears that it will continue to do so at least in the near future. This estimation that the trend of globalisation will remain significant, could for example be based on the fact that many large institutions or governments embrace and stimulate the international orientation and cooperation.

In fact, based on the behaviour of many Western governments, it could be concluded that globalisation is generally considered to have (mainly) positive effects. An example of this is the tendency to stimulate the richer Western companies to invest in foreign countries. A part of this international incitement is found in the development sector, for example by financially supporting joint venture projects in developing countries. This type of projects can be seen as having a double positive effect: the Western economies are strengthened by the increase in trade opportunities, whereas developmental effects can be seen in the less prosperous countries.

One of the governmental organizations in the Netherlands that is in charge of distributing this type of subsidies is the EVD, the Agency for International Business and Cooperation. This research project will focus on one of the programs that is administered by the EVD, the Private Sector Investment Programme.

1.2 Private Sector Investment Programme

Through the EVD, the Agency for International Business and Cooperation, the Dutch government aims to facilitate and stimulate international activities of companies, governments and organizations. One of the EVD's core tasks is supporting sustainable economic growth in developing countries and emerging markets. In order to do this, private sector programmes were developed that focus on innovative pilot projects, joint-investments and transfer of technology, knowledge and skills in social and economic sectors. Business cooperation and cooperation between business, training- and knowledge institutes are supported by lending a helping hand to local and international private companies. Overall, companies are stimulated to invest in developing countries and thereby take a step towards economic growth and poverty reduction (EVD, 2009a).

The Private Sector Investment programme, hereafter referred to as the PSI-programme, is one of the several programmes administered by the EVD. It is created to assist and support both Dutch and foreign business investments in emerging markets by making a financial contribution (in the form of a subsidy), provided that the investment is organized in cooperation with a local partner. To apply for this subsidy, a number of specific criteria need to be met. The main goal of this programme is to strengthen the private sector of developing countries (EVD, 2009a).

The process towards obtaining a subsidy is centered on a specific application form. This application form contains very detailed information requests in many different areas. One can think of company details, a market analysis, etc. Writing such an application report is a time-consuming and knowledge-specific task. As a result, various companies have developed a business by filling this knowledge gap and have specialized in consulting on and providing assistance in the application process for PSI-subsidies.

1.3 Teampro

One of these companies, Teampro, has been delivering its consultancy services to local and Dutch companies for several years. Assisting in the PSI-application process is one of the company's core businesses. Teampro's activities will be analysed more thoroughly in chapter three.

In order to guarantee business continuity and yield in the future, Teampro feels it has only little or no room for failure: investing time in applications that do not result in a grant is a direct loss of income. A high success rate is especially important in financially unstable times, since a large portion of the customers only or partially commit to a success fee. Due to the financial crisis, Teampro has recently started to work on a no cure - no pay basis. In other words, winning the PSI-tenders has now become a crucial element of the company's future if it wants to reach its goals of yield and continuity. However, the past results with PSOM applications (the PSI programme's predecessor) reveal that one out of the three applications were rejected. Teampro's CEO is concerned about this observation and wishes to improve the company's internal screening procedure with the aim of increasing the percentage of tenders won.

1.4 Structure of the report

Chapter two presents a specification of the problem: the problem area is elaborated on, after which a problem definition is presented. The specific research focus of this thesis is defined. Also, this chapter introduces the research set-up, by defining the research questions to be answered as well as the chosen path towards finding the answers: the research method.
In order to truly grasp the issue at hand, chapter three will focus on Teampro's current situation, by analysing the different core businesses, as well as the company's goals. After having a basic understanding of the company, the fourth chapter presents the results of an analysis of the environment in which Teampro operates. By taking the company's operating environment into consideration when developing a screening procedure, the procedure will be more likely to fit in Teampro's operating field.

The EVD's allocation of the PSI subsidies is based on several criteria. Chapter five presents an extensive analysis of these criteria. Also, specific company criteria for the projects to be undertaken are presented.
In order to be able to develop a screening procedure that will prove to be an improvement for the current situation, it is important to have insight in this current situation. Chapter six analyses Teampro's current approach to project screening and concludes by presenting the requirements to a future procedure as defined by the company.

As a first step towards truly developing a screening procedure, an analysis of the literature is presented in the seventh chapter. These theoretical findings are subsequently translated into more specific tools and conclusions for this research.

Based on the information found in the literature, an additional list of requirements to the screening procedure to be developed are formulated. Combining this list with Teampro's requirements as presented in chapter six results in an overview of all the requirements to be met by the screening procedure. Chapter seven concludes by presenting a preliminary set-up of a screening procedure for this research.

Before continuing to the screening procedure design in chapter nine, chapter eight makes a small side step by elaborating on the intercultural differences that Teampro's clients may encounter. This thesis wishes to take the differences in cultural backgrounds into consideration when designing a screening procedure. The specific reasons for this sidefocus will be presented in this chapter, as well as both general theories and more specific Dutch versus East African characteristics.

Chapter nine combines the information and insights acquired over the previous chapters into a specific screening procedure. The element of the procedure that focuses on checking the

evaluation criteria was submitted to a usability test. The results and conclusions from this usability evaluation session by Teampro employees is presented at the end of this chapter.

Finally, chapters ten and eleven present the conclusions and recommendations, and a reflection on this master thesis research.
(A short conclusion will be presented at the end of each chapter, to guide the reader through this report.)

2. PROBLEM SPECIFICATION AND RESEARCH SET-UP

This chapter presents a more detailed overview of the Private Sector Investment Programme, after which the suboptimal past results of the PSI-applications by Teampro are discussed. Based on the presented problem definition and research questions that are further presented in this chapter, the chosen research set-up is elaborated on.

2.1 Problem area

Before being able to present a well considered problem definition, it is helpful to grasp the essence of the central programme in this context: the Private Sector Investment Programme.

2.1.1 From PSOM to PSI

The current PSI programme is deducted from the PSOM programme (Programma Samenwerking Opkomende Markten). The PSOM programme, which has been held twice a year since 1998, has been converted into a new programme in 2008. This change was initiated by a conflict between an applicant and the EVD. The conflict was taken to court and revealed inconsistencies between the effective content and the formal legislative title. An administrative law judge concluded that the PSOM programme was organized as a subsidiary system, rather than a contract based system. As a reaction to this legal conclusion, the PSOM programme has been adapted into a programme that fully fits the requirements of a subsidy system (Jansen, 2009a). The extent to which these two programs differ will be analysed in the chapter on the programme criteria, chapter 5.

Under PSOM, a subdivision was made into PSOM-EZ and PSOM-OS projects. This difference was related to the countries for which applicants could hand in a project proposal. Under PSI, one can also distinguish between two categories: PSI regular and PSI Plus countries. (The latter category consists of countries with an especially unstable economy and political situation. Special rules apply for these countries).

2.1.2 PSI in a nutshell

Goal of the programme

The official definition of the goal of the PSI-programme is described as follows in an official publication of the Government Gazette (Decision 838/2008):

“The goal of PSI is to stimulate sustainable economic development through promoting innovative pilot investment projects in developing countries. The aim is to provide an important contribution to reducing poverty, by creating economic activity, employment opportunity and improved income”.

The PSI programme aims at supporting innovative investment projects in emerging markets in Africa, Asia, Central and Eastern Europe and Latin America (Jansen, 2009a). The goal of PSI is further clarified by Mr. Jansen, a project officer on the PSI programme, as inciting durable economic development in the selected countries. The word 'durable' is in this matter defined in two areas: the projects are required to assure both good working conditions as well as a guaranteed long-term commitment and/or effect.

Available budget

PSI is a programme of the Dutch government, that is administered by the EVD, an institute of the Ministry of Economic Affairs. It is however financed through the Ministry of Foreign Affairs/ Development Cooperation. The available budget for PSI is set on 70 million euro per year (Government Gazette, 2008).

It must be noted that the current financial crisis that is affecting the Netherlands results in a declined PSI budget. This is a direct result of the fact that the yearly available budget for development cooperation overall is calculated as a fixed percentage of the gross domestic product. This figure is around 0.8 percent (Goudriaan, 2008). Propositions for a further lowering of the Development Cooperation budget as a financial tool to help solve the current economical crisis were disapproved by the Dutch Minister of Finance (ANP, 2009).

Set-up of the programme

A PSI project is an investment project that is undertaken by joint venture consisting of a Dutch or foreign company and a partner from one of the eligible developing countries in which the project will be implemented. (This list of eligible countries can alter over time). If the proposed project meets all the criteria as defined by the EVD, it can obtain a grant, consisting of a financial contribution to the costs of the investment (EVD, 2009a). This grant equals 50 or 60 percent of the total project cost, depending on the specific country in which it will be implemented.

The desired outcome for a PSI applicant is obtaining a subsidy. (In the previous programme, PSOM, the possible outcome was a contract in which it was stated that the EVD would reimburse the applicant in case of the results being achieved.)

The PSI programme is based on a relatively transparent procedure (Possible unclear issues will be discussed in chapter 5). The EVD's website divides the complete process towards physically obtaining a financial contribution in three phases (EVD, 2008b):

- **Preparing an application**: Applicants must complete an extensive application form. Meetings with project officers from the EVD can be planned to inform the applicants on the feasibility of their project idea within the PSI constraints.
- **Evaluation** (of the application): The proposals are evaluated by project officers from the EVD. This phase takes approximately four months.

Within the PSI programme, all applicants receive an official notification of result of the evaluation, including arguments for potentially negative decisions.

- **Result-based administrative decision**: the applicants of proposals that are approved will receive an administrative decision that defines the specific results that need to be achieved within a certain time frame. The subsidy will be paid in different parts after realization of each result.

PSI tenders are organized twice a year and have a strict closing date.

Final Ranking

When evaluating all proposals, project officers use a ranking system. For PSOM as well as for PSI, the final ranking of PSI projects is mainly based on two criteria: spin-off and development effects. The weight of these criteria is different and depends on the specific country where the project will be implemented (EVD, 2007). For PSI-countries that are supported by the Ministry of Economic affairs, the emphasis lies on the spin-off results. The countries that are supported by the Ministry of Foreign Affairs, through the Department of Development Cooperation are, as the name already indicates, rated by focusing more on the development effects they initiate.

Since up till now the budget has always proven to be larger than the required budget for the granted subsidies/contracts, the ranking system has not been used as a decision tool yet. This is however likely to occur in the future, if the PSI programme would gain in popularity or if the available budget would decrease.

2.1.3 Suboptimal results

Teampro regards its results in the past PSI-applications as suboptimal. This is due to the fact that three out of nine applications were not granted. The company would like to see the percentage of non approved applications minimized in the future.

In all rejected cases, the EVD clarified that this negative decision was based on issues with the cooperation partners. The EVD criticized that (one of) the investment partners lacked proof of (financial) stability, resulting in an enhanced level of risk for the projects. More specifically, the level of risk was assessed at such a level that the EVD was not willing to invest.

Very recently, Teampro encountered yet another situation in which a partner problem occurred: an application that was planned for the February 2009 deadline was not made, due to the last-minute withdrawal of one of the project partners. This is again an unfortunate loss of income for the company (Tocklu, 2009). Overall, Teampro would like to understand how these errors can be minimized in the future, as not solving or improving the current situation could lead to a very undesirable (financial) situation in the future.

While losing one out of three grants is undoubtedly a serious situation for Teampro, one might wonder how the overall available budget and project space is divided. It is interesting to investigate if the percentage of non-won projects could be linked to a very high number of applications in general. In that case, the competition could explain (at least partially) why several tenders were not won. An interview with a project officer from the EVD, Anton Jansen, revealed that the available budget under PSOM always happened to be larger than the actual spent budget (Jansen, 2009a). In other words, Teampro's proposals were not rejected as a result of too large or too strong competition: they were not found to be of a sufficient level in the eyes of the EVD.

The first tender that was performed under PSI however, revealed that for the first time in the EVD's history with PSOM/PSI, the ranking system will need to be used to determine which projects will receive a subsidy: the number of positively evaluated applications proved to be larger than the available budget. This means that the competition for Teampro has increased under the new PSI programme, thereby making a solid screening procedure even more valuable.

2.2 Problem definition

2.2.1 Teampro's approach today

Over the years, Teampro has developed its personal working method. Several steps are taken in order to come to a PSI-application, of which the main ones are:

- an assistance request for PSI application is received
- screening of the project
- (finding a matching partner for the project)
- gathering detailed information for the proposal/writing proposal
- applying for PSI

The use of brackets indicates that this phase can be skipped in certain cases. The possible process paths are presented in the figures below.

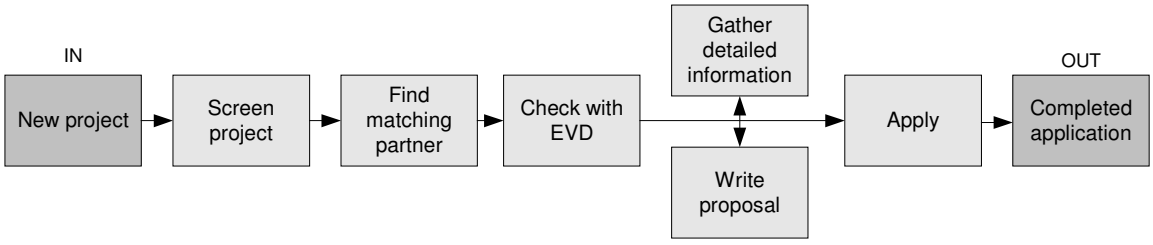

Figure 2.1: Internal application process (screening first)

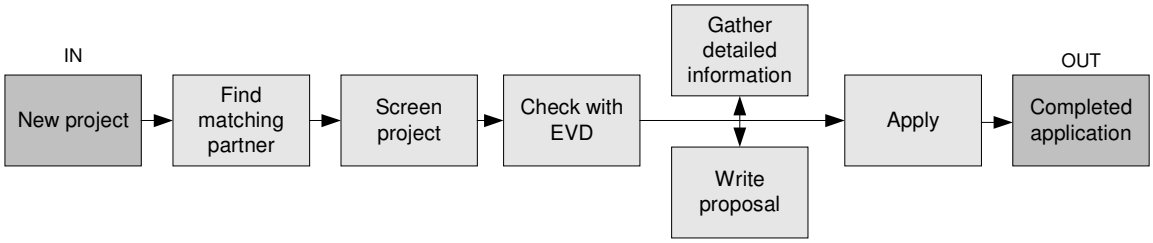

Figure 2.2: Internal application process (match-making first)

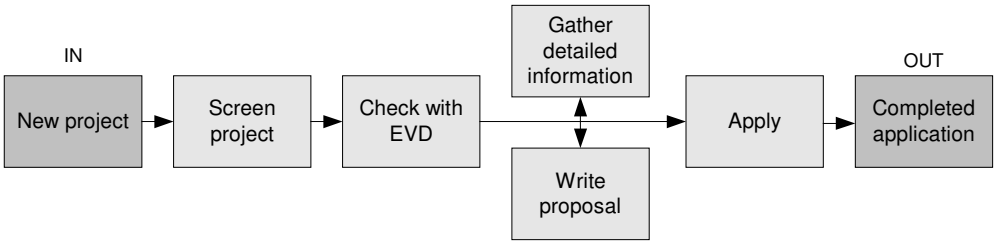

Figure 2.3: Internal application process (no match-making)

A detailed explanation of these three figures can be found in appendix D. The screening and matchmaking steps are taken at an early stage of the application process. These two steps are important elements in coming to an efficient working process and a successful application. They cannot be put into a fixed time order, as this order is project specific. Depending on the specific assistance request, it is possible that the matchmaking phase can be skipped: some applicants have already found a partner at the moment of contacting Teampro (see Figure 2.3). Also, project officers from the EVD can be contacted for answers to specific questions throughout the complete application process.

2.2.2 Central research focus

As was mentioned before, Teampro sees a serious problem in the relatively high number of non-granted subsidies. These applications were not rejected as a result of lacking information or ill-written proposals, but due to the fact that the EVD did not trust the partnership in the joint venture (mainly the financial situation of one of the partners).

While there is no guarantee, it is to be expected that a more thorough analysis at the beginning of the internal application process might have revealed these instabilities and would therefore have prevented Teampro from investing more time in the application: such an analysis might have resulted in the (negative) findings that were later mentioned by the EVD to support their lack of trust in the partnership. Teampro is interested in developing such a screening process in order to maximize the success rate of the PSI-applications. This rate of success can be defined in a simple formula. For Teampro, the formula would be as follows:

$$\text{PSI Success Rate} = \frac{\text{Total number of PSI applications granted}}{\text{Total number of PSI applications made}}$$

This research project focuses on designing a screening process that will meet Teampro's criteria while being compatible with the PSI environment. These criteria will be defined in chapter 5. As partner relations have proven to be crucial in the past rejections, this element will also be taken into consideration.

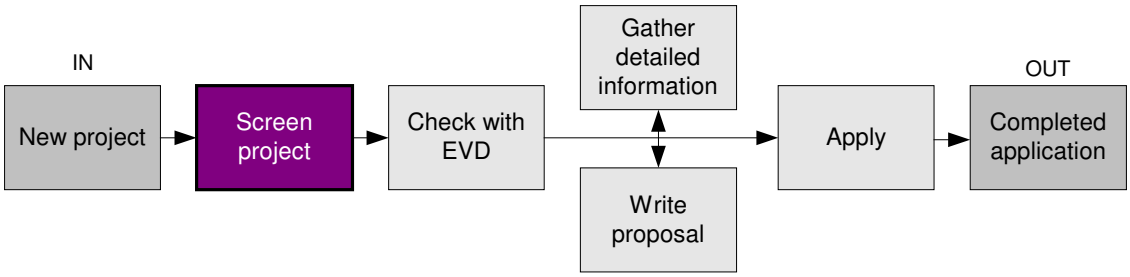

Figure 2.4: Research Focus

When analysing a problem, one can look at it from different levels and different perspectives. Let us first reflect on the chosen perspective first. The subject for this master thesis was proposed by Teampro. It was clear from the beginning that this company found itself in an undesired situation that it wishes to improve. Teampro is the owner of the central problem to be solved, and will be seen as the central party for the remainder of this research project. While not having the power to change the PSI system as a whole, the company can however adapt its internal working processes in order to come to a more desired situation.

The time constraints when writing a master thesis have as a result that several possibilities are not realistically possible since they would require much more time in order to be able to present a scientifically worthy paper. The central issue in this paper can be investigated on different levels. Figure 2.5 shows a short overview of the different levels that were considered within the screening subject. On a relatively high level, one could perform research on a screening procedure while also focusing on the match-making area, as all proposal rejections in the past were based on a lack of trust from the EVD in (one of) the partners. On a slightly lower level, one might analyse how to take partner relations into consideration when developing a screening procedure. As this is still a fairly large area of investigation, a next step down could for example be to look more specifically at the intercultural relation between partners. The smallest scope, based on the research question from the company, would be to just focus on developing a screening procedure.

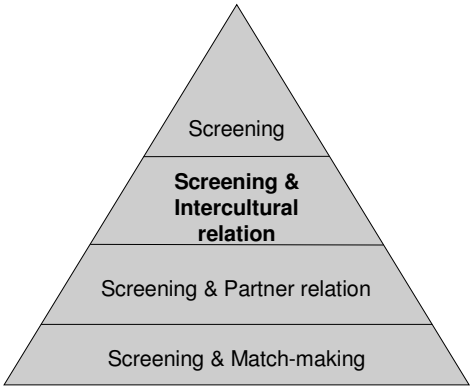

Figure 2.5: Overview of possible research scopes

In this research, it was decided to concentrate on analysing the screening process while taking into account the intercultural relation between an applicant and his or her partner. Developing a screening process that does not include (intercultural) partner relations would probably have very low significant value in this context, where projects are stimulated that (usually) involve cooperation between a Western partner and a partner in a developing country. It is however chosen not to broaden the scope of this analysis further, in order to be able to use the available time to concentrate on the tangible problem defined.

A very interesting aspect of the PSI application process that is not taken into account in great detail in this thesis, is the relation between Teampro and it's clients. In the process of working towards a PSI application, these two parties have to cooperate. While the client is depending on Teampro's services and expertise, Teampro is depending on the client's openness and cooperation. This relationship is based on both trust as well as contracts. It would be very interesting to perform further investigation on how to organize the specific relation between Teampro and it's clients in the context of PSI, as a lack of for example openness and communication might result in an unrealistic or low quality PSI proposal, which is likely to be rejected by the EVD. The possible implications of not taking this factor into account at this stage will be reflected on in the last chapter of this thesis report.

The research focus that has been presented will now be translated into a main question and workable subquestions.

2.3 Main research question

Based on the described problem situation, the main question of this thesis project is formulated as follows:

"Which project screening procedure could Teampro institute, in order to efficiently enhance the chances of winning PSI-tenders in the future?"

The term efficiently reflects Teampro's request for an (effective) procedure that requires a low or acceptable amount of resources (time and money). More specific requirements will be presented later in this thesis. The term 'chances' has been used to indicate the fact that there is no guarantee that a proposal will be accepted. It is therefore decided that using the term 'chances' is more realistic in this context.

2.4 Subquestions

In order to find a solid answer to the abovementioned question, several subquestions will need to be answered. By answering the subquestions step by step, insight will be gained into the specific situation and environment in which Teampro operates, as well as in the different approach possibilities in solving the current issues.

1. *What are the criteria upon which PSI-tenders are evaluated?*
    - 1.1. *What are the explicit PSI-criteria that are defined by the EVD?*
    - 1.2. *Are there non-explicit criteria to be found on which the EVD bases its decision, and if so, what are these extra criteria?*
    - 1.3. *Does Teampro have additional company criteria that influence the company's choice for specific project applications, and if so, what are these extra criteria?*

2. *What are the differences between the previously used PSOM programme and the newly installed PSI programme, and how do they affect the application criteria?*

3. *Which project screening theories and methods can be distinguished in the literature on decision making and how can they be translated into a screening procedure that is based on the previously defined list of criteria, in order to fit to Teampro's specific needs?*

4. *What information on intercultural collaboration can be distinguished in the literature and how can it be integrated with a screening method in order to fit Teampro's specific needs?*

2.5 Research method

The goal of this research is to define an approach towards the screening of incoming PSI-projects in order to increase the chances of winning PSI-tenders. In order to do this, this report will first focus on the environment in which Teampro operates. The aim of this analysis is to gain insight in the position of the other parties in this specific matter, and to understand which dependencies exist.

The core element of this research is to define and grasp the central evaluation criteria on the basis of which the EVD evaluates project proposals. The first subquestion will be investigated based on a broad aspect of information sources: the EVD's website, official Government Gazette documents and talks and interviews. In order to grasp both the EVD's as well as Teampro's criteria, eight individuals that are directly or indirectly involved with the PSI programme will be interviewed. These individuals are all employed at Teampro, the EVD, a private company or the Ministry of Foreign Affairs. Through these interviews, the author will aim to capture the criteria at a detailed level by discussing the specific meaning of each criterion individually. Subquestion 1.2 in specific requires information that will need to be gathered through the interviews. (It was chosen to use interviews as a basis for information retrieval rather than for example surveys, to allow for deeper and more personal answers. Through interviews it is possible to ask a question in a reaction on a earlier given answer. This was found to be very valuable when truly grasping the criteria's meaning).
The second subquestion will be analysed in a two step approach. First, the available documents from the EVD's website and the Government Gazette will be used to create an overview of both the PSI and the PSOM programme. As a means of control as well as extension of the found results, the comparison of the two programmes will subsequently be presented to a project officer from the EVD and his opinion on both the found as well as on potentially lacking elements will be requested.

Next, a theoretical analysis will be performed of the literature on decision making to answer the third subquestion. The literature will first be analysed on a high theoretical level, after which more tangible decision-making tools will be presented. An appropriate model will be translated into a Teampro-specific framework that can serve as a basis for future decisions on the potential of a project. When designing this more specific framework, literature on intercultural collaboration between partners will be taken into consideration, which will answer the fourth subquestion. The general idea behind this is to be able to present a more realistic and valuable framework by understanding the differences and potential cultural (communication and collaboration) issues. The findings of the several analyses that were performed will be combined into the screening process design.

The designed framework will be evaluated on its usability by organizing a workshop in which the design is presented to and tested by Teampro employees.

Conclusion

Chapter two elaborated on the PSI programme, and lead to the conclusion that previously declined applications were not a result of too large or too strong competition: the proposals were rejected based on the EVD's lack of trust in the (one of the) partners. It is evidently not sufficient to present a good project idea; the partners in the joint venture are essential.

After briefly presenting the company's current approach towards coming to a PSI application, the research scope of this project was presented. It was chosen to focus on

developing a screening procedure for incoming PSI projects, taking into account the intercultural differences between the partners of a joint venture. It was decided to analyse the intercultural aspect of the partner relation, due to the fact that PSI projects practically always include cooperation between individuals with a different cultural background and because it is not realistic to invest a larger part of the aspects of partner relations within the available research time for a thesis project.

Four subquestions have been defined in order to find an answer to the main question in this research: *"Which project screening policy could Teampro institute, in order to efficiently enhance the chances of winning PSI-tenders in the future?".* The research method, a combination of interviews and literature analysis were defined in order to come to a screening procedure design.

At this stage in the report, a first insight in the PSI procedure was presented. After having presented the research questions in this chapter, the research continues by examining Teampro's business activities, goals and means, in order to create a realistic image of the company today.

3. COMPANY ANALYSIS

In order to truly grasp the problem that needs to be addressed in this research paper, this chapter presents an overview of Teampro by positioning the PSI-programme in the total package of company tasks. The company's business goals are subsequently analysed.

3.1 Business activities

Teampro is a relatively young company with three offices. The main office is located in Rotterdam, the other two are located in Nairobi (Kenya) and Addis Ababa (Ethiopia). The company consists of 5 employees.

Since being established in 1996, the company has been gradually extending its business activities. All the activities can be gathered under the main denominator of *assisting and advising European and East-African entrepreneurs in doing business with one another*. Today, Teampro provides the services illustrated in figure 3.1 (de Vries, 2009):

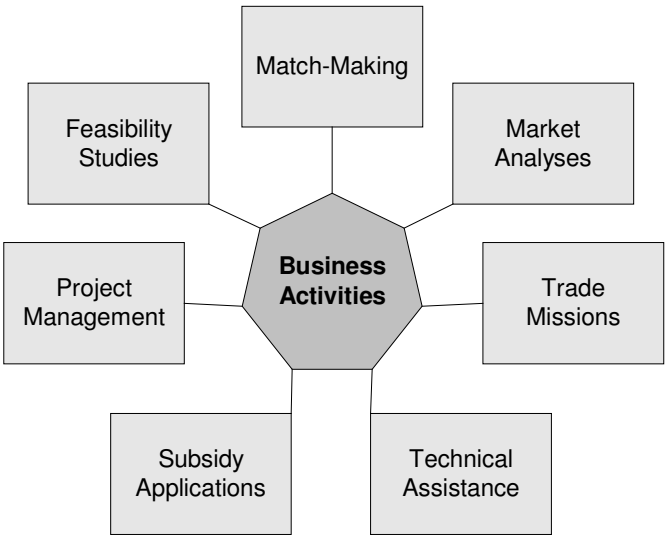

Figure 3.1: Overview of Teampro's different business activities.

As can be seen in the figure above, Teampro's services can be divided into seven categories. These activities often prove to be interlinked in practice. For example, match-making sessions can be organized during trade missions, and project management can follow a positive subsidy application. A description of these activities and the extent to which they are connected is presented in Appendix A.

Within the subsidy application services, Teampro can assist on different programs. The aforementioned Private Sector Investment Programme is the central element of this research. Being only one of the many foci of the company, it is however one of the most important tasks for Teampro, both timewise and moneywise.

3.2 Company goals and means

In order to better understand the company's issues, it is important to fully grasp its core drive. On the company website, Teampro defines its primary objective as *stimulating trade relations between The Netherlands and East-Africa* (Ethiopia, Kenya, Uganda, Tanzania, Sudan and Rwanda). Although the roots and/or personal beliefs of a company's director do not necessarily have to be relevant for a business analysis, it does provide some insight in the 'why' behind this specific company's founding. Teampro's CEO, Drs.Ing.Rachel Tocklu, who originates from Ethiopia and who still feels strongly connected to her roots, is driven by the positive impact of stimulating durable economic growth in East-Africa. In the period that preceded the founding of the company, Mrs. Tocklu was asked to assist and give advise on several international business plans by acquaintances of hers. She decided to found the company after realizing that her services were well-appreciated and that a market existed in that field, that would enable her to work in a position that contributes to the East-African economy. The choice to focus on the region of East-Africa was based on two observations: first of all, Teampro decided that the company could only guarantee a high quality level if it first focused the consultancy services on the area in which the largest contact network is located. Secondly, Teampro decided to strengthen the company's current business model before expanding and offering services in a larger area.

A detailed overview of the company's goals can be found in appendix B. Being a company, Teampro aims at creating yield and continuity. However, as was mentioned earlier, the company was founded with a larger idea in mind: helping in creating sustainable economic growth in East-African countries. In that respect, one could argue that yield and continuity are the chosen means to realize this sustainable economic growth. From this point of view, one could derive that it is possible that other means exist to satisfy this goal of durable economic growth than running a successful company. This would however question the whole idea of Teampro's existence, which leads too far from the reality to be helpful in this context. It is therefore chosen to define the company's main goals as that one of an regular company: to create yield and continuity. This can be seen as the main element in the overview below.

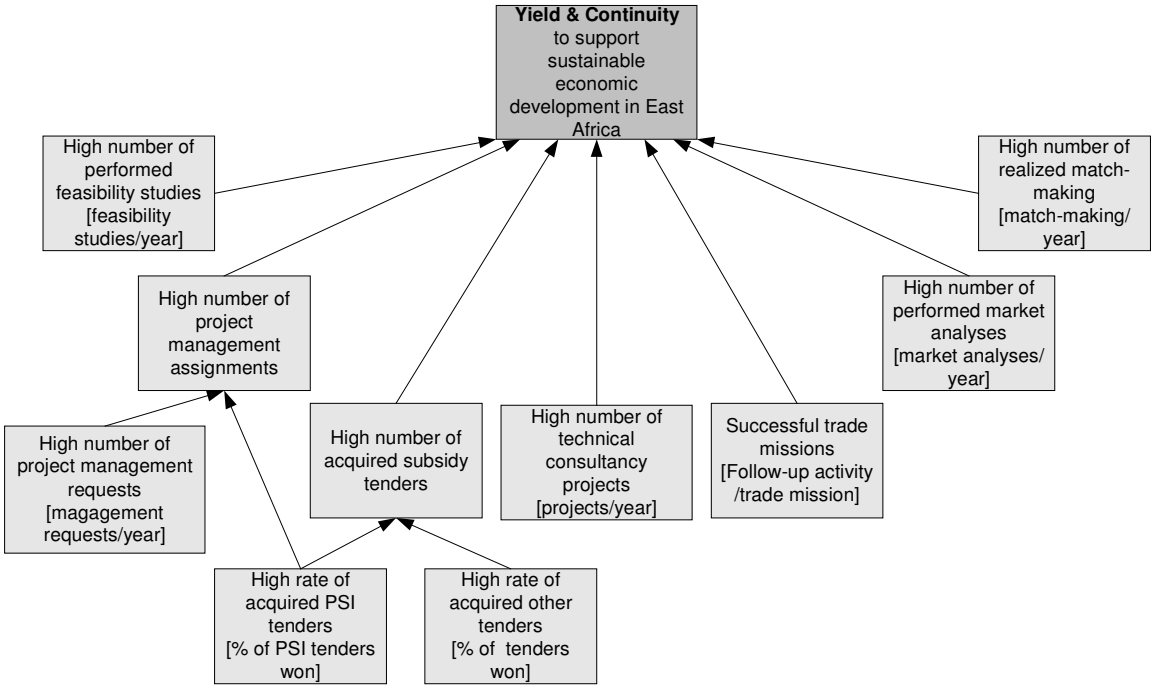

Figure 3.2: General overview of Teampro's goals.

A second overview of goals has been generated, more specifically on the company's goals concerning the PSI-programme. A visualisation of these goals is presented in figure 3.3. A more detailed explanation of this figure can be found in appendix C.

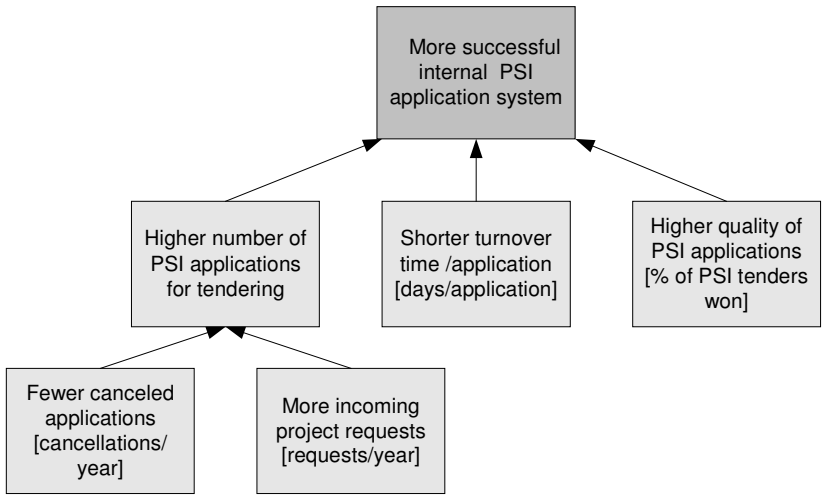

Figure 3.3: Overview of PSI specific goals.

As can be seen in the above figure, Teampro's optimal situation concerning an internal PSI system requires speed, quality and serious application-support requests. These goals will be taken into consideration during the remainder of this research project.

It was indicated in the previous chapter that Teampro is concerned about the relatively high number of lost tenders. As a result, the company is looking for ways to improve the outcomes in the future.
As most parties facing a problem, Teampro has a limited number of means to influence or change its current situations. These means are:

- adapt the current internal application process
- communicate with the EVD, the tender 'distributor' (for specific advice on how to handle an application)
- invest in marketing to gain more company awareness (thereby potentially attracting more business)

A simplified but overall view on the available means is to note that the first two focus mainly on quality, while the third tool focuses on quantity. An interview with Mrs. Tocklu lead to the conclusion that the company's focus lies on quality, rather than quantity (Tocklu, 2009). The possibility of an larger investments in marketing is therefore not taken into consideration in the remainder of this report. Any improvement that will be suggested at a later stage of this research should naturally fall within the boundaries of the means that are available to the company.

Conclusion

This chapter focussed on gaining insight in the company's current situation in terms of tasks, goals and means. It was revealed that PSI is a central element in the company's business, and that Teampro wishes to focus on quality rather than quantity, in order to guarantee yield and continuity in the future. With this knowledge in mind, chapter four proceeds towards understanding the environment in which Teampro operates in order to understand the goals of the other participants in this PSI context and to know which types of relations exist between Teampro and these other parties. Knowing the playing field of the company is expected to help in creating a screening procedure that will prove to be effective in achieving it's main goal: improving the success rate of PSI proposals.

4. ANALYSIS OF THE BUSINESS ENVIRONMENT

Even though Teampro has the means to adapt its internal screening process without being hampered or constrained by any other party, the situation should not be analysed only from the company's perspective. The reality is that interdependencies exist that can influence Teampro's operating environment (Enserink e.o., 2004). This chapter will clarify this statement after providing an overview of the different parties involved as well as a network analysis.

4.1 The parties involved

Compared to many typical problems that are analysed at the faculty of Technology, Policy and Management, this specific analysis contains few involved parties. This is a result of the chosen scope in this master thesis research. This scope was chosen to grasp the participants' situation at the actual PSI-level. The parties that can be distinguished are:

- the EVD
- Dutch/Foreign project partners
- East African project partners
- Consultancy competitors
- The Dutch Ministry of Economic Affairs
- The Dutch Ministry of Foreign Affairs/ Development Cooperation
- East African embassies
- Dutch embassies in East Africa
- Local African institutes

The EVD refers to the companies in developing countries as 'local partners'. It may be helpful to specify what the difference is between a Dutch/foreign and a East African partner. Within the PSOM programme, the only possible joint venture was a venture between a Dutch company and a local company in a developing country. Under PSI however, non-Dutch parties are also invited to form a joint venture with a local partner and apply for the PSI subsidy.

4.2 Analysis of goals and means

Appendix E presents an overview of the goals and means of influence of all parties involved. This analysis led to a number of conclusions.

The analysis revealed only little friction between the actors' interests or goals: the overall aim is to have as much granted PSI-proposals as possible (within the budget), be it for different

reasons. Companies focus on the financial gains of winning the tender, whereas the governmental issues focus on the development effects for the countries involved.

A straight-forward contradiction in interests between Teampro and it's competitors exists: an increase in the percentage of gained tenders for Teampro could result in a decrease for the competition. Up to date, this has not been an existing issue since the EVD's budget for PSI has proven to be larger than the number of feasible requests. However, the first PSI tender of 2009 revealed that a larger number of applications were made than can be granted within the available budget. This situation can possibly manifest itself regularly in the future:

- It is possible that PSI's existence gains more awareness, as a result of which more companies would apply for a grant/subsidy.
- The budget for Development Cooperation is formulated as a percentage of the gross domestic product. As a result, a shrinking economy leads directly to a diminished budget. PSI, being funded by the Department of Development Cooperation is very likely to also be affected by this situation.
- Finally, it is possible that a (large) number of PSI-consultants find a way to increase their effectiveness in producing project applications. The overall level of competitiveness would then significantly increase, leading to a higher number of feasible projects.
- It is needless to explain that any form of enlarged competition would make the design of an effective project screening method even more useful.

The competitors are/can be affected by Teampro's actions, but are (in the light of this specific research focus) not aware of direct problems.

Finally, it can be pointed out that even though the EVD is an institution under the Ministry of Economic Affairs, the PSI-programme was developed and is funded by the Ministry of Foreign Affairs. As a result of this, friction occasionally occurs within the PSI-organisation: the two ministries have a different view on the main focus of development. Within Economic Affairs, the main goal is to strengthen the Dutch economy, whereas the department of Development Cooperation (under the Ministry of Foreign Affairs) focuses on supporting development countries. These are however issues of which no proof could be found that they affect Teampro's situation.

4.3 Network relations and dependencies

This network analysis aims at reflecting the relations and dependencies between all the aforementioned involved parties. The question mark indicates that the relationship between Teampro and its competitors can be unclear in the future. A detailed explanation of figure 5.1 is presented in appendix F.

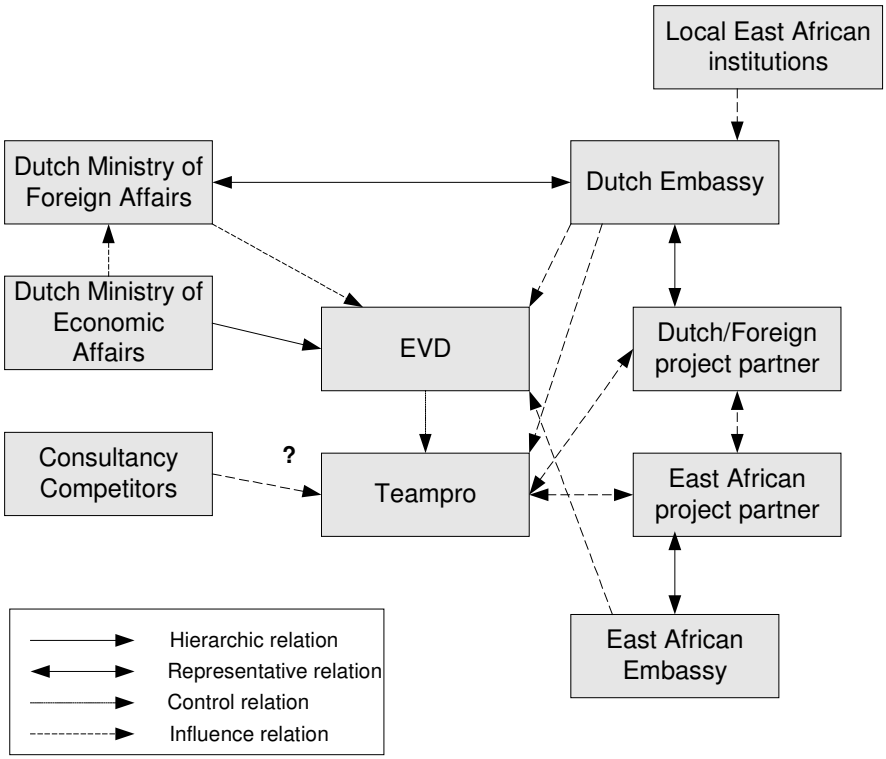

Figure 4.1: Relations between parties involved

As was to be expected, the most crucial relation in this research proves to be the relation between the EVD and Teampro. Proposals for the PSI subsidy programme are directly approved or rejected by the EVD. Also, the EVD (in collaboration with the Ministry of Foreign Affairs) regularly makes adaptations to the application criteria (e.g. based on foreign politics, new insights, etc). These adaptations can heavily influence Teampro's activities, as the EVD could for example decide to remove a development country from the list of eligible countries. Regular communication with project officers as well as a thorough analysis of the official PSI-documents that are published in the Government Gazette are to be advised in order to minimize the (potentially negative) impact of the changes.

The relation between Teampro and the project partners (the clients) is described as being two-way influential. This is concluded based on the fact that Teampro relies on the partners openness, cooperation and commitment when accepting an assignment, while the project partners rely on Teampro to deliver a high quality proposal. While not being examined at a detailed level in this thesis, the relation between Teampro and it's clients should not be ignored: it can be important for the successfulness of an application. In Teampro's current approach today, the contact with clients is organized in a personal way. For example, Mrs. Tocklu has regular contact by telephone with the clients, and payment agreements are made on an individual basis. While not being the central focus of this thesis, this relation will

however be taken into consideration in the design chapter, be it briefly. A further study in this area is to be recommended.
The relation between the partners should also be taken into close consideration when designing a potentially effective screening procedure, as these parties will be cooperating for several years, if a subsidy is granted. (It was already mentioned in chapter two that this report will focus on the aspects related to *cultural* differences between partners).

Conclusion

An analysis of the goals of the parties in Teampro's environment revealed that these goals do not seem to interfere with each other. An exception on this are the goals of Teampro's competitors: an increased number of PSI grants won for Teampro, affects the amount of money that is available for PSI grants for other parties. This chapter further revealed that an important relation exists between Teampro and the EVD in this PSI context. It is important to develop a screening procedure in which the communication with the EVD is emphasized.

Chapter five presents a thorough analysis of the EVD's evaluation procedure and the criteria on which this evaluation is based. This analysis is important when trying to understand the operational environment on which an internal screening procedure for Teampro will be based.

5. ANALYSIS OF THE APPLICATION CRITERIA

When working towards a screening procedure that should prove to be successful in the future, it is crucial to understand the operational environment in which the procedure will be applied. As was revealed through the analysis of the business environment, Teampro's relation with the EVD is crucial, in the sense that all PSI applications are granted or denied by EVD employees, based on the EVD's evaluation procedure. A central step in coming toward an effective design is therefore to understand the EVD's evaluation procedure and to grasp the essence of the criteria on which the evaluation will be based.

5.1 General differences between PSOM and PSI

As was mentioned earlier in this report, the last tender within the PSOM programme was held in 2008. The PSOM programme has been replaced by the new PSI programme in 2009. Even though the change was merely a legal adaptation, it does have an effect on different levels of the programme. The table below presents an overview (Jansen, 2009a):

	PSOM	**PSI**
What?	*Tendering under private law*	*Subsidy programme*
Result?	*Contract*	*Administrative decision (beschikking)*
Legal protection?	*Moderate*	*Yes (decision can be appealed)*
Clarity?	*Yes: due to well-defined contract*	*Moderate*
Latitude?	*Yes*	*Moderate :due to strict legislation*
Certainty?	*Yes*	*Moderate: no payments if results are not achieved*
Negative equity?	*Allowed*	*Not allowed*
Cooperations?	*Allowed*	*Not allowed *(may be adapted in the future)*

Table 5.1: General differences between PSOM and PSI programme

A more detailed explanation of these differences is presented in appendix G. (As Teampro will probably hand in its very first PSI project proposal in August 2009, it might be valuable for the company to be aware of these adaptations. For example, the stricter rules with regard to the payments during the implementation process lead to an increase of the risk of financial burden for the partners of a joint venture: under PSI, no payments are finalized until every planned result is achieved. For Teampro, this new situation could lead to the decision to try to minimize level of risk taken by the joint venture: the failure to meet the project results could have a severe negative impact on the partners of the joint venture, Teampro's clients. Both from a responsibility point of view as well as from business point of view (Teampro's clients must remain financially stable enough to be able to meet the financial agreement, both with Teampro as with the EVD), Teampro is advised to take the above adaptations into

consideration. (From a responsibility point of view as well as for the consultancy's reputation in the eyes of the EVD, Teampro wishes to minimize the risk of a project failing).

5.2 PSI Evaluation procedure

Before going into detail on the criteria, it is interesting to take a closer look at the evaluation procedure on which granting and denial of the proposals is based. This information can be of help when trying to grasp the essence and the importance of specific criteria.

The EVD's evaluation procedure takes approximately 15 to 18 weeks (EVD, 2009b). In this period, a proposal is submitted to several investigations. If the admission criteria are met and the proposal and all required documents are handed in, a proposal is officially taken into consideration. The proposal will be assessed based on the criteria in the PSI Guidelines. As was mentioned earlier, PSI is a tender programme, hence all applications compete with one another. The project proposal must have a sufficient score on each of the three main categories of criteria (Partners, Project and Impact, see 6.3.1). As a part of the evaluation approach, the EVD officers visit all partners of the potential PSI projects in order to create a personal opinion of the companies' structure and commitment.

The positively evaluated applications are subsequently ranked on the basis of a number of ranking criteria. Since all project proposals that reached this ranking phase were found to be of a sufficient level, the ranking focuses mainly on the impact of the projects and on preferred criteria, like for example the preference for SME's, small and medium sized enterprises (Bolt, 2009). The next paragraph presents a more detailed overview of these ranking criteria. (Due to the fact that it was noted earlier that the actual number of positively evaluated proposals adds up to a larger number of proposals than are allowed within the available budget, the impact of a project and the preferred criteria have become an important matter to focus on.)

A stepwise overview of the EVD's evaluation procedure is presented below. While the project officer is the first contact person throughout the application process, a larger number of people are involved in the decision making concerning the granting of subsidies to a proposed project (Jansen, 2009b, IJzermans, 2009):

1. The project officer for the country in which the project would be implemented, a colleague, the unit manager and a financial expert read and criticize the proposals. They each prepare an advice on the specific proposals in different categories (partners-project-impact, see 5.3.1) These advices contain a conclusion on a positive or negative evaluation.
2. These advices are compared with one another and a consistency check is performed: it is analysed whether the advices are consistent with one another.

3. An external expert is asked to analyse the project idea on its (technical) viability and innovativeness.
4. The Dutch embassy's advice on the project idea as well as the partners is requested, as the embassy's are expected to have a closer relation to and a valuable opinion on the specific situation in a country, as well as the companies that operate there.
5. The separate advices from the above steps are combined into a final advice after which all proposals are ranked. This ranking is determined by an overall score based on a set of criteria as defined in the Government Gazette:
    - all impact criteria
    - innovative aspects
    - preference for small and medium enterprises
    - preference for local ownership
    - preference for newcomers
6. This final advice on all proposals (both the positively as the negatively assessed proposals) as well as the ranking is presented to the APSI, an external advisory committee that has as sole purpose to provide the Minister of Development Cooperation with an evaluation of the proposals and the ranking (IJzermans, 2009).

This external advisory committee, consisting of 4 to 5 members, will make a decision on whether to agree or not agree with the EVD's evaluation and ranking. Not agreeing could result in a changed ranking or potentially the decision to exclude a proposal from receiving a subsidy. The available budget for PSI will be allocated to the positively evaluated proposals in their ranking order until the budget is exhausted (EVD, 2009b). Decisions are based on a majority rule among the members of the committee. However, if the votes would be evenly distributed, the chairman's vote is decisive.

5.3 Overview of the EVD criteria

It is of great importance for further company policy on the screening of incoming projects, to understand and meet the current criteria. However, in order to better understand the context in which Teampro is used to work, it is also helpful to analyse the PSOM criteria as they were applied at the time of the previous applications. Again, it may be interesting for Teampro to be presented with a clear overview of the changes under the new programme in order to prevent (PSOM) routine based screening decisions in the future. This paragraph aims to provide the reader with insight on the complexity of working with the PSI criteria.

5.3.1 Criteria categories

The project proposal appendix in the official PSOM &PSI application form is divided into three parts (EVD, 2008a):

- The partners (applicant & local partner, possibly a third partner)

- The project (Commercial plan - Operational Plan – Financial Plan)
- The impact (e.g. on employment, the transfer of knowledge, the environment, etc.)

The combined information in these three categories provides the EVD with a broad overview of the project set-up. In fact, one could say that the specific information request through this proposal are the screening criteria on which the EVD bases the decision to grant or deny a subsidy (Jansen, 2009a). However, in order to fully grasp the set of criteria that needs to be met, it is important to also analyse the official document in the Government Gazette. In this document, the following categories of criteria are mentioned (Government Gazette, 2008a):

- Formal requirements
- Admission criteria
- Evaluation criteria

These three categories are presented in the chronological order in which they are being checked. (Checking for compliance with these requirements is done in the first phase as described in paragraph 5.2.)

5.3.2 Generating the criteria overview

A list of criteria was generated by collecting all evaluation criteria from the official documents in the Government Gazette, as well as from the EVD's website. This list, consisting of 106 criteria, was used a basis for interviews: 8 interviews were held with individuals that represent different parties in this context. An overview of this communication is presented below:

- 3 interviews and communication through email with Anton Jansen, project officer at the EVD
- 1 interview and communication through email with Joost Bolt, project officer at the EVD
- 1 interview and communication through email with Patrick Vieveen, financial economic employee at the EVD
- 1interview with Ton Negenman, Senior Policy employee at the Ministry of Foreign Affairs
- 1 interview with Henk Holtslag, a former client of Teampro that applied for a subsidy in 2007
- 1 interview with Sjef IJzermans, the current chairman of the PSI evaluation committee.

The goal of these interviews was to gain as much insight as possible into the criteria on the current list, and potentially adding missing elements. The interviews were structured as follows:

- Interviewee information (function, experience, role in the evaluation procedure process)
- Evaluation procedure (description of the current evaluation procedure)
- Criteria (specific explanation per criterion; this approach was only used with the EVD employees)

- Extra (room for non-mentioned criteria and tips for an optimal screening procedure at Teampro)

The interviews were a crucial element in this research, as they were performed to reveal (essential) information on how to interpret the often briefly and vaguely formulated criteria. However, it was revealed that the atmosphere was not as 'open' as the author would have desired, due to the fact that PSI is a subsidy programme. It has proven to be a very delicate situation for the interviewees to walk the thin line between maximizing the amount of information that can be given and being guilty of enabling unfair competition between (future) PSI applicants. For the interviewer, this situation made retrieving the right and the right amount of information problematic. Organizing an interview with Mr. IJzermans has for example taken several weeks, as it was not clear to several EVD and Ministry of Foreign Affairs employees whether this types of interviews with the chairman of the PSI committee were allowed. During the interview, Mr. IJzermans pointed out that he wished to be very careful with giving information in order to prevent enabling unfair competition. The author argues however that by combining the information from the different interviews, and by clearly communicating the research's goal, which increased the interviewees trust in the moral aspects of the research, the interviews were very successful. The author is very grateful for all the interviewees' trust and openness. The three employees of the EVD were so kind to offer some extra information on every and each criterion that could be derived from the different available documents. Presenting specific examples and elaborating on the goals that are aimed to be reached through the criteria, resulted in a less intangible set of criteria.
The main value adding element of the interviews was the opportunity to analyse the criteria one by one. It became clear that while criteria appeared relatively understandable or tangible at first sight, the uncertainties were often encountered when trying to apply them to a specific project. Realizing this intangibility in the context of specific projects lead to many questions, all of which were answered –to their best capacities- by the EVD employees. The list of criteria, as well as how to interpret them, was double checked by comparing the answers of three EVD officers with the aim to guarantee a correct interpretation of the criteria as well as objectiveness.

Through extensive conversations and discussions on the criteria, a list of informative comments per criterion has been generated. While not always being able to turn an intangible criterion into a fully tangible one, these comments do offer guidance on how to interpret the EVD's evaluation criteria. An example of a criterion that has been made more tangible through the interviews may add to the readers understanding of the value of the interviews. One of the EVD's criteria is formulated as follows: "The project should not lead to a deterioration of the position of women". After reading this criterion once, one might find it a very simple or at least logical criterion. A second look might however raise the question on the meaning of the term 'deterioration of the position of women', and how this could manifest itself

in a project. Mr. Anton Jansen, EVD project officer, shed some light on this criterion by giving an example of a negative situation. A worldwide trend in agriculture is the automation of labour. However, since the majority of the work on the land in Africa is performed by women, proposals for automation project in the agricultural sector can be labelled as leading to a deterioration of the position of women, since a large percentage of the women currently working in this sector are likely to become unemployed as a result of implementing this project. Such a project idea would be negatively assessed on the aforementioned criterion.

A few extra criteria were formulated during the interviews. These are criteria indicating the project partners' motivation to take on the project. It was advised by the EVD to pay good attention to the intentions of the partners, as it may be an indicator for the commitment to the project on the long term. Also, it was advised to treat preference indicating criteria as regular criteria for a more realistic screening (see 5.3.3 below).

Appendix H presents an overview of the 106 PSI criteria in combination with the extra information per criterion that was retrieved through the interviews. (This overview could be used as a final checklist before officially applying for a PSI tender through handing in a project proposal to the EVD.) It presents an overview of all the criteria that could be retrieved from both the official application forms, as well as additional information that was retrieved from interviews with Anton Jansen, Joost Bolt and Patrick Vieveen, employees at the EVD.

For purposes of clarity, the PSOM and the PSI programmes have been compared after which the results were put into a table. This table, consisting of 12 differences between the programmes, can be found in appendix I. Based on the list of all PSI criteria, a sublist has been generated of the criteria that ought to be checked through the screening procedure. This list has been developed with the help of Mrs. Tocklu. It can be concluded that the only criteria that will not be taken into consideration when developing a screening procedure, are the criteria that refer to the formal aspects of the proposal, for example the number of copies that need to be handed in. There is no need for adding these criteria to a screening checklist, since these are actions that will need to be undertaken in the future. This list of 72 criteria will be used as a basis for the screening procedure and will be presented into more detail in chapter 9.

5.3.3 Possible regrouping of classes

Analysing the PSI screening criteria overview revealed that the set of criteria is not homogeneous: several types of requirements could be distinguished. When designing a screening procedure based on these criteria at a later stage, this non-homogeneity should be taken into consideration as different types of criteria might require a different approach. In order to give the reader some insight in the encountered non-homogeneity, several categories of criteria that can be distinguished are presented:

- Hard vs. soft criteria:

These terms are here defined as crucial criteria (hard) versus criteria that are merely a preference indication (soft). It must be noted however, that it was advised by a project officer to consider all requirements to be 'hard', in order to significantly enhance the chances of winning a tender. Also, since it was stated earlier that the final ranking of the proposals is merely based on the impact and preference criteria, it can be recommended to adhere to these requirements as if they were hard.

- Content related vs. administrative criteria:

One can distinguish between content related criteria (e.g. the project must involve training of personnel), as well as administrative criteria that have no direct relation with the specific project (e.g. the deadline as set by the EVD must be met).

- Ambiguous vs. explicit criteria:

A crucial distinction between the criteria can be made concerning the tangibility of the criteria: while some criteria are very clearly defined, others remain relatively intangible. This latter category of criteria seems open to the interpretation of the reader: from a procedural point of view, it is important to minimize this room for subjective interpretation as much as possible. The aforementioned interviews were a crucial element in reducing this intangibility and room for subjective interpretation.

Based on the aforementioned advice from a project officer, the first category of criteria will not play an important role in the design of a screening procedure. All criteria, hard and soft, will be taken into consideration. The second category does not have consequences for a screening procedure design and will not be taken into account. The last category however, will require a procedure to be able to deal with both explicit as well as non-explicit criteria.

5.3.4 Ambiguity and vagueness of the criteria

Ambiguity is a concept that can be interpreted in different ways. This report uses the description as formulated by Noordegraaf: "Ambiguity has similarities with the term 'uncertainty', in the sense that they both (…) emphasize the role of vagueness, disorder and unstructuredness (…)" (Noordegraaf, 1999).

An analysis of the criteria overview revealed that a relatively large number of criteria are formulated in rather ambiguous and intangible way. It is therefore hard to interpret them objectively when trying to apply them to a specific project.

An example of an ambiguous criterion is "The proposed activity should not compete with existing commercial activities". This criterion is hard to understand when realizing that in his proposal, the applicant must argue that there is a market for the product. The existence of a market almost always implies that implementing the proposed project will lead to competition. This argument was presented to a project officer from the EVD, who was able to shed light on

the situation. It was explained that competing with an existing commercial activity was not an issue at all, as long as implementing the project would not cause a group of local companies to go bankrupt or significantly loose income: this would not match with the EVD's larger goal of creating economic growth in the area. The aforementioned criterion aims to prevent unfair competition through subsidized projects. While clarifying the contradiction, this argument explanation cannot be translated into a tangible criterion. The best description would be: "The proposed activity can compete with existing commercial activities, to the extent that no local competitors are caused a substantial amount of income loss and no unfair competition is created."

The 5 interviews with EVD employees lead to the conclusion that it is not possible to convert this or the majority of the other intangible criteria into tangible ones. As the PSI evaluation procedure has just been updated due to the conversion from the previous PSOM programme, one might wonder why the ambiguous formulations have not been replaced by more tangible or measurable criteria. Mr. Jansen and Mr. Bolt, both EVD project officers shed some light on this issue: while the ambiguity can be problematic when assessing whether a proposal adheres to the requirements, it has a strong benefit in the eyes of the EVD: the vagueness of the formulation create a degree of freedom that can allow the EVD to balance the positive and negative sides of a proposal, thereby allowing for a more personal judgment on the potential of projects. Strictly defined criteria would minimize the EVD's options to grant tenders to projects of which project officers believe that they have a large potential to contribute to the development of a country, but that for some reason have difficulties in proving this potential on paper. (One could of course argue that this freedom can also be used the other way around, by being able to reject projects of which it is estimated that the positive expectations are overrated in the proposal). While the ambiguity is a difficult but positive element for the EVD, it has a strongly negative side for applicants or consultants like Teampro (Jansen, 2009a). This ambiguity leads to uncertainty about whether criteria are met or not: basing a screening procedure on the criteria as defined in the official documents on the EVD's website is very difficult. It is therefore decided that minimizing the ambiguity of the criteria is a crucial and well-appreciated step in order to come to a usable screening process (Tocklu, 2009). It should be mentioned however that Teampro could also try to use this ambiguity to its advantage, taking the opportunity to defend projects that have weaker elements, both in the written proposal as during communication with the EVD).
(Whether this upside of having ambiguous criteria equals the downside could be the subject of a long and personal discussion. However, finding an answer to this question would not add to the quality of a screening procedure to be designed). A way of handling these criteria will be proposed in chapter 7.

5.4 Overview of the company-specific criteria

As could potentially be expected, Teampro does not have many criteria to add to the extensive list of criteria of the EVD. There are however a few elements that are company specific.

- The local partner must be a company in an East African country.

First of all, Teampro focuses on projects on East African territory. As was mentioned earlier, these countries fall under the company's area of experience, and expanding to a larger area of interest is not seen as being realistic as long as the company consists of the current number of employees.

- The applicant must be able to present a basic project plan.

As will be explained into more detail in the next chapter, applicants are asked to present a basic project plan to inform Teampro on their ideas for the PSI project. This plan must be written at a detail level that allows for screening by Teampro. Applicants that did not prepare such a plan, are not preferred. The lack of a plan could be interpreted as a sign of low commitment and unserious attitude towards the project. Teampro's experience is that existence of a such a plan is usually positive proof of dedication to the project. This lowers the level of uncertainty for Teampro.

- The partners must be willing to cooperate and communicate with Teampro.

As simple as this may seem, it is important for Teampro to be able to contact the partners. Teampro must be convinced that the partners are dedicated to the project and that they will cooperate with them in order to be able to hand in the application before the deadline.

- The partners must be willing to sign a contract with Teampro

In order to confirm the business relation, partners must be willing to sign a contract with Teampro. It is important that this is done at an early stage of the application process, as withdrawal of the partners at a relatively late stage would result in a lost of income, while a significant amount of time has already been invested into to project.

Conclusion

This chapter revealed that the list of criteria consists of a large amount of ambiguous criteria. In order to be able to present a valuable screening procedure further in this report, it is important to analyse the possibilities to diminish this intangibility thereby adding transparency to the process. Also, it was found that the ranking of the proposals at the EVD is centered around the impact criteria and the criteria indicating a preference. Based on this finding, it is found to be crucial to add these criteria to the screening procedure to be designed at a later stage.

After having analysed Teampro's approach towards handing in a PSI proposal in general, and the EVD's approach towards evaluating a proposal, the next chapter will analyse Teampro's current approach towards screening into detail before proceeding towards the literature analysis on decision making.

6. CURRENT COMPANY APPROACH TOWARDS SCANNING

In order to be able to present a suitable screening framework at the end of this thesis project, it may be helpful to understand how Teampro deals with the decision making concerning the choice for specific projects today. This chapter will provide insight into the current approach. Also, the defined specific criteria to a future screening procedure are presented.

6.1 Teampro's current screening process.

As has been mentioned earlier, the decisions on whether to accept a PSOM assistance request have always been performed by Mrs. Tocklu, the company's CEO. Having started the company on her own, Mrs. Tocklu is used to making these decisions. However, the knowledge on which these decisions are based have not been made explicit through an official company procedure yet. As a result of this, the procedure cannot be mastered by employees at this moment.

Interviewing Mrs. Tocklu on this subject revealed that over the years, she has developed a relatively fixed working method. In order to be able to estimate the potential of an incoming project, she first focuses on answering several questions. Mrs. Tocklu's set of screening questions consists of the following:

- Does the applicant have a partner already?
- How many years ago was the company/were the companies founded?
- Is the applicant/are the partners financially strong?
- Do both partners share the same core business?
- Is the project idea new for that specific country?
- Will developmental effects result from this project?

There is no fixed order in which these questions are being answered. However, several questions require specific information that must be presented by the applicant (and potentially his/her partner). Experience learned that it usually takes the partners a week to provide the required documents. These documents are: an overview of the annual financial statistics of the previous two years, a business plan and proof of registration at the chamber of commerce or a similar local authority. After receiving this information, Mrs. Tocklu usually needs one day to come to a decision on whether or not to accept the project. During this day, the partners' documents are analysed, extra information on for example the innovativeness of the idea is retrieved through the internet and potentially unclear issues are presented to the applicant (through telephone contact).

Ideally, one of Teampro's Kenya or Ethiopia based employees visits the local partner to get a more realistic idea of the company's working procedures and current activities. This is however not always possible, for example due to the large distances to be covered.

After a positive evaluation by Teampro, a project intake form is filled in and is presented to the EVD. Teampro values the EVD's opinion highly: if the EVD expresses doubt on the chances of the project, Teampro will only decide to continue the application if the project's weaknesses can be adapted.

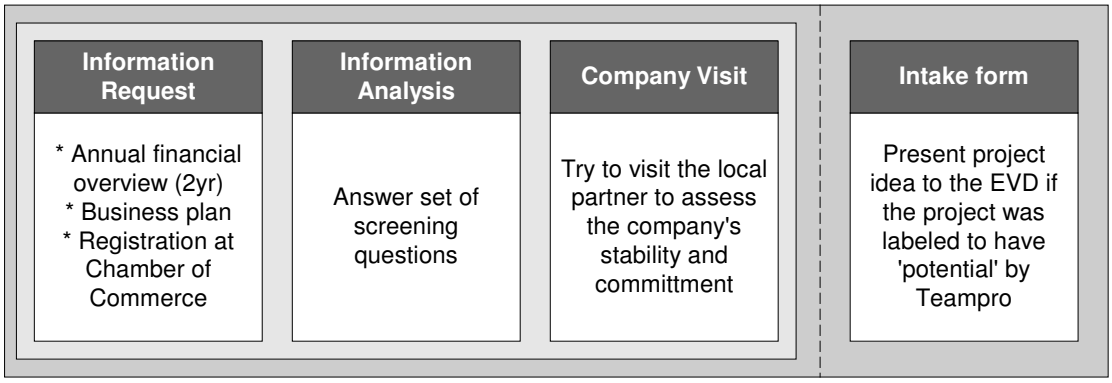

Figure 6.1: Overview of the current screening elements

The figure above presents an overview of the screening elements that can be distinguished in Teampro's current approach. The first three blocks represent the different steps that are taken in order to come to an internal opinion on the potential of a project. These steps are not performed in a fixed time order. The fourth block has been added to the figure to emphasize that Mrs. Tocklu ultimately bases her decision on a accepting an incoming project on the outcome of a meeting with the EVD.

6.2 The value of experience

While hard to measure, it became clear that Mrs. Tocklu has built a large amount of experience in estimating the potential of a project. She developed a personal routine that was not based on a strict procedure, but that was led by common sense and knowledge that was acquired over the years. This type of knowledge is referred to in the literature under the name "tacit knowledge'. For purposes of clearance on the meaning of the term 'tacit knowledge', the business dictionary's definition is presented (Business Dictionary, 2009):
"Unwritten, unspoken, and hidden vast storehouse of knowledge held by practically every normal human being, based on his or her emotions, experiences, insights, intuition, observations and internalised information. Tacit knowledge is integral to the entirety of a person's consciousness, is acquired largely through association with other people, and requires joint or shared activities to be imparted from on to another. Like the submerged part

of an iceberg it constitutes the bulk of what one knows, and forms the underlying framework that makes explicit knowledge possible. (…) Also called informal knowledge."
The issue with tacit knowledge is that it is very difficult to retrieve from an individual. While it could be argued that retrieving the right information from an individual is an analyst's task, it cannot be guaranteed that it can always completely be achieved. It may be valuable to take (the potential lack of) this type of knowledge into account when designing a screening procedure that will be used by new or inexperienced employees. This element will be worked out into more detail in chapter 9, when a design is proposed.

6.3 Teampro's screening procedure requirements

After reviewing the current screening approach, Teampro indicated that they are open to any procedure design that is able to encapsulate their requirements.
Teampro has outlined several specific requirements for a screening process. A brainstorm session and interviews with the three Rotterdam-based employees led to the following overview requirements:

- The new screening procedure must be **effective**: it must distinguish potentially successful projects from nonpotential ones.
- The new screening procedure must **distinguish** between projects that have no potential at all, and **projects** that could have **potential** if several adaptations were made.
- The new screening procedure must be **complete**: it should check for all aspects that are defined as being crucial decision elements to the EVD (and Teampro).
- The new screening procedure must leave **no** (or as little as possible) **room for interpretation of the criteria**.
- The new screening procedure must be **well-described/easy to use**: other employees than the CEO must be able to perform a good screening based on the new procedure.
- The new screening procedure must take the **response time** from applicants into account.
- The new screening procedure must be **time-efficient**: it should not take more that 3 to 5 effective working days to come to a relatively solid decision (this is after all required documents from the partners were received).

Furthermore, several agreements were made on the boundaries of the procedure to be designed:

- When presenting a time schedule for the complete screening process, it should be assumed that the **applicant already found a local partner.** The company's experience is that finding the right partner may take between a few days and a year.

In other words, it is not feasible to present a specific timeline in which the matching of partners still has to take place.

The downside of this assumption is that in reality, only a low percentage of the applicants were able to find a partner prior to their first contact with Teampro. However, this downside could be counterbalanced by the fact that the screening process could already be performed without these partners (Of course, specific partner related elements in the screening procedure might not be relevant at that stage). When a partner is found in the future, a brief rescan of the project could suffice to insure that no significant changes occurred.

- Furthermore, the feedback on the **EVD's intake form is not included** in the scope of the design. The screening procedure is defined as the process step after receiving a new project assistance request and before checking the project's potential with the EVD. The idea behind this is to have made a relatively solid decision on the potential of a project before communicating with the EVD. This could potentially save time for both Teampro as well as the EVD. (The company prefers to focus on quality rather than quantity).

These criteria and boundaries will be taken into account when presenting a screening framework design further in this report.

Conclusion

The main conclusion of this chapter is that Teampro's internal screening process today is performed by one specific person, Mrs. Tocklu, who possesses years of experience. This experience is a basis of tacit knowledge that allowed her to deal with the intangibility of the criteria: over the years, the intangibility of (many of) the criteria decreased due to this increasing tacit knowledge. Since new employees will lack this experience, one might want to look for a way to try to communicate Mrs. Tocklu's tacit knowledge to the employees. This chapter further presented a list of requirements to a new procedure, as defined by Teampro. This analysis chapter concludes the series of analyses that aimed to provide a complete overview of the current situation and the environment in which Teampro operates.

Chapter 7 will present the findings of a literature analysis. These theoretical findings will subsequently be translated into a more specific tool to be used for the design of an internal screening procedure.

7. DECISION MAKING APPROACHES

In this chapter, several steps are taken to work towards a suitable screening framework for Teampro's projects. Before being able to present a design in the next chapter, the theoretical basis for screening will be explored. In the search for a fitting theoretical background, the distinction will be made between fully rational, fully irrational and less rational decision making. The theoretical basis will be used to derive an approach towards the design of a screening procedure. A basic set-up for a screening procedure will be presented at the end of this chapter.

7.1 General overview of decision-making theories

When analysing the literature on specific screening theories, it appears that this area is fairly underrepresented. This may be due to the fact that the screening of potential projects or choices could be considered to fall within the general scope of decision-making. The lack of specific theories on how to handle the screening of projects, requires creativity by implementing larger theories on this specific case. The main difference between screening and decision making in general, is the time-factor: the idea of screening as defined in this paper, is that it is a decision that has to be made in a relatively short amount of time. As a result, it may not be possible to evaluate all criteria, which translates into a higher level of uncertainty about the decision. This trade off between time and risk is the decision maker's choice.

If the amount of literature on a certain subject would be an indicator of the complexity of the subject, one could conclude that decision-making is an extremely complicated topic. Making a decision can be difficult due to a variety of structural, emotional and organizational reasons. The structural reasons can for example include uncertainty and overall complexity (Golub, 1997).

7.1.1 Rational decision making

Several decision-making theories were developed over the years. The rational decision making theory may be the oldest theory in human history: the idea of a 'rational man' was already mentioned by Plato (Barrow, 1975). A very strictly defined rational decision would be a decision that is solely based on rational information processing. Rationality as used in this context is defined by Dunn as follows: "*Rationality is a self-conscious process of using explicit reasoned arguments to make and defend knowledge claims*" (Dunn, 1994). Charles Lindblom based a theory on this notion: the Rational-Comprehensive Theory. With this theory, he specifies that the rational choices would have to meet the next set of conditions:

- There is consensus on the policy problem among all relevant stakeholders.

- All goals and objectives whose attainment would represent a resolution of the problem must be ranked.
- All policy alternatives that may contribute to the attainment of each goal and objective must be identified.
- All consequences that will result from the selection of each alternative must be forecast.
- Each alternative must be compared in terms of its consequences for the attainment of each goal and objective.
- That alternative which maximizes the attainment of objectives must be chosen.

The idea of fully rational decision making can be very appealing: *"If decision makers had access to all the relevant information they needed, had enough time and energy to reach the best possible solution and were unimpeded by being human, they would always use the rational decision process."* (Williams, 2002) This formulation already implies that these ideal conditions do not always apply. Etzioni formulates this notion in a stronger way: "*So-called rational decision making, once the ideal, requires comprehensive knowledge of every facet of a problem, which is clearly impossible today (Etzioni, 1989)*".

7.1.2 Irrational decision making

The most opposing view to the idea of fully rational decision making would be fully irrational decision making. However, one may argue that the latter very rarely occurs in practice. Imagine the very straightforward situation in which a person cannot decide on what to eat for dinner. A (strange but) simple approach would be to roll a die and let the outcome of that throw be the decision. However, one may argue that even in this very basic approach, rational steps can be distinguished: in order to be able to attach an option to each of the 6 numbers of pips, these different options would need to be chosen first. Hence, the process of coming to a decision would not be fully irrational since reason was involved in a certain stage!

As conclusion at this stage, one could state that both fully rational as well a fully nonrational approaches are not realistic. If this very simple example already contains rational elements, one may expect complex policy decision making on a public or private level to always at least be partially rational. Gigerenzer concludes: *The label "nonrational" signifies a type of theory, not a type of outcome. In other words, the fact that nonrational theories postulate agents with emotions, limited knowledge, and little time - rather than postulating omniscient "rational" beings - need not imply that such agents fare badly in the real world*."

7.1.3 Less rational decision making

Several theories were developed as a reaction to the limitations of the rational decision making theory. When analysing the literature on policy analysis, it is important to realize that the term "rational decision making" can be approached in different ways (Gigerenzer, 2001).

In paragraph 7.1.1., it refers to decision making that is fully based on rational, tangible arguments. However, rational decision making could also be defined as decision making that (at least) contains a rational element. This 'softer' definition is in some literature referred to as nonrational (or irrational) behaviour.

In this research report however, it was chosen to use the term 'less rational' to indicate the non-strictly rational decision making as these theories still encapsulate rational elements.

William Dunn presents an overview of several theories that can be gathered in this 'less rational' decision making category (Dunn, 1994). The relevant theories in the context of this research are listed below:

- **The disjointed-Incremental Theory**:
  This theory holds that actual policy choices seldom conform to the requirements of the rational-comprehensive theory. The incremental theory states that individual or collective decision makers, amongst a few other characteristics, consider only those objectives that differ by small amounts from the status quo.
- **Bounded Rationality**:
  According to this theory, decision makers simply avoid the effort to be rational and comprehensive at the same time. The idea behind this is that while choices are rational, they are nevertheless bounded by the practical circumstances under which they are made. Herbert Simon, the developer of this theory, proposes to use the concept of satisficing behaviour, rather than maximizing behaviour: one should not consider all possible alternatives, but only the most evident ones that will lead to a reasonable, satisfying increase in benefits.
- **Mixed Scanning**:
  This third theory provides for choices to be based both on comprehensive rationality and disjointed incrementalism. The precise combination of those two elements depends on the nature of the specific problem to be solved. In general, it is stated that the more problems are of a strategic nature, the more a rational approach is appropriate. Problems that are more operational of nature require a more incremental approach.

The three abovementioned theories aim at providing guidance in the decision making process, based on a more realistic insight in the context in which problems occur an on the nature of human decision makers. Figure 7.1 below situates these three theories on a scale of rationalism. The question mark represents the argument that fully irrational decision making might not exist.

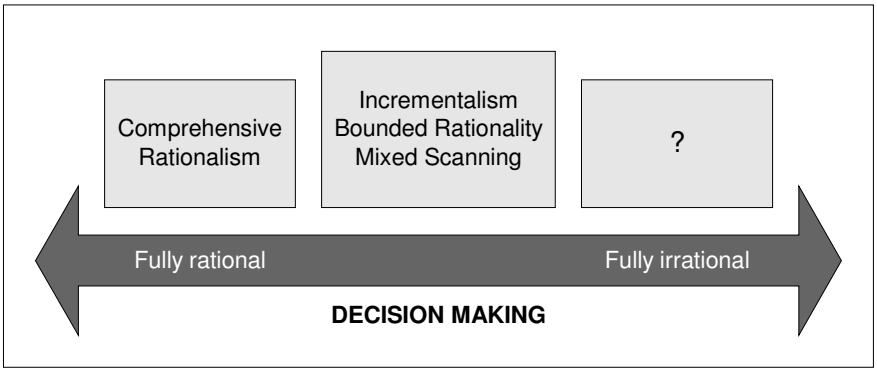

Figure 7.1: Rationality of Decision making theories

7.2 Mixed scanning

As was indicated earlier, the most realistic theories for the majority of the complex issues were listed under the heading 'less rational' decision making. When searching for a feasible theoretical basis in this specific research, it is therefore not surprising that an interesting concept was found in this category: Mixed scanning, also referred to as 'humble' or adaptive decision making.

As was already mentioned in the previous paragraph, the mixed scanning approach proposes a combination of comprehensive rationality and disjointed incrementalism. The challenge here is to combine these elements in an effective way (Dunn, 1994). Mixed scanning entails a mixture of shallow and deep examination of data. As the name suggest, it is designed on two sets of judgment. It contains both broad choices as well as incremental decisions. In other words: it allows for small steps in the decision making process, while keeping the 'grand design' in mind.
One of the strengths of this approach, especially when considering this specific context of designing a screening procedure, is, that it takes into account that decision makers often have to base their actions on partial information, which, moreover, they have had no time to fully analyse. Amitai Etzioni, the scientist behind this theory states: "Through mixed scanning, managers can increase the flexibility and adaptability of their decisions. Also, they can put decisions off, stagger them, or break them into separate parts…" (Etzioni, 1989).

The aforementioned characteristics of mixed scanning seem to be very appropriate in the environment in which a screening procedure for Teampro needs to be designed, in the sense that they take into account the issues of **incomplete information** and **limited time**. As was mentioned earlier, the screening of incoming projects must be a relatively quick process in which there is not sufficient time to gather all the required information. (In fact, the mixed scanning theory, being a less rational theory argues that it may well be impossible to ever collect all the required information).

Furthermore, the combination of **shallow and deep examination of data** appears to be compatible with the different types of criteria that were examined in chapter 5. An example of this might be of help in this argumentation. As was shown in that chapter, the set of PSI criteria consists of a wide array of criteria categories. Some of the criteria would require a very deep examination (e.g. The project's internal rate of return should at least be positive over a 7 year period). Other criteria however seem to require a more shallow examination (e.g. The project should be commercially feasible). While it is possible that other theories might also be a valuable basis for the development of a screening procedure, it is decided in this project research to focus on the mixed scanning theory due to the aforementioned fitting characteristics. The challenge ahead is to develop a screening procedure, based on the theory of mixed scanning, that entails the abovementioned elements in an appropriate and effective way.

7.3 Translating mixed scanning into a tangible tool

The principles of mixed scanning as described above cannot be directly applied to this specific problem of designing a successful screening procedure. They need to be integrated in a more tangible decision making tool.

7.3.1 Decision-making support tools

When going through the literature, one can notice that decision making tools come in all shapes and sizes, and are being used for different specific purposes. Since it is impossible to present an overview of all available tools, a list is presented of several common approaches (Mindtools, 2009b):

- **Grid analysis**:

  This type of analysis can be used to support decisions when many factors have to be considered. It is especially valuable when there are several good alternatives that need to be compared. It is also known as the 'weighted matrix' or 'score table': the different options are compared on the weighted scores for each factor. Summing up the scores translates qualitative factors into a quantitative final score per option.
- **PMI**:

  This abbreviation stands for Plus/Minus/Interesting. The power of this tool lies in the fact that instead of starting to compare options, it begins with analysing whether an option would in fact improve the situation. PMI entails that a list is generated of all positive and negative effects, as well as an overview of the possible interesting outcomes when implementing an option. Each of these elements are subsequently scored, after which a total score of an option can be calculated.
- **Six thinking hats**:

  This technique supports the decision maker by analysing decisions from different perspectives. The creator of this tool, Eduard de Bono, distinguished six differently

coloured hats: each hat represents a different way of thinking. For example, the white hat stands for analysing the data, the red hat symbolises analysing the option from an intuitive perspective, and the black hat represents a pessimistic approach.

- **Cost/Benefit analysis**:

  CBA's, as Cost/Benefit analyses are regularly referred to, are a widely used tool in many companies. They are claimed to be relatively simple: the costs associated with a decision are retracted from the benefits of implementing it. CBA's can be performed using only financial costs and benefits. It is however possible to combine these with less tangible effects by estimating the value of these effects: this does of course affect the simplicity and the subjectivity of the tool.

- **Decision tree**:

  The strength of decision trees lie in the structure that they provide: through this structure, the different courses of action can be explored. They assist in forming a balanced overview of the risks and benefits linked to specific decisions. Along the structured branches of the tree, statistical probabilities are translated into a final value per branch. These values can then be used as a basis for the decision of which course of action to take.

For purposes of clarity, an example in which these techniques are applied to random cases is presented in appendix J. The decision making tools as described above, as useful as they have proven to be in many occasions, might not be suitable for the problem in this specific report: they are either too quantitative (e.g. decision tree), too detailed and time consuming (e.g. CBA) or their strength lies in comparing several options, which is not the nature of a screening procedure for single project ideas (e.g. grid analysis). However, several characteristics of these techniques could be combined into a feasible screening process.

7.3.2 Dealing with the ambiguity of criteria

Chapter 5 revealed that a fairly large number of the PSI criteria cannot be measured easily in numbers: several criteria are formulated in a relatively ambiguous way. If one defines the EVD's criteria as a way to translate the organization's goals concerning the PSI programme to the applicants, it can be stated that this ambiguity and the vagueness of the criteria is of large importance to the ability of managers to exercise control over policy. (Lipsky, 1980). Since the criteria are the central element in the evaluation process by the EVD, having a deep insight into them is very important.

The question now is how to deal with this vagueness and ambiguity? In her dissertation Silvia Pauly argues that finding a way to deal with ambiguity in decision making processes is essential (Pauly, 2001),. She proposes that participants in the decision making process try to **make agreements** on how to deal with the a specific situation.

In the scope of this research project, this theory can be implemented in two different areas: First of all, Teampro could aim at being on the same wavelength as the EVD. While not being in the position to influence the PSI-criteria and make agreements on how to define the criteria, Teampro can however try to achieve a high level of understanding through good communication. As was stated earlier, interviews were held with 3 EVD employees in which the criteria were discussed at a very detailed level. Through these conversations, a important step has been made to better understand the criteria: the project officers from the EVD were so kind to offer some insight in every and each criterion that could be derived from the different available documents. Presenting specific examples and elaborating on the goals that are aimed to be reached through the criteria, resulted in a less intangible set of criteria. These interviews revealed however that it is not possible to completely remove the ambiguity and vagueness in the current criteria definitions by reformulating them. Analysing the current list of criteria leads to the conclusion that it is very difficult to interpret every criterion separately. The main ideas behind the set of criteria are of great importance (Jansen, 2009b).

A second lesson that could be learned, based on the aforementioned dissertation, is that it is important for Teampro to have internal agreements on the decision making process in the screening phase. This agreement could be achieved by having an clear and explicit screening procedure.

Another approach towards ambiguous situations is to implement interactive learning to the process: coming to new insights and translating this knowledge into process adaptations is argued to be a feasible way to deal with ambiguity (Boonstra, 2004). Constant **reflection** is needed in order to allow for this learning and adapting element. Again, this idea can be translated into a tangible approach for designing a screening procedure. One could think of adding a standard process step of reflection after each tender period. New lessons that were learned along the way could immediately be translated into usable information for the future.

7.3.3 Requirements to a suitable framework

Chapter 6 presented an overview of Teampro's requirements to a screening procedure. As this chapter concludes the procedure specific analytical chapters of this report, an overview of the requirements can be presented. Based on the analyses that were performed in the previous chapters, several requirements to an appropriate screening procedure can be made explicit.

- The network analysis revealed that the relation with the EVD entails the strongest dependency: since the criteria form the basis for the EVD's decision to grant the subsidy, it is crucial to **design** a procedure that is built **around** these **criteria**.

- Furthermore, analysing the criteria led to the conclusion that several types of criteria can be distinguished: specific/tangible criteria versus open/intangible criteria. A

screening procedure for Teampro must be able to **handle** these **different types of criteria**.

- Finally, it was indicated through interviews with the EVD as well as with Mrs. Tocklu that in this specific type of projects, the relation between parties in the joint venture is essential for a good implementation of the project. Project proposals are relatively often denied a grant due to a lack of trust in (a partner of) the joint venture. It is therefore important to try to maximize the chances of winning a tender and minimize the risks of a project failing by taking into account the potentially complicated **relation between partners** in a joint venture.

Combining the above requirements with the previously defined list of Teampro's requirements in chapter 6 leads to an overview of all the requirements that are defined in this research. This list of requirements is presented in appendix K.

A last remark here is that the analysis of Teampro's current approach towards scanning revealed that the screening has always been performed by Mrs. Tocklu, who developed a feeling for the potential of incoming projects. Her experience and tacit knowledge have proven to be very important in coping with the intangible criteria. For a new screening procedure to be used in the optimal way, it would be useful to try to capture this **experience** and communicate it to the other company employees that will be scanning incoming projects in the future. This is not a requirement to the screening procedure, however, it should be taken into account when making recommendations for the future.

7.4 Basic set-up of a screening procedure

A combination of the information and conclusions at this stage has been converted into the following screening procedure approach:

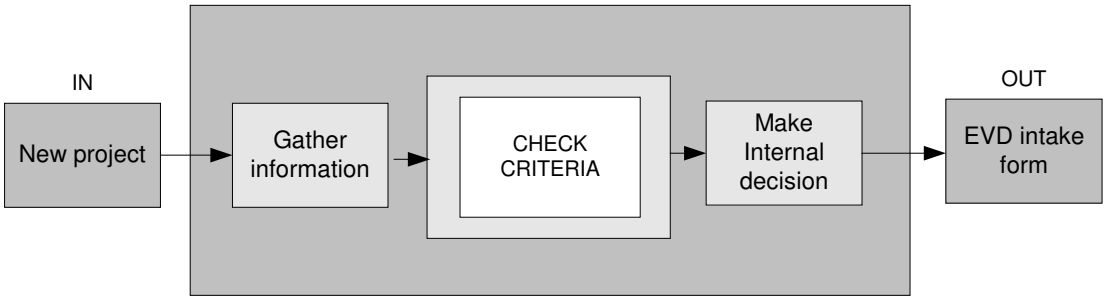

Figure 7.2: Preliminary Screening process approach

As was indicated in chapter 4, the EVD's criteria should form the centre of the process since ultimately the decision whether a subsidy can be given to a project is based on these criteria.

Chapter 5 illustrated that many of the criteria are formulated in an ambiguous way. Also, the PSI screening list consists of 72 criteria. In order to be able to make a realistic assessment of whether these criteria are met, it is important to possess the right and the right amount of information. Gathering this information is an important and separate step in the process. Based on the outcome of the criteria check phase, an internal decision should be made on whether to proceed with the project.
To sum up: the screening procedure starts when a new project assistance request is received. As is the case today, Teampro subsequently starts to gather information through the project applicant. The central element, a criteria check, will be worked out into more detail. Based on the outcome of this check, Teampro could decide to accept a project and proceed to filling in an official EVD application form.

When checking whether an incoming project matches the criteria, it makes sense to **prioritise** these criteria: by doing this the decision making process can be divided into different decision moments. For example, an idea that does not meet the basic admission criteria should not need to be analysed further. This would merely be a waste of time since the chances of receiving the PSI subsidy are estimated at zero. When prioritising the criteria, the basic idea of a decision tree might be helpful: this technique's core strength is that it creates structure into the possible courses of action. While the structure element of a decision tree is a good attribute in this research, the quantitative aspect of working with probabilities is not a realistic option. It is therefore chosen to use the structured element for purposes of clarity and explicit visualization, while omitting the quantitative aspects. It might be appropriate to not use the term 'decision tree', since this is likely to give a false impression of the exact approach that will be used in this report. The name **'process tree'** would reflect the proposed approach in a more correct way.

An approach similar to the Six Thinking Hats is to look at a situation from the point of view of different professionals or clients (Mindtools, 2009a). In Teampro's case, this might be a very valuable technique to overcome the issues of not being able to work with tangible criteria. Through the interviews with several EVD project officers, the criteria were translated as much as possible into tangible formulations. However, it became evident that there is a limit to the extent to which this can be done: many criteria could not be captured by an objective or explicit formulation. However, by **'wearing the EVD's hat'**, it is possible to collect these intangible criteria under a few main categories or denominators. In other words, the core values of the programme could be captured by thinking from the EVD's perspective and by understanding which goals lie behind the criteria. A more specific overview and design of the process tree will be presented in Chapter 9.

Conclusion

The literature analysis in search for a fitting theory on which a screening procedure can be based, revealed that the theory of mixed scanning seems to offer several elements of support: mixed scanning takes into account the incompleteness of the information and the limited amount of available time. Also, mixed scanning acknowledges the issues of having ambiguous data by proposing both a shallow as a detailed analysis of the data. This idea will be implemented in the final design, by distinguishing several categories of criteria/questions. (More specific information on this in chapter 9). When analysing possible tools for implementing the idea of mixed scanning, it was chosen to structure the criteria check element by using a process tree. For purposes of efficiency, prioritising certain criteria to be checked is proposed. Finally, it is chosen to implement the idea of 'wearing the EVD's hat' or in other words, looking to the situation from the EVD's point of view. This will be done by finding a way to check whether a proposal adheres to the EVD's 'PSI-spirit'. A preliminary overview of a screening procedure has been presented.

Before proceeding towards designing the screening procedure into detail, the next chapter will first focus on a new aspect: the intercultural differences between the partners in a joint venture. It was decided to include this extra element in the research in order to be able to present a more complete approach towards scanning. It was chosen to investigate the intercultural aspect for several reasons. These are emphasized on in chapter 8.

8. THE EFFECT OF INTERCULTURALITY

A short analysis of the past proposal rejections in chapter 2 revealed that the rejections were based on an unsatisfactory assessment of the partner(s) situation: the EVD did not trust the partners stability. It could be argued that it is remarkable that out of the many different criteria, the decisive non-met criteria were indicated to all be related to the partners of the project. The notion that the partners' situation as well as his/her commitment to the project is important for the granting of a subsidy has been emphasized by the interviewed EVD-employees. They repeatedly indicated the importance of having a strong and well cooperating joint venture. The aforementioned facts indicate that it would be interesting to look deeper into the literature on business partner relations in order to perhaps find a way decrease the chances facing partner-based rejections in the future. As it is not realistic however to try to investigate the complete topic of partner relations in the context of this thesis, it was chosen to focus on the more specific element of intercultural collaboration. This focus was chosen based on the specific nature of PSI-projects, in which a local partner from a developing country and a non-local partner are closely working together: this collaboration provides a situation in which culture-related issues can play an important role. Intercultural differences between two parties of a joint venture have proven to not seldom result in the failure of international projects (Kealey e.o., 2006). Estimates of the success of intercultural projects in the literature are not very positive: several sources indicate a 50 per cent success rate (Harrigan and Naumann, 1993). Analysing the literature on how to support intercultural collaboration could be a way to increase the chances of a project being successful.

This chapter opens a new subject in this master thesis, which could probably be the basis for a complete thesis on itself. It was nonetheless decided to include a relatively brief analysis of this subject in the report, based on the aforementioned findings. This chapter aims to provide the reader with information to better understand the concept of 'culture' in general, as well as different practical tools that might Teampro to help supporting intercultural collaboration between parties. At the end of the chapter, a closer look is taken at a specific combination of national cultures that is regularly encountered within the joint ventures that request Teampro's services in supporting them when applying for a PSI/PSOM subsidy: the East African versus the Dutch culture.

8.1 Cultures differ

8.1.1 A national culture

The behaviour of individuals is not random; it appears to be - to some extent - predictable. In fact, we are all said to have a 'mental programme' (Hofstede, 1980): we carry patterns of thinking, feeling and potential acting that we learned over the years. The source of our mental programme lies within the social environment in which we grew up and where we collected

our life experience. One can think of the family, the neighbourhood or school as places or experiences that helped to create this mental programme. Hofstede, a worldwide renowned researcher in the field of cultural diversity, refers to this programme as 'culture'. Based on the assumption that people almost always belong to a number of different groups or institutions, Hofstede argues that we unavoidably must carry a number of mental programming levels within ourselves that correspond to different levels of culture. Examples of these levels are the organizational culture, the social culture and the national culture.

The latter, national culture, will be the subject of the remainder of this chapter. National culture is a level on which the partners of a joint venture for the PSI programme practically always differ as the companies must be situated in different countries. In the 17th century it was already argued that a nation has a general spirit (Montesquieu, 1742). While it may not always apply on an individual level, collective properties are ascribed to citizens of certain countries. When trying to grasp the core differences between national cultures, one aims to capture the national culture trends. Again, drawing conclusions from studies on national culture and applying them on an individual level must be done with great caution, as national culture is just one of the many levels that, when combined, define a person's unique mental programme. This thesis will use the term 'culture' to refer to this mental programme in the remainder of this thesis.

8.1.2 Defining the cultural differences

Over the years, Geert Hofstede defined 5 dimensions along which dominant value systems in different countries can be ordered and which affect human thinking, organizations and institutions in predictable ways. These dimensions are presented below, together with Hofstede's definition as written down in his book "Cultures and Organizations" of 2005.

- *Power distance*

"Power distance is the extent to which the less powerful members of institutions and organizations within a country except° and accept that power is distributed unequally. (Institutions are the basic elements of society, such as family, the school, etc. Organizations are the places where people work.)".

(° The verb 'to except' is an antonym of the verb 'to accept').

- *Individualism/Collectivism*

"Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetimes continue to protect them in exchange for unquestioning loyalty."

- *Masculinity/Femininity*

"A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life. A society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life."

- *Uncertainty Avoidance*

"Uncertainty avoidance can (…) be defined as the extent to which the members of a culture feel threatened by ambitious or unknown situations."

- *Long Term Orientation*

"Long term orientation stands for the fostering of virtues oriented toward future rewards – in particular, perseverance and thrift. Its opposite, short term orientation, stands for the fostering of virtues related to the past and present – in particular, respect for tradition, preservation of face, and fulfilling social obligations."

The fifth dimension, Long Term Orientation, was added several years after the first four were defined, based on a survey on Chinese values by Michael Harris Bond. Paragraph 9.3 will present a comparison of East African countries and the Netherlands by comparing and interpreting the scores on the first four of the aforementioned dimensions.

Note:
Both the terms 'intercultural' as 'cross-cultural' are found in the literature. This report uses the term intercultural, based on the reasoning that while 'cross-cultural' applies to something that covers more than one culture, 'intercultural' can be seen as implying interaction between cultures (Fries, 2002). The latter definition was found to be more appropriate in the context of this research.

8.2 Supporting intercultural collaboration

8.2.1 Collaboration in the PSI context

The subject of intercultural collaboration is particularly interesting in the context of the PSI programme, as collaboration between partners that originate from different national cultures lies at the basis of implementing a project. When companies decide to collaborate, differences between their management cultures can sometimes be noted. If this is true for companies in the same country, it is very likely to also apply to companies that originate from a different nation. When analysing the subject on a high level, in order to try to come to conclusions on overall trends, one can argue that 'national management cultures' must exist, since management and leadership cannot be separated from other parts of society (Hofstede,

2005, p20). Hence, in order to understand managers' or leaders' behaviour, one must also analyse the society in which they operate. In other words, it can prove to be valuable (in some cases maybe even essential) to create a picture of the other party's national cultural background when starting a collaborative relation.

Collaboration between businesses can occur at several levels. One can for example think of mergers or several types of ventures. Within PSI, joint ventures are preferred by the EVD. In a joint venture, a new business is created by combining resources from two (or more) companies. The cultural risk that follows from this new setting can be controlled by making clear agreements about which partner supplies which resources, and who will take responsibility for what part of the management (Hofstede 2005, p347).

Hofstede states that managers chronically underestimate cultural factors: economic values tend to prevail over all other, and promoting cultural understanding is often not on a manager's priority list. However, the collaboration of individuals with different cultural backgrounds may gain from an understanding of where the thinking differs (Hofstede, 1980, p9). Teampro could help to improve the quality or the smoothness of the collaboration between partners of a joint venture on the long term, by pointing out this need for intercultural understanding. It must be mentioned however that Teampro has more possibilities than to restrict to 'pointing out the differences'. The extent to which Teampro would like to contribute to the creation of a strong venture is a policy decision that has to be made internally. An overview of the three different levels on which this contribution could be organized might help in making this decision. The literature specifies the following levels (Hofstede e.o., 2002, p5):

- Awareness: create awareness about the differences between national cultures
- Knowledge: help people to know what these differences are
- Skills: teach people the skills to communicate/collaborate effectively

The following paragraphs focuses on tools that might be of use when trying to create awareness and provide knowledge, as it does not seem logical to assume that Teampro, a consultancy, would need to take the responsibility of teaching skills to the parties of a PSI joint venture. Again, it should be Teampro's decision how much to invest in order to increase the chances of having a strong joint venture for a PSI application.

8.2.2 Role-playing simulations

Gert-Jan Hofstede (Geert Hofstede's son) provided a hands-on approach to creating awareness and providing knowledge. In his book titled 'Exploring Culture', he presents a large number of anecdotes that communicate the differences between several national cultures to its reader. He proposes **role-playing simulations** as a tool for understanding and practicing how to handle social rules in a new intercultural context. These simulations might be used as a tool for communicating the three aforementioned levels of contribution. However, it must be mentioned that these simulations can be time-consuming and that some individuals might feel very uncomfortable being part of such an 'unreal environment'.

8.2.3 Intercultural training

It appears that the awareness of the impact that differences between national cultures can have on the management of international businesses has been growing since the late 80's (Bank and Waisfisz, 1994, p69). Traditionally, this awareness has been translated into the decision to prepare **briefings** on the history, institutions, climate and social customs of a foreign country. This approach however confines itself to the more superficial manifestations of national culture. A more general conceptual framework is needed to provide understanding of how people tend to be conditioned to deal with the basic problems that face human societies. Geert **Hofstede's 5 dimensions** can be used to form this framework in order to provide practical outcomes for managers when aiming to grasp the essence of a foreign culture. Teampro could decide to translate this essence to the clients in order to add to the clients' awareness of and knowledge on the intercultural differences in a joint venture. From a practical point of view, it is important to be prepared to invest enough time in the training process. As was mentioned in 9.2.2, role-playing simulation has as downside that it is time-consuming. Clients tend to prefer to minimize the amount of time invested in such training. However, a minimum of 2 days length is advisable in order to be able to go beyond an introductory level and equip participants with practical skills (Banks and Waisfisz, 1994, p86).

8.2.4 Filming as a basis for communication

Another approach towards creating awareness between the PSI partners could be to try to capture and communicate the cultural differences through visual communication. A methodology that has been studied in the literature is Visual Problem Appraisal (VPA): " (It is) a film-based methodology that aims to encourage and support professionals engaged in the facilitation of processes of change to sharpen their analytical competencies by actively observing the explicit articulation of the various problem perceptions encapsulated in film interviews" (Witteveen and Enserink, 2007). **Filming interviews** with different parties in a complex and uncertain problem setting was revealed to add to the comprehension of the analyst. VPA is said to enhance communication and contribute to social learning. This approach could potentially have the benefit of requiring less financial resources, compared to face-to-face encounters between parties that reside in different parts of the world. This however depends on the exact set-up of the approach. Several possible uses of the filming technique as a way of communicating awareness and knowledge in the specific setting of this research can be imagined:

- One might imagine the beneficial effects of compiling different interviews with both East African and Dutch partners of previous PSOM/PSI projects, thereby communicating their experience to potential future PSI project partners.
- The technique could also be used as a communication tool between the two partners of a joint venture: short films could be made by both local company as well as the applicant in which they present their company, their expectations and their motivation

to the other partner. (A Teampro employee could for example be responsible for shooting these short films in order to guarantee a realistic image of the companies.)

- Finally, Teampro could present the VPA idea to the EVD, and lobby for funding for or the creation of a film that aims to inform potential PSI partners of the implications of cooperating with a party with a different cultural background. Such a film could be valuable for the partners of all PSI projects.

8.2.5 Facilitating ecollaboration

A specific issue in the case of PSI joint ventures is that the partners are located in different parts of the world. Face to face communication on a daily basis is often not possible. In general, communication occurs by electronic mail or by telephone contact. A new term has been developed over the years to capture this way of working: Ecollaboration (Gignac, 2005). Examples of ecollaboration are the use of shared whiteboarding, multimedia conferencing, calendaring and scheduling, e-mailing, etc. Collaboration and communication appear to become increasingly virtual. However, the lack of personal contact can be a source for issues, especially in an intercultural context, as misinterpretation can easily occur. The awareness of potential misunderstanding due to having different cultural background might be an important asset for maintaining smooth collaboration. As misunderstandings can easily occur in probably all types of non-personal communication, one can imagine that cultural differences between to individuals would add to the number of misunderstandings.

Mrs. Gignac, the author of the book 'Building successful Virtual Teams', offers a tangible support tool. As an appendix to her book, the author offers a CD-ROM containing a large amount of **templates and informational documents** that aim to support and **facilitate collaboration** between teams that are characterized by their electronic communication. The CD-ROM offers for example facilitation tips, an agenda set-up and an evaluation form template.

8.2.6 Topics of interest

When aiming to create awareness and provide knowledge on the cultural differences between parties from different countries, several topics on national culture could be taken into consideration:

- Basic national characteristics (customs, brief national history, 'manners', etc.)
- Business characteristics (business customs)
- National values (Hofstede's 5 dimensions)
- Communication styles (points of attentions, information on the language, etc.)
- Negotiation advice (how is negotiation affected by national culture, how to avoid unintended cultural conflict)

This list of potentially interesting topics is based on a combination of information found in the literature and personal communication with Teampro and one of Teampro's clients. When

developing a tool for communicating the cultural differences to the partners of a joint venture, it would add to the value of the tool if the aforementioned topics were included. A large amount of information and studies has been published that could serve as a basis for such a tool. Further research is recommended in order to develop a fitting approach for Teampro.

The practical tools that were presented in paragraph 8.2 could be used by Teampro to support the intercultural collaboration in their clients' joint venture. (Teampro could of course also benefit directly from applying these tools to their personal situation: in coming to a PSI proposal, Teampro's employees also have to collaborate with clients who have a different cultural background). More specifically, the author sees realistic opportunities for intercultural learning based on (short) films. The author expects that compiling a short movie in which different parties of a previous PSOM project share their experience with the programme and their experience with cooperating with a different (and international) company could be a convincing way to communicate a realistic image of the programme. Both companies at the start of an application as well as new Teampro employees might benefit from such an approach. The benefit of this approach is that it can be implemented at relatively low investment cost and low maintenance cost (once the movie has been developed, there will be little or no extra cost for presenting it to new clients over and over again). The idea of creating awareness and providing knowledge on the cultural differences will be implemented in the design of a screening procedure in the next chapter, as it is expected to prepare partners of a joint venture for cooperation, thereby decreasing the chances of misunderstanding, frustration and even potentially withdrawal at a later stage.

8.3 East African versus Dutch culture

After having presented a relatively general and theoretical insight in the world of national culture and intercultural collaboration, this paragraph presents a specific comparison of the East-African and the Dutch culture. The goal of this is to inform Teampro on the cultural differences that might be encountered in the joint ventures of many of their partners. This information could be included in a briefing document to be sent to Teampro's clients as a (first) step in raising awareness and providing knowledge on the cultural differences between Dutch and East Africans.

An analysis can be made of the differences between these two geographical areas, based on Hofstede's 5 dimensions as defined earlier in this chapter. On his personal website, Geert Hofstede has published the scores of 56 geographical areas for the 5 dimensions. The term 'geographical area' is used instead of 'country', since several countries were grouped into a larger area. East Africa is an example of such a geographical area in Hofstede's research. It was defined as the combination of the following countries: Ethiopia, Kenya, Tanzania and Zambia. This definition of 'East Africa' is largely compatible with Teampro's work area. Even

though the PSI programme allows for non-Dutch companies to apply for a subsidy, this report will focus on the differences with the Netherlands. (This choice was based on the fact that Teampro's main office is located in the Netherlands and that one could expect many of the future applicants to be Dutch companies.) If non-Dutch applicants would approach Teampro in the future, the information on Geert Hofstede's website could be used to perform a case specific overview of that company's national culture (www.geert-hofstede.com).

Figure 8.1 presents a graph of the scores for the dimensions of East Africa and The Netherlands, as were found on Hofstede's website. Visually comparing the graphs leads to the conclusion that Hofstede's research found cultural differences between the two. Figure 8.2 combined the exact scores for these two areas in a single table. Each score is deduced from the answers of a large group of respondents on a number of questions. The bold number reflects the strongest dimension per geographical area.

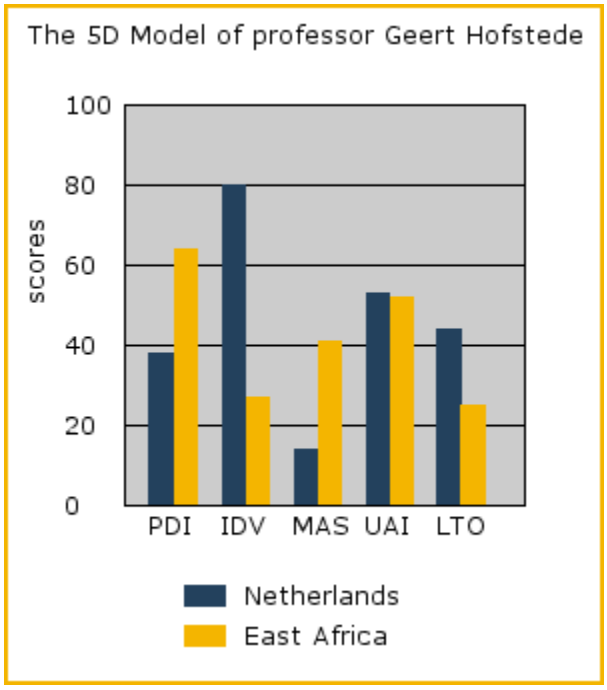

Figure 8.1: Plot of the dimension scores for East Africa and the Netherlands

	East Africa	The Netherlands
Power Distance (PDI)	64	38
Individualism (IDV)	27	80
Masculinity (MAS)	41	13
Uncertainty Avoidance (UAI)	52	53
Long Term Orientation (LTO)	25	44

Figure 8.2: Dimension scores for East Africa and The Netherlands

The figures can be analysed and interpreted per dimension. One must however be very careful when trying to attach recommendations on behaviour based on these dimensions, as Hofstede himself remains rather unclear in this area. Specific recommendations to Teampro's clients should perhaps be based on personal experience rather than on these dimension scores. (The values of the scores are put on a scale from roughly 0 to 100; exceptional values can be larger than 100.)

- *Power distance*

East Africa's power distance index is not only larger than the Dutch index, it is also the area's most dominant dimension. It appears that individuals in the East African countries generally accept unequally distributed power to a larger extent than the Dutch would. Based on analysing the three questions that lie at the basis of this dimension score, one might conclude that in comparison with Dutch employees, East African employees are more afraid to disagree with their managers. Also, they are more accustomed to their boss taking decisions in a more autocratic way (Hofstede, 1980, p103).

- *Individualism/Collectivism*

The Netherlands have a relatively high score on this dimension, especially in comparison with East Africa. Based on the definition for this dimension, this could be translated as follows: the Dutch are on average very individualistic types that are expected to look after themselves. East Africans on the contrary, are usually integrated in strong and loyal groups in society.

- *Masculinity/Femininity*

While the East African countries do not have a particularly low or high score on this dimension, it can be said that East Africa is more masculine than The Netherlands in Hofstede's definition. The cultural differences on this dimension are perhaps enlarged by the relatively high level of femininity in this latter country. The Dutch value for masculinity may indicate a low level of differentiation and discrimination between genders. For example, women are likely to be treated more equally than men in the Dutch than in the East African culture (Hofstede, 2009).

- *Uncertainty Avoidance*

Both geographical areas score more or less alike on this dimension. These scores indicate that both East Africans and the Dutch are likely to avoid uncertainty to the same extent. Often encountered ways to decrease uncertainty are for example enacting laws and policies. Based on these scores, no particular conclusion regarding culture differences can be made. It could be expected that there are no significant differences between the cultures on this dimension.

- *Long Term Orientation*

Again the scores are not extremely different for the two areas. The dimension scores indicate that the Dutch generally probably have a more long-term orientation than East Africans. As a result, it is possible that East African countries put more emphasis on quick results. This could be an important notion when starting a joint venture together.

An analysis of Hofstede's scores on the five dimensions revealed that, as was to be expected, cultural differences exist between East African countries and The Netherlands. As it was mentioned in the introduction of this chapter, cultural differences can result in the failure of joint venture projects. In order to try to decrease the probability of such an unfortunate occurrence, it is decided to recommend that Teampro informs its clients of the existence of these cultural differences. This will be added to the overall screening procedure design that will be presented in the next chapter.

The strongest conclusion of the dimension analysis is that the largest difference between the East African and the Netherlands can be found in the level of individualism: the Dutch culture has a higher level of individualism. Also, it appears that a larger power distance is accepted in East African countries, and that the roles of men and women are more separated in these countries. Finally it appears that the Dutch culture is generally more focused on the long term than the East African culture. Again, one must be very careful when attaching specific traits to these dimensions as Hofstede's research was performed on a broad level. The fact that four East African countries were combined would probably be seen as a downside for people who know the cultures in these four countries: how realistic is it to draw identical general conclusions on these four states? Despite this potential weakness of this analysis, one could argue that this basic comparison would probably still have value for companies that have no experience with the East African culture. This information could be used as a basis to inform East African and Dutch clients who wish to collaborate on the potential differences they might encounter during over time.

Conclusion

This chapter defined the term 'culture' and focused on the elements of national cultures in general. In a joint venture as formed by companies applying for PSI projects, smooth collaboration can be a crucial element. Several possible approaches towards supporting this intercultural collaboration were presented. Finally, a more specific comparison of the East African and the Dutch culture was performed, based on five dimensions as defined by Hofstede. This analysis revealed large differences between the two national cultures: with the aim to increase the project partners' awareness and knowledge on these differences and their possible implication, an extra element will be added to the screening process design in the next chapter to support the design and the PSI project by creating awareness on the implications of cooperating in an intercultural environment.

9. DESIGNING A SCREENING PROCEDURE

This chapter presents a design for a screening procedure that aims at improving Teampro's chances of obtaining PSI tenders in the future. In coming to this design, the different conclusions that were obtained through the analyses in the previous chapters will be combined. The focus is put on the criteria checklist, as this is seen as the central element of the screening procedure. This element has been developed into great detail as it contains the basis of the screening procedure: the criteria on which the EVD's evaluation is based.
The results of a usability test of this design, performed with Teampro's employees, will be revealed and will be used to improve the proposed procedure.

9.1 Incorporating the different elements

A preliminary set-up of a screening procedure was presented in chapter 7. Based on the information that was retrieved through the literature analysis on intercultural differences as well as on several interviews with project officers (EVD) and Mrs. Tocklu (Teampro), this procedure has been slightly adapted. Based on the information that the EVD emphasizes the values of well-collaborating parties in the joint ventures and based on the finding in chapter 8 that Hofstede's dimension model reflects cultural differences between East-Africa and the Netherlands, Teampro's main area of clients, an element has been added to the process: Inform on implications. This element refers to the potential implications of collaborating with a partner who has a different cultural background. More details on this activity are presented in paragraph 9.1.2.

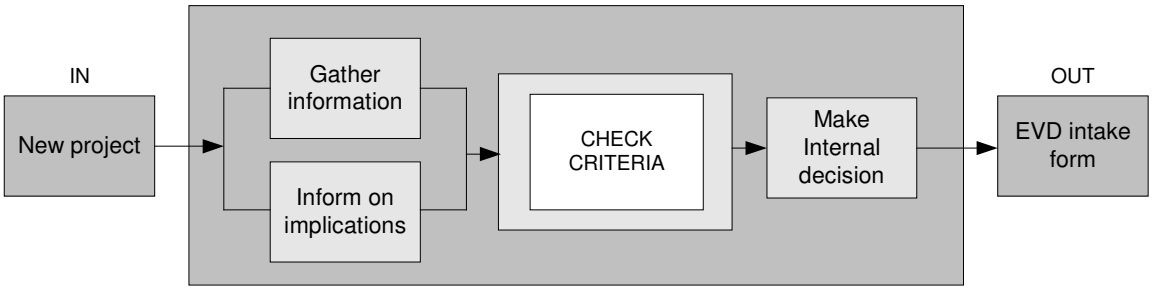

Figure 9.1: Screening process design

The presented design is to be interpreted as follows. After a new project assistance request is received, Teampro asks the project partners for specific information on the intended project. At the same time, Teampro informs the partners of the implications of working on a project with a partner that has a different cultural background. After having received the required information, an employee can start to check a specific list of criteria (see paragraph 10.1.3). The outcome of this analysis is the basis for Teampro's decision to either proceed or not

proceed with this request. This finalizes the screening process. The outcome is potentially the decision to proceed towards filling in the EVD intake form, thereby presenting the project idea to the EVD for an initial evaluation and advice on how to proceed towards the final PSI project proposal.
This screening process design will be worked out in more detail in the next paragraphs. The elements of figure 9.1 will be discussed one by one.

9.1.1 Gather information

Requesting information has always been a standard element in Mrs. Tocklu's approach towards screening. A basic amount of information is crucial in order to be able to form an opinion on the potential of a project. However, it is possible to subdivide this step. Two categories of information are proposed: Project specific information and a motivation check.

- **Project-specific information**:

  This category consists of the documents that Teampro currently already requests:

  - Information on the partners
  - A basic project plan
  - Proof of registration at the Chamber of Commerce or an equivalent organization
  - The annual reports of the previous 2 years

  A usability evaluation session of the criteria check phase, however, revealed that this information is not sufficient in order to evaluate all criteria. More as well as more detailed information is required in order to fully perform the criteria check. (See paragraph 9.1.3 later in this chapter).

  A more detailed overview of the required information can be found in appendix L. The goal of gathering this information is to help to create a picture of the project idea and the partners' financial stability. The presented information request document could be sent to Teampro's clients to inform them on what information exactly is required from them. Also, Teampro could use the document as a checklist to analyse whether all required information was received before proceeding to the criteria check phase. (The criteria check described in 9.1.3 will largely be based on this information).

- **Motivation check**:

  The decision to add a motivation check to the procedure is based on the interviews with Anton Jansen and Joost Bolt, EVD project officers. Both interviewed project officers emphasized the importance of having motivated partners in the joint venture: they indicated that a project can easily fall apart without motivated partners. If the EVD's evaluation reflects that the partners are not motivated to contribute to the development of the project's country, this is very likely to result in a negative assessment of the proposal. Also, a lack of motivation could potentially be translated into the break up of the joint venture in the future. The EVD indicated that such a

break up could regularly have been foreseen had the consultant performed a more thorough check. The EVD therefore sometimes has to conclude that the consultant neglected his/her responsibility, for example by not focussing on the overall quality of the proposed projects. This overall quality, as was stated by Anton Jansen, should involve a check of the project partners' motivation and commitment to the project. Being related to the break up of a joint venture that could probably have been foreseen is harmful for a consultant's reputation and should be avoided as much as possible.

Several of the PSI criteria were found to be important screening criteria, while it is not possible to check them. This is due to the fact that these criteria merely try to capture the partner's intentions with working on a project. A list of these criteria can be found in Appendix M. Based on the interviews with EVD personnel, it can be recommended for Teampro to imbed these motivation and intention criteria in the procedure in the (near) future. This could for example be done by developing a **standard intake form** that aims at checking these criteria. For purposes of increased confidence in the partners' true intentions, it may be useful to organize a personal interview in which the same motivation criteria are double-checked. The specific design of both an intake form as well as the partner interviews could be developed through further study.

It is advised to thoroughly check whether all requested information has been received before starting the Criteria Check. This would reduce the amount of time needed to perform this check.

This element in the presented design, as well as the next element presented under 9.1.2, require close and clear communication with the clients/partners. The approach towards communicating with the client and organizing or implementing the screening process design, is expected to benefit from a *process approach* (de Bruijn e.o., 2002). This means that the emphasis should not specifically lie on performing the presented design from a hierarchical perspective, and try to 'command and control' the design, but that Teampro should organize a structured interaction process with its clients. As was indicated in chapter 4, Teampro today already has a person-oriented approach and it is therefore expected that the integration of a process rather than a project approach will be fairly easy for the company. One might think of regular meetings starting from the very beginning of the process, in which the parties agree on the how to communicate, on the goals of the cooperation, on the responsibilities, etc. This approach is expected to create commitment and support among the parties involved and would therefore add to the value of the design. It may be specifically rewarding when trying to gather the right and the right amount of information that is needed in order to perform the criteria check. Without a process approach, the problem may arise that the partners are not

committed enough to be willing to invest the amount of time and energy into presenting the required information. Also, the commitment that follows from a process approach could prevent parties from withdrawing, a problem that has just recently occurred for the PSI deadline of February 2009 (see problem specification in 3.1.3), and could therefore result in a decreased income loss for Teampro. This could be very valuable when working on a 'no cure, no pay' basis. Further research is recommended to develop a suitable process design.

9.1.2 Inform on implications

The set-up of the PSI programme allows for Dutch as well as (for some developing countries) foreign companies to cooperate with a company in a developing country. In practice, many of the joint ventures are expected to be formed by a company from a developed country and a local party in an underdeveloped country (Jansen, 2009b). As the literature study in the previous chapter revealed, there are several differences to be noticed between the Dutch and the East African culture. When parties start cooperating, it is possible that they are not completely aware of the potential implications of having a different cultural background. However, being aware of these potential differences and knowing them might be a basis for a more realistic estimation of the road ahead and could decrease the number of frustrations in the joint venture, or even the chances of a joint venture falling apart.

Teampro indicated that, as a consultancy and/or intermediary, the company feels the responsibility to try to minimize the chance of a joint venture break up. It could be an option for Teampro to inform the partners of a PSI project on the potential implications of operating in or cooperating with individuals from a different culture. Doing this might add to the partners' awareness and could result in a decreasing number of issues within a joint venture.

One of the possible methods to **create awareness and offer knowledge** could be to develop an **informative standard document** in the future, with as goal to inform the parties at a very early stage. Such a briefing document could for example consist of (country specific) information on the following topics as was mentioned in chapter 8.

- Basic national characteristics (customs, brief national history, 'manners', etc.)
- Business characteristics (business customs)
- National values (Hofstede's 5 dimensions)
- Communication styles (points of attentions, information on the language, etc.)
- Negotiation advice (how is negotiation affected by national culture, how to avoid unintended cultural conflict)

While the abovementioned document is probably a good basis for bringing the cultural differences to the attention of partners of a joint venture, more effective methods for creating awareness might exist. For example, Teampro could **arrange** (at least one) **meeting** between the partners of the future joint venture at a very early stage. It must be mentioned here that

Teampro today already requires from its clients that they meet before starting to write the proposal. This is a requirement that has been defined in the past to ensure that the partners at least have a basic understanding of each other's working environment at the beginning of the writing process. Two of these meetings are preferably held: one at Teampro's office in Rotterdam, and one at the local partner's company. It may be interesting to investigate the future opportunities of organizing meetings between the partners of a joint venture during the screening process. The costs linked to these meetings (e.g. transportation cost, accommodation cost, etc.) should however be taken into account. Depending on Teampro's and the companies' willingness and priorities, one could even imagine teambuilding sessions to be organized during these meetings.

The several tools for supporting intercultural collaboration presented in more detail in chapter 8 might prove to be successful in terms of creating awareness and providing tools to the partners of a joint venture to facilitate the process of collaboration:

- Role-playing simulations of situations that might occur in intercultural collaboration
- Intercultural training, for example based on Hofstede's five dimensions (e.g. presentations or workshops)
- Filming interviews, as a mean of communicating cultural differences
- Virtual team support, through offering templates and information documents on how to
- communicate electronically

These tools can prove to be valuable in communicating cultural awareness to Teampro's clients. As was briefly indicated in chapter 8, the authors sees specific chances for implementing an approach combining intercultural training and filmed interviews. In general, more research could be recommended on the subject of how to create cultural awareness among the partners of a joint venture in such a way that the approach is both effective in terms of its added value for the partners' understanding and expectations of a future cooperation, as well as a feasible investment for Teampro, timewise and moneywise.

It should be mentioned here that the sole intention of the approaches that are being proposed here would be to inform (not to advise) the parties on how they should arrange the internal processes in the joint venture. The designing of such advisory guidelines would require very specific research in the future. (A question in this context could be whether advising parties on how to communicate with one another falls under the responsibility of a consultancy like Teampro. This is however an ethical and policy discussion that should be held within Teampro in order to decide where to draw the boundaries of responsibility towards the success of a joint venture).

Note:

An information leaflet could also be used to inform the parties of the implications of contracting Teampro and applying for a subsidy. Teampro could develop a standard set of documents to be sent to an applicant (and his/her partner) after the first contact. Ideas for the content of this document are:

- the different deadlines to be met in order to finish the application process within the EVD's deadline
- an overview of the EVD's conditions that must be met, both concerning the application process as well as over the several years of implementing and running the project after winning the tender
- general information on Teampro's services as well as the company's rates
- Teampro's list of terms and conditions

9.1.3 Check Criteria

As was mentioned before, the screening criteria checklist was chosen to be the centre of focus in this research paper. This was done for several reasons. It is first of all important to build a design based on the EVD's criteria, as they are the basis for the EVD's evaluation of the proposals at a later stage. Secondly, an analysis of the criteria revealed that a large amount of ambiguity exists concerning these criteria. It was chosen to dedicate a relatively large part of the research time to make these criteria more tangible or preferably explicit, and to find a way to check them through a procedure. The interviews with EVD employees have proven to be the key to come to a higher tangibility of the criteria. The information that was retrieved through the interviews is essential for the effectiveness of this design, as working with intangible or vague criteria would only have very little added value for a screening procedure.

The mixed scanning theory that was presented in chapter 7 was applied when developing a procedure to cope with both the explicit as well as the intangible criteria by combining a deep and shallow examination of the data. In order to create structure in the approach and in the large set of criteria, it was chosen to use a process tree as a basic framework for this part of the design. This process tree is presented in figure 9.2.

The basic idea behind this process tree is that different decision moments should be integrated in such a way that they are logical and time efficient. For this reason, the author of this thesis chose to divide the set of criteria into different categories. These categories, four in total, are described below. They were labelled 'admission criteria', 'tangible criteria', 'less tangible criteria' and 'final questions'. (Preference indicating criteria have been listed among the 'hard' screening criteria, since it was revealed in chapter 5 that these criteria are crucial in the EVD's final ranking phase in the evaluation procedure).

An overview of the criteria checklist per category, which has been checked with Mrs. Tocklu, is presented in Appendix N. As has already been mentioned, several interviews have been held with EVD project officers to try to minimize the ambiguity and increase the tangibility of the criteria. These interviews were crucial in coming to an understanding of the criteria's essence. The insights that were obtained through the interviews were added to the criteria in the form of a specific column of comments per criterion.

- **Admission Criteria:**

The first subset of criteria to be checked is that of the admission criteria. This list of criteria consists of the 10 admission criteria as defined by the EVD, as well as an admission criterion added by Teampro (only to consider projects in East African countries). This set of criteria is very explicit. If a project idea or if the project partners do not meet all these requirements, and it is found that the non-met criteria cannot be adapted to meet the criteria in the future, the screening procedure can be ended at that very moment: the project is found not to have the potential to win a PSI tender on the basis of this screening procedure. Further investments of time in screening are considered to be a waste of time.

Example of an admission criterion: "The applying company must be registered a the chamber of commerce at least 2 years when applying".

- **Tangible criteria:**

This category entails the 21 tangible criteria, not being admission criteria. The name tangible refers to the fact that these criteria are again relatively easy to interpret. As for all screening criteria categories defined in this report, the decision-making rule is that if any criterion is not met while not being adaptable in the future, the project idea is labelled as not having potential and the procedure is ended.

Example of a tangible criterion: "The recipient must be a private company".

- **Less tangible criteria:**

The name less tangible criteria refers to the characteristic of not being intangible, while not being completely tangible either. In fact, the list of less tangible criteria consists of 16 criteria that were intangible at the beginning of this research process, but that were made more explicit through the interviews with project officers. Since these criteria are however not completely explicit, it could occur that the screening employee within Teampro has doubts about whether certain criteria are met are not. In this case, the final evaluation of the potential of the project could be postponed to the fourth level in the process tree: the final questions. Again, the basic rule applies for the criteria that were answered with a clear yes or no: inadaptable non-met criteria result in a rejection of the project, while a set of 'yes' and/or non-met but adaptable criteria leads to proceeding to the fourth step in the process tree.

Example of a less tangible criterion: "The partners should be able to pre-finance the PSI contribution".

- **Final questions:**

In order for a project to be subjected to a final list of criteria, that project must have proceeded through the previous inspection rounds. A final check awaits the following projects:

- projects that adhered to all admission, tangible and less-tangible criteria, or
- projects that will be able to meet all these criteria after potential future adaptations, and/or
- projects that were found to meet all admission and tangible criteria but for which it is unclear whether they meet all less tangible criteria.

A fourth set of screening criteria remains after defining the admission, tangible and less tangible criteria: the intangible criteria. These are 24 criteria that – even after adding extra information that aims to clarify the ambiguity – remain too intangible to be used as the basis for a checklist. These criteria can therefore not be checked through the same approach as the previous three criteria checklists. It is however important to try to grasp the essence that is being investigated by the EVD through these (and the other) criteria. In order to try to assure that all core values of the PSI programme are covered in the proposal, a list of 7 questions has been developed. This list of questions is based on a combination of insights that resulted from both the official PSI document on the EVD's website, as well as from the interviews that were held during this research. (All interviewees emphasized the importance of projects being in line with the 'PSI-spirit'. These ideas have been translating into 7 questions). Only answering all these questions positively should result in a decision to accept the project for official application at the EVD. (See appendix L for the defined questions).
Example of final question: "Would implementing this project have a long-term developmental effect on the area?".

Based on the interviews, the author states that the core values of the PSI programme that are checked through the final questions can be summarized as follows:

> *" A PSI project is an innovative pilot project that is set up in such a way that knowledge is transferred from a Western partner to a local partner. A PSI project must have a long-term development effect on the area in which it is implemented."*

In order to be able to evaluate whether a project idea meets the aforementioned criteria, it is important to possess the right information to base the evaluation on. At this stage in the screening process, an employee is supposed to have received the requested documentation

from the partners. However, more information is needed in order to answer the wide range of questions. Several approaches can be combined in order to retrieve as much information as possible:

- Google the Internet for company information, project innovativeness, etc.
- Contact the applicant's embassy in the developing country in which the project will be implemented: EVD employees indicated that they always contact these embassies because they find that this is an important and trustworthy source of information.
- Contact the project partners when having questions.
- Contact/hire an external expert on the specific project subject. Interviews with EVD employees revealed that this is a standard procedure within their evaluation approach.
- Interview/visit the partners: it was mentioned in chapter 5 that project officers always visit the partners of projects that were found to have potential for receiving a subsidy. It might be interesting to investigate the possibilities for integrating these visits in Teampro's standard screening procedure in the future, especially since Teampro has offices both in the Netherlands as well as in East Africa.

The criteria checklists have been combined in a single Excel sheet. This programme was chosen for its ease of use, its universal access (it is a common programme for many companies) and for its feature of providing a structured lay out through the use of cells. While this sheet in itself, combined with the process tree presented in figure 9.2 would be sufficient to implement this element of the screening procedure at Teampro's, it was decided to further develop the Excel sheet by automating it. By 'automated', the author refers to the feature that the Excel sheet was programmed to guide the user through this phase of the screening procedure by informing on missing answers to the criteria, on when to proceed to the next subset of criteria, on which criteria lead to the ending of the screening procedure and which potentially adaptable non-met criteria should be discussed with the partners. Also, the automated sheet presents a fifth worksheet that presents the conclusions of the screening as well as basic advice on which step to undertake next. An example of this latter is "All criteria met. Proceed to worksheet 2". The goal of automating the Excel sheet was to improve the ease of use of the programme, while simultaneously reducing the probability of mistakes. This automated Excel sheet further aims at increasing the objectiveness of a decision by minimizing the room for intuitive decision-making.
It was decided not to present more detailed information on the exact content of the excel sheet for purposes of confidentiality. (A closed appendix containing a more detailed overview of the sheet will be published with this thesis; appendix N).

It should be mentioned that the **criteria indicating a preference** of the EVD have been taken into consideration when developing the four checklists. (They have been put between brackets for purposes of clarity). The choice to add these preference-indicating criteria to the

checklists is based on the information that these preferences are of high importance in the EVD's ranking phase of the evaluation procedure (Bolt, 2009). The downside of this might be that Teampro rejects project ideas, solely based on the fact that they do not meet the preference criteria. However, Teampro formulated the wish to focus strongly on quality rather than on quantity. The probability of putting a large amount of time and effort into proposals that are rejected in the EVD's final evaluation round is decreased by treating the soft (preference) criteria as hard criteria.

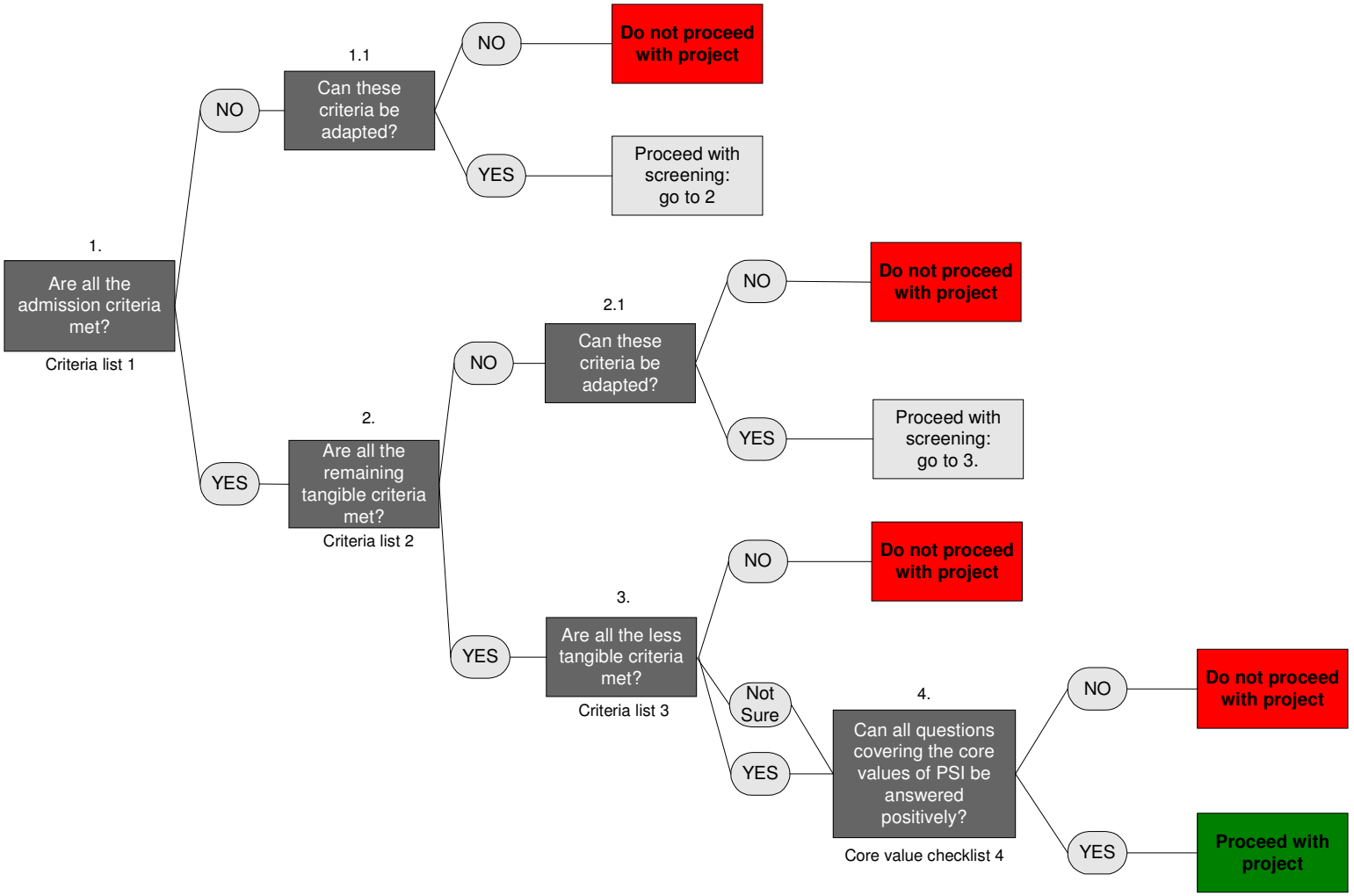

Figure 9.2: Process tree for screening of the criteria

9.1.4 Make internal decision

Going through the previous step of checking the criteria can result in three answers on the question whether to accept a project or not:

- **Yes:**
  The project idea proved to meet all the admission and tangible criteria, at least did not *not* meet inadaptable, less tangible criteria and led to a positive answer on all final questions.
- **Yes, if:**
  The project idea was found to not meet several criteria, but all of those can be adapted in the future. The final questions could all be answered positively.
- **No:**
  The project idea does not meet all the criteria and at least several of these cannot be adapted in the future. The final questions could all be answered positively.

Projects that fall under the second category require clear communication with the partners before proceeding to the next step in the application phase. The required adaptations must be discussed with the companies involved to investigate whether they are willing to and capable of making these essential changes to the project. A positive reaction from their side would also result in proceeding towards preparing the EVD intake form.

9.2 Estimated required time

One of the requirements formulated by Teampro is that a screening procedure should be time efficient: it should not require more than 3-5 effective working days. An estimation of the required time for each subelement is presented in Figure 9.3 below.

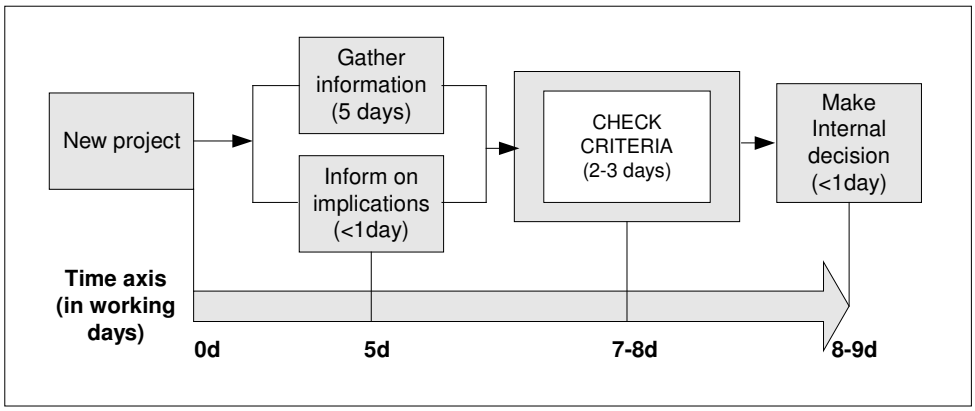

Figure 9.3: Estimated required time for screening

As can be seen in this figure, the total screening time is estimated to be around 8 to 9 working days. It is important to mention however that the time taken by partners to deliver the

requested document has proven to vary a lot in Teampro's past experience. It is therefore, like the requirement was formulated, wiser to focus on the effective time needed after receiving this requested information. This period is estimated to take around two to three days. Variation could for example be explained by the screener's experience with screening, his/her knowledge of the specific project subject as well as the quality of the supplied information.

9.3 Usability of the designed procedure

A usability evaluation session has been organized with Teampro's Rotterdam-based employees. In this session, each employee individually applied the designed screening procedure on a potential PSI project, in order to evaluate the screening procedure's ease of use. To be more specific, the employees were asked to apply the process tree approach on a real case. (The exact subject of this case cannot be elaborated on for purposes of confidentiality.)

Appendix O comprises more detailed information on the goal and set-up of the evaluation session. Readers interested in fully understanding the ideas behind and approach towards organising this evaluation session are advised to take a closer look at this appendix.

Several conclusions were made based on the usability evaluation session:

- The designed process tree and criteria checklist were found to be very understandable. A remark was made on the exact meaning of the term 'tangible criteria'. In order to avoid confusion, the employees indicated that they would appreciate a basic explanation of the term. A detailed manual to be written in the future should take this comment into account.
- The employees all confirmed the models decision making support: filling in the Excel sheet while following the process tree's guidance led to an assessment of the project. The model was found to be self-explanatory and built in a logic way.
- It was indicated in general that users of the model tend to go too fast: as a result, it occurs that not all remarks are carefully read, which can again cause confusion: the manual should again refer to the importance of going through the criteria check procedure (and the complete screening procedure) in the exact same time order as designed.
- The automated worksheet was well appreciated by the employees; it was found to offer more support and made checking the process tree redundant, due to the automatic conclusions and recommendations that are programmed in the workbook.
- The evaluation session led to an internal company discussion on the exact level of detail required in the information. It was decided to not use the term "business plan" at this early stage of coming to a PSI project proposal, since experience learned that

the information delivered by the large majority of Teampro's clients is not detailed enough to be referred to as a business plan. The term "basic project plan" was chosen to better describe the amount and detail level of the information. The exact content of such a basic project plan will need to be decided on by Teampro in the near future.

- The criteria that aim at checking the partners' financial stability are hard to interpret or calculate for individuals that do not have a financial or economic background. It was indicated through this evaluation session that communication on this subject with Teampro's financial manager would be much appreciated in order to learn from his experience.
- Two out of the three participants to the workshop were non-experienced employees. They indicated that some criteria were still hard to assess, even after reading the comments per criteria. This underlines the previously recommended action to organize internal workshops on how to assess PSI projects, since it was argued that it is not possible to translate all PSI criteria into tangible ones. It is likely that the employees lack a minimum level of experience in the area of screening PSI projects: 'creating this experience' (see chapter 9, paragraph 9.3) could hereby increase the quality of the project screening.

Overall, the employees that participated in the usability evaluation session have positively evaluated the usability of the model.

Three adaptations or additions to the report have been made based on the outcome of the session. First of all, the term 'business plan' has been replaced by 'basic project plan', in order to avoid confusion on the extensiveness and the level of detail in the information required from the project partner to screen their project idea.

Secondly, the importance of possessing the right type of information and the right amount of information in order to be able to use the designed screening procedure as intended by the developer, has been emphasized through the usability evaluation session. The need for more detailed information from the project partners at this very early stage of the application process has been emphasized. Changes to the previous information gathering approach are unavoidable. A detailed overview of the required information should be developed in the near future. The overview in appendix L could serve as a basis for a future detailed information request document to be sent to the project partners.

Finally, a very basic overview/guideline for the use of the automated workbook has been written down (Appendix P), in order to support first time users in the near future. Teampro indicated that they intend to develop a detailed guideline for the procedure in the future.

9.4 Conditions and tips for an optimal application of the procedure

In order for the presented design to be used properly, several conditions should be carefully taken into account when applying the presented screening design. Some of the conditions described below were already mentioned in this chapter, but it was chosen to repeat them in this paragraph for purposes of completeness.

- It is important to **use the criteria checklist in the right time order** in order to meet the time efficiency requirement that was formulated by Teampro: The four subsets of criteria should be used in the time order as presented in the process tree. Not doing this might result in a waste of time, as it could for example result in analysing less tangible criteria while it is later found that the admission criteria were not met to begin with.
- Always **read the comments** in the screening criteria checklist before deciding whether a project idea meets a criterion: not doing this would increase the chances of wrongly interpreting the criteria, thereby lowering the quality of the screening procedure.
- **Regularly update** the list of criteria. Both changes in the EVD as well as in Teampro's company policy can influence the current set of screening criteria and require an immediate adaptation/extension of the set of criteria. Not updating the list of criteria would potentially completely nullify the value of the screening criteria checklist.
- The **'Not sure'** category of criteria checks refers to an uncertainty about the exact **interpretation of the criteria** as a result of partial intangibility (see figure 9.2). It is important to not interpret this category of answers in relation to a lack of information about the project or the partners: such a lack of information would require continuing the search for information! The design does not intend to allow for continuation to a next phase of the criteria check procedure based on a lack of information to answer the previous criteria.

Three tips can be formulated that are expected to enhance the effectiveness of the screening procedure:

- **Create 'experience'**. Interviews with Mrs. Tocklu and EVD employees led to the conclusion that experience is a strong factor when analysing the potential of a project. It would therefore add to the quality of a screening procedure if Teampro could find a way to communicate experience and tacit knowledge to the future employees that will potentially be using the designed procedure. One way of trying to do this is by organizing workshops or short internal trainings, potentially based on Mrs. Tocklu's experience (Brooks-Harris and Stock-Ward, 1999). One might also think of using the

aforementioned film-based methodology for this purpose. Further study into the possibilities is recommended.

- **Regularly evaluate the screening procedure.** An evaluation of the designed procedure could for example be performed after every PSI tender period. More specifically, by analysing the EVD's decisions on the won and lost tenders in the future, conclusions could be made on the screening procedure that can potentially be translated into adaptations or improvements to the procedure. The EVD's evaluation outcomes could be compared to Teampro's screening results. Such a feedback loop of constantly updating and/or improving would add to the quality of the screening procedure. (As a result, an analysis of the results in the next few tender rounds should preferably show an increase in the number of tenders won).
- **Develop a standard and detailed information request document** to support the project partners' efforts to provide the required information. The use of a standardized document could considerably reduce the amount of time needed by Teampro employees to check whether all required information was received.

Conclusion

This chapter presented a detailed overview of a screening procedure that was designed to meet Teampro's requirements. This procedure consists of several elements that, if well implemented, are expected to result in a higher percentage of successful applications on the long term. While several elements would need to be developed in more detail in the (near) future, the central element of the procedure, a criteria check, has been developed in great detail. An automated Excel sheet has been built to support Teampro's employees when applying the screening procedure. A usability evaluation session revealed the employees enthusiasm about the usability of the new procedure. No major adaptations were performed as a result of the positive evaluation.
An important part of this chapter is the paragraph containing both preconditions as well as tips on how to use the procedure in order to optimise its potential.

Chapter 10 will present an overview of the conclusions that can be drawn as a result of this master thesis research.

10. CONCLUSIONS AND RECOMMENDATIONS

This chapter presents an overview of the conclusions that were made along the previous chapters. These conclusions are structured by presenting them as answers to this thesis' research questions. Next, recommendations for the use of the designed screening procedure as well as recommendations for further study are listed.

10.1 Conclusions

10.1.1 The research questions

In search for an appropriate screening procedure for incoming potential PSI projects, this thesis has worked towards finding an answer to the following main research question:

> *"Which project screening procedure could Teampro institute, in order to efficiently enhance the chances of winning PSI-tenders in the future?"*

Four subquestions have been answered in order to come to a screening procedure design. The answers to these subquestions will be presented one by one.

1. What are the criteria upon which PSI-tenders are evaluated?

Based on the answers to the following three subquestions for this subquestion, a list of PSI criteria has been generated, consisting of all the criteria that were retrieved along the research process. Analysing the criteria revealed that many of the criteria are formulated in a rather ambiguous way. This ambiguity hinders a straightforward approach towards scanning the criteria. Through a number of in depth interviews, more information on how to interpret each criterion has been retrieved. This knowledge is expected to decrease the level of ambiguity thereby making the criteria more tangible.

When making a subset of criteria within this total list of PSI criteria, with the aim to capture the relevant criteria for the screening of incoming projects, only the criteria reflecting the formal aspects of doing an application were omitted. Teampro indicated that it was much appreciated to check all content relevant criteria.

1.1. What are the explicit PSI-criteria that are defined by the EVD?

An extensive list of EVD criteria has been built, mainly based on the official PSI documents in the Government Gazette and on the EVD website. The aforementioned interviews helped to fine-tune this list and offered valuable information on how to interpret the criteria. This information has been added to the list.

1.2. Are there non-explicit criteria to be found on which the EVD bases its decision, and if so, what are these extra criteria?

A small number of extra criteria were formulated during the interviews. These are criteria indicating the project partners' motivation to take on the project. It was advised by the EVD to pay good attention to the intentions of the partners, as this may be an indicator for the commitment to the project on the long term. Also, it was advised to treat preference indicating criteria as regular criteria, since the preference indicating criteria prove to be important when ranking the proposals. (The available budget is divided among the best ranked proposals).

1.3. Does Teampro have additional company criteria that influence the company's choice for specific project applications, and if so, what are these extra criteria?

Teampro added four criteria to the list. The first extra criterion, related to the fact that the local country must be an East African country, (this is the company's current work area), and the second criterion, related to the partners being able to at least present a basic project plan, as a sign of commitment to the project, were literally added to the screening criteria checklist. Two other criteria were integrated in the overall screening procedure, but were not checked as separate criteria in the criteria check phase. These two criteria, reflecting the partners willingness to cooperate and communicate with Teampro, and to commit to a contract, were gathered under the motivation criteria to be checked. (More on this motivation check when presenting the overall screening procedure later in this chapter).

2. What are the differences between the previously used PSOM programme and the newly installed PSI programme, and how do they affect the application criteria?

An analysis of the PSOM and the new PSI application programme indicated that several differences exist, that might be important for Teampro. An overview of these differences is presented below.

	PSOM	**PSI**
What?	*Tendering under private law*	*Subsidy programme*
Result?	*Contract*	*Administrative decision (beschikking)*
Legal protection?	*Moderate*	*Yes (decision can be appealed)*
Clarity?	*Yes: due to well-defined contract*	*Moderate*
Latitude?	*Yes*	*Moderate :due to strict legislation*
Certainty?	*Yes*	*Moderate: no payments if results are not achieved*
Negative equity?	*Allowed*	*Not allowed*
Cooperations?	*Allowed*	*Not allowed *(may be adapted in the future)*

Table 10.1: General differences between PSOM and PSI programme

The most crucial difference is probably the reduced certainty regarding the payment of the subsidy. Under the new PSI programme, payments are only finalized if 100% of the planned results are achieved (exceptions can only be made for situations that were not at all in the joint venture's hands). This adaptation could potentially influence Teampro's policy towards risk-taking and towards the payment agreements with clients. Also, the fact that negative equity and cooperations are no longer allowed must be taken into consideration.

The major difference between the two programmes from a criteria point of view, is that the legislation for a subsidy system (like PSI) is more strict than for a basic contract system: this strict legislation translates into a more rigid set of criteria in the sense that they should all be met. (Under PSOM, the EVD had more freedom to operate; for example, meeting the application deadline is now a very strict admission criterion, this was not the case under PSOM as a part of the documents were allowed to be handed in within a week after the deadline).

3. *Which project screening theories and methods can be distinguished in the literature on decision making and how can they be translated into a screening procedure that is based on the previously defined list of criteria, in order to fit to Teampro's specific needs?*

Different levels of rationality theories were analysed, after which it was decided to use the idea of mixed scanning as a basis for checking the criteria. This theory allows for distinguishing between shallow and deep examination of data. This was found to be an appropriate approach towards dealing with the aforementioned ambiguity of the criteria. Also, this theory is able to cope with incomplete information and limited time. These are again two characteristics that fit well with a screening procedure, since often not all information is available at that early stage, and the amount of time invested in screening is preferably relatively small. Mixed scanning allows for small steps in the decision making process, while keeping the 'grand design' (here seen as the EVD's core values for PSI) in mind.

Translating the ideas of mixed scanning into a tangible tool resulted in the decision to split the criteria in several categories, thereby distinguishing between criteria that could deeply be examined, and criteria that could only be examined on a relatively shallow level, but that ensure that the EVD's PSI core values are safeguarded. To be more precise, a set of criteria that remained too ambiguous, even after adding the information that was retrieved through the interviews, was replaced by a set of broad questions that aim to capture the EVD's core values for the PSI programme. Furthermore, the idea of a (process) tree was used to create structure in the process of evaluating the screening criteria. This tree will be presented later in this chapter.

4. *What information on intercultural collaboration can be distinguished in the literature and how can it be integrated with a screening method in order to fit Teampro's specific needs?*

An analysis of the literature on intercultural collaboration revealed that three levels of action-taking can be defined:

- Awareness: create awareness about the differences between national cultures
- Knowledge: help people to know what these differences are
- Skills: teach people the skills to communicate/collaborate effectively

In coming to tools that aim to add to the smoothness of such collaboration, thereby potentially increasing the chances of a joint venture being successful on the long term, several possibilities were found to come to improved collaboration:

- Role-playing simulations of situations that might occur in intercultural collaboration
- Intercultural training, for example based on Hofstede's five dimensions (e.g. presentations or workshops)
- Filming interviews, as a mean of communicating cultural differences
- Virtual team support, through offering templates and information documents on how to communicate electronically

These approaches could add to the awareness, knowledge and perhaps even the skills of the partners in a joint venture. The extent to which Teampro would like to invest in these partner relations is an ethical and policy decision that should be held within Teampro.

As an example of intercultural differences, an analysis of the cultural differences between East Africa and The Netherlands has been performed, based on Hofstede's five cultural dimensions of nations (power distance, individualism, masculinity, uncertainty avoidance and long term orientation). This analysis revealed that cultural differences do exist between these two geographical areas, which should be taken into account by partners that consider to collaborate for a PSI project. A short analysis of the cultural differences could be advised or offered by Teampro to its clients in a new joint venture.

Having answered the four subquestions brings this research back to answering the main question: "*Which project screening procedure could Teampro institute, in order to efficiently enhance the chances of winning PSI-tenders in the future?"*
The combined information and insights that were gathered while finding an answer to the abovementioned questions, led to the following design of a screening procedure for Teampro.

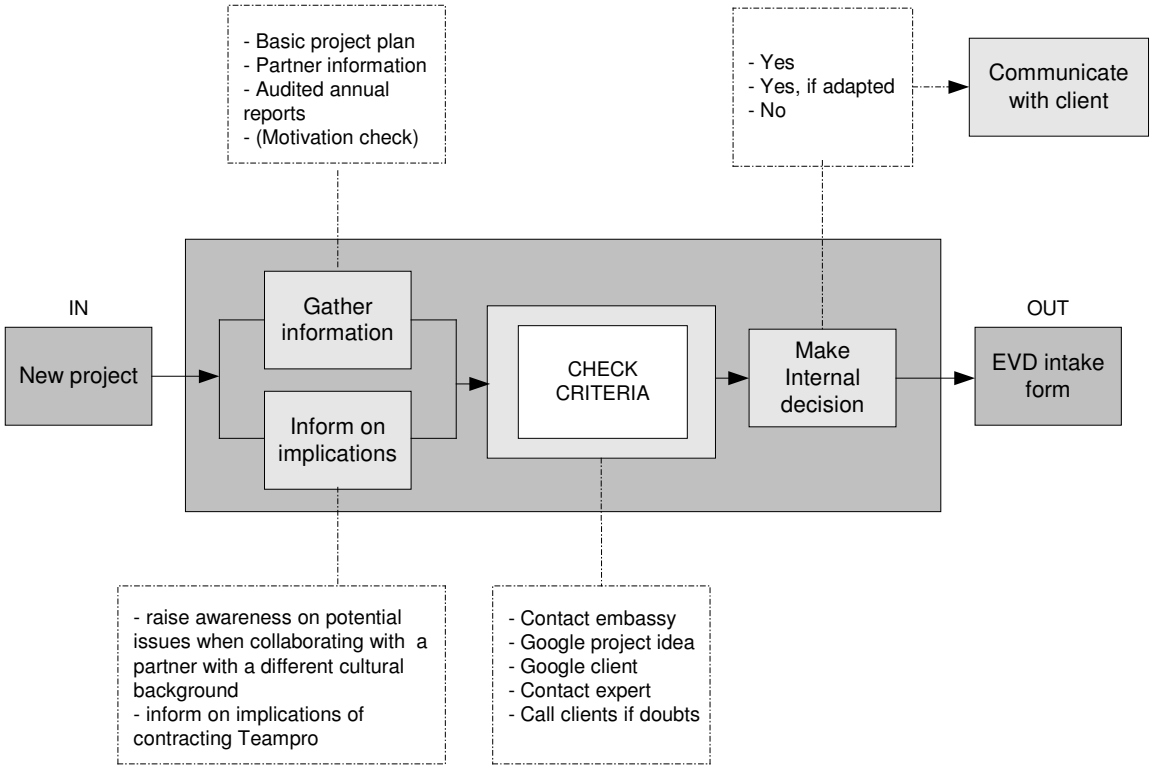

Figure 10.2 Screening procedure design

The dotted blocks contain extra information on the different elements of the procedure. The presented design is to be interpreted as follows. After a new project assistance request is received, Teampro asks the project partners for specific information on the intended project. A motivation check among the partners would be advisable in order to be able to check the EVD's criteria on this subject. At the same time, Teampro informs the partners of the implications of working on a project with a partner that has a different cultural background. Also, the opportunity could be used to inform the partners on the implications of contracting Teampro. After having received the required information, an employee can start to check a specific list of criteria based on an automated excel sheet. The outcome of this analysis is the basis for Teampro's decision to either proceed or not proceed with this request. Based on the assumption that all required information was available, three main categories of conclusions can result from this analysis: to accept the project, to reject the project or to communicate with the client on required adaptations to the current idea of situation. If the client would concur with the required adaptations, this could result in the decision to accept the project. This finalizes the screening process. The outcome is potentially the decision to proceed towards filling in the EVD intake form, thereby presenting the project idea to the EVD for an initial evaluation and advice on how to proceed towards the final PSI project proposal.

The central element in the procedure is the criteria check phase. This phase has been worked out into detail. As was mentioned earlier in this chapter, the PSI screening criteria have been

divided into several groups to create structure in this large group of ambiguous and unambiguous criteria. Four categories are distinguished: admission criteria, tangible criteria (criteria that are relatively easy to assess), less tangible criteria (criteria that were made less intangible due to the extra information that was retrieved through the interviews) and a final set of questions (a set of criteria that remained very ambiguous, even after adding the information that was retrieved through the interviews, was replaced by a set of broad questions that aim to capture the EVD's core values for the PSI programme). The idea behind creating this set of questions is that since it is not realistic to try to assess every criterion due to remaining intangibility, checking whether a project complies with the EVD's core values for PSI could guarantee a minimum level of quality or potential. This is expected to increase the value of the screening process as a whole.

In order to create structure in the approach and in the large set of criteria, it was chosen to use a process tree as a basic framework for this part of the design. This process tree is presented in figure 10.2.

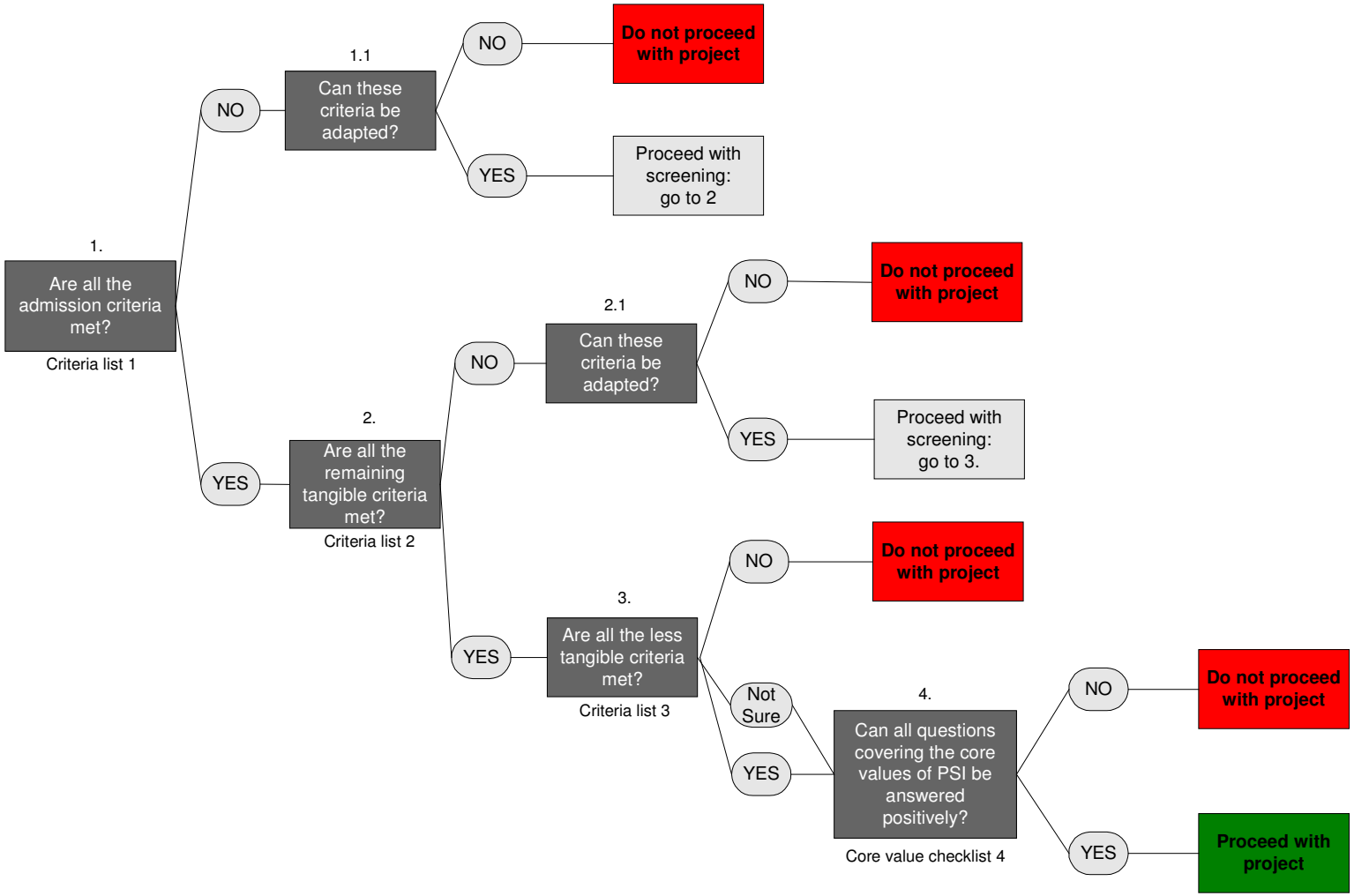

Figure 10.3: Process tree for screening of the criteria

10.1.2 The process requirements

The aforementioned screening procedure was designed to meet a set of requirements. These requirements and how they were met are presented below.

- The new screening procedure must be **effective**: it must distinguish potentially successful projects from nonpotential ones.

  → The design has been centralized on a set of criteria that mainly represent the EVD's PSI criteria. These are the criteria that will be used by the EVD when evaluation proposals in a later stage. It is expected that by using these EVD criteria, a minimum level of effectiveness is guaranteed. Also, the criteria check phase has been designed and automated in such a way that the screener is informed on the implications of the assessment of the criteria fur the further development of the screening procedure.

- The new screening procedure must **distinguish** between projects that have no potential at all, and **projects** that could have **potential** if several adaptations were made.

  → This element has been added to the criteria check phase, assessing each criterion's adaptability. In case no inadaptable criteria were not met, a list of criteria that are adaptable but were not met at this stage is generated to inform the user of these points of attention. (If inadaptable criteria are not met, the project is advised to be rejected).

- The new screening procedure must be **complete**: it should check for all aspects that are defined as being crucial decision elements to the EVD (and Teampro).

  → It is expected that the list of criteria is complete at this stage: it has been discussed and double-checked with several EVD employees.

- The new screening procedure must leave **no** (or as little as possible) **room for interpretation of the criteria**.

  → Interviews were organized with EVD employees, the chairman of the PSI evaluation committee and an employee of the Ministry of Foreign Affairs in order to truly grasp the criteria as defined by the EVD. While is has proven to be impossible to turn all intangible criteria into fully tangible ones, the ambiguity of a large part of the criteria was decreased.

- The new screening procedure must be **well-described/easy to use**: other employees than the CEO must be able to perform a screening based on the new procedure.

  → A usability evaluation session with Teampro's Rotterdam based employees led to the conclusion that the designed procedure is found to be easy to use, also by non-experienced screeners.

- The new screening procedure must take the **response time** from applicants into account.

  → The element of gathering the required information for the screening of projects has been taken into account when designing the procedure. It was indicated that the response time might be estimated at 5 working days, but that experience learns that it is impossible to make a fixed estimation of this period as project partners are not always able to deliver the information within this period. The required time for going through the screening procedure has therefore been expressed in the number of effective working days.

- The new screening procedure must be **time-efficient**: it should not take more that 3 to 5 effective working days to come to a relatively solid decision (this is after all required documents from the partners were received).

  → An estimation of the time required to perform a screening based on the designed procedure would be 2 to three days. This falls within the period allowed in the requirement above.

- The screening procedure must be **centered around the EVD's criteria**.

  → This is the case, as was mentioned earlier.

- The screening procedure must be able to **handle the ambiguity** of the criteria.

  → It argued earlier that the extra information per criterion that was revealed through the interviews added to the tangibility of (many of) the criteria. The criteria that could not be made tangible enough to be added to the screening criteria list, were replaced by a set of final questions to guarantee that the EVD's core values are safeguarded.

- The screening procedure must take the potential **relation** issues between the **project partners** into account**.**

→ The research focused on culture related issues in particular, as it was not realistic to analyse a larger part of the relation-related issues in the amount of time reserved for this thesis. Several tools for raising awareness (and providing knowledge) were presented in this thesis. Examples of these are role-playing simulations, intercultural training, etc.

10.2 Recommendations

10.2.1 Recommendations on the use of the screening procedure

In order for the presented design to be used properly, several points should be carefully taken into account when applying the presented screening design. First of all, it is recommended to thoroughly check whether all requested information has been received before starting the Criteria Check. This would reduce the amount of time needed to perform this check as no interruptions would occur for reasons due to a lack of available information.

Secondly, it is important to use the criteria checklist in the right time order in order to meet the time efficiency requirement that was formulated by Teampro: the four subsets of criteria should be used in the time order as presented in the process tree. Not doing this might result in a waste of time, as it could for example result in analysing less tangible criteria while it is later found that the admission criteria were not met to begin with.

Thirdly, it is important to always read the comments in the screening criteria checklist before deciding whether a project idea meets a criterion: not doing this would increase the chances of wrongly interpreting the criteria, thereby lowering the quality of the screening procedure.

Fourthly, the list of criteria should be updated regularly. Both changes in the EVD as well as in Teampro's company policy can influence the current set of screening criteria and require an immediate adaptation/extension of the set of criteria. Not updating the list of criteria would potentially completely nullify the value of the screening criteria checklist.

Fifthly, it would add to the value of the screening procedure if a regular evaluation was carried out. An evaluation of the designed procedure could for example be performed after every PSI tender period. More specifically, by analysing the EVD's evaluation outcomes on the won and lost tenders in the future, conclusions could be made on the screening procedure that can potentially be translated into adaptations or improvements to the procedure. Such a feedback loop of constantly updating and/or improving would add to the quality of the screening procedure.

10.2.2 For further study

Several topics were briefly named that could be the subject of future research. These recommendations for further study are listed in this paragraph.

How to 'create' experience?

Interviews with Mrs. Tocklu and EVD employees led to the conclusion that experience is a strong factor when analysing the potential of a project. It would therefore add to the quality of a screening procedure if Teampro could find a way to communicate experience and tacit knowledge to the future employees that will potentially be using the designed procedure. One way of trying to do this could be to organizing workshops or short internal trainings, potentially based on Mrs. Tocklu's experience. One might also think of using the aforementioned film-based methodology for this purpose. Further study into the possibilities is recommended.

Information request document

A usability evaluation session revealed that the availability of more and more detailed information on the project is essential in order to be able to perform the screening. It is recommended to develop a document that consists of a detailed overview of the required information. This document could be sent to the project partners' to inform them of what is expected. The use of a standardized document could considerably reduce the amount of time needed by Teampro employees to check whether all required information was received. A basic set-up for such a information request document was presented in this thesis. It could serve as a basis for an improved future document.

Assessing partner motivation

Based on the interviews with EVD personnel, it can be recommended to imbed a presented list of criteria that reflect the motivation and intention of partners in the procedure in the (near) future. This could for example be done by developing a standard intake form that aims at checking these criteria. For purposes of increased confidence in the partners' true intentions, it may be useful to organize a personal interview in which the same motivation criteria are double-checked. The specific design of both an intake form as well as the partner interviews could be developed through further study. Until this study is performed, the partners motivation can be check through a (telephone) interview. A well developed approach to assessing the partners' motivation is however recommended.

Raising awareness on intercultural effects

This thesis presented several approaches that could be used to raise awareness on the intercultural differences between the partners in a joint venture. It is recommended that

Teampro internally develops a policy on the extent to which the company wishes to invest in raising this awareness. Based on this policy, more research could be recommended on the subject of how to create cultural awareness among the partners of a joint venture in such a way that the approach is both effective in terms of its added value for the partners' understanding and expectations of a future cooperation, as well as a feasible investment for Teampro, timewise and moneywise.

Taking into account the relation between Teampro and the customers

As was mentioned earlier in this thesis, the relation between Teampro and its customers was found to be important, even though it was not included in the scope of this research. In order to strengthen the screening procedure and to help increase the winning chances of a proposal, it is recommended to perform a detailed analysis on how to organize and support this relation in the future. The author proposes to investigate the possibilities of a process approach, based on the interdependencies that exist between Teampro and its clients. Issues that would need to be addressed in this context are for example 'To what extent is the process of coming towards a PSI proposal based on trust?', 'How can the risks that result from this situation that is based on trust be reduced?', 'When should a contract be signed?', etc.

11. REFLECTION ON THE MASTER THESIS RESEARCH

In this last chapter, the author wishes to reflect on the performed master thesis research. Several decisions or approaches will be analysed, as well paths that were not chosen. Potential weaknesses and strengths of the research will be discussed.

Working at Teampro

The main element of the first three months of the research was the conceptualisation phase. This part of the research has been performed in Teampro's office in Rotterdam. Being among the employees and being able to pose all questions has proven to be very helpful in creating a realistic image of the company and it's working environment. While it could be argued that three months is a long period to spend on performing the conceptual analyses, it was decided that a detailed understanding of the PSOM/PSI programme was essential in order to be able to a realistic and specific screening procedure.

The last three months of the research have been performed based on a schedule of working at home four days a week, and at the office one day a week. An advantage of this is probably that a more objective approach towards the literature study and the design of the screening procedure were possible, while at the same time Teampro's input and requirements were not lost out of sight. The author much appreciated the opportunity to decide on the precise balance between home and office located work.

Analysing the rejected proposals

A potential weakness of the research is that the rejected proposals were not analysed in detail as a basis for designing a future screening procedure that must be an improvement to the past approach towards screening. Indeed, it is possible that extra information would have been retrieved from such an analysis. While the reasons for the rejections have been discussed, it was however decided not to focus more on the rejected proposals. A very thorough analysis of PSOM would have required a large amount of time. This would have been required in order to be able to assess the weaknesses of the rejected proposals. Also, analysing the rejected project proposals itself would have required a large amount of time. In addition to this, one might wonder if it is advisable to invest a large proportion of the available time on a programme that has been cancelled and replaced by a new programme: PSI. Again, while it could be interesting to perform a detailed analysis if the rejected proposals in the future, it was decided in this thesis to prioritise the available time on the new PSI programme and on developing a screening procedure on a detailed level as this is expected to be more valuable to Teampro.

A statistical analysis of the most common mistakes among previous proposals was requested from the EVD. Unfortunately, such analysis is not available: the EVD indicated that

they do not possess an overview of the exact distribution of causes for proposal rejections. Such a document could have added to quality of the screening procedure by enhancing the focus on potential pitfalls.

Analysing the PSOM programme

A comparison of the PSOM and the PSI programme has been performed. One could argue that analysing the PSOM programme could not add much to the research process since PSOM has recently been replaced by PSI. While not having been analysed to the same extent as PSI however, taking the PSOM programme into account revealed two value adding elements.

First of all, it was indicated by Teampro that they appreciated to be informed on the exact differences between the two programmes. Having used the PSOM programme for a number of years, it is helpful to realize that the new programme does contain new or changed elements.

Also, comparing the PSOM and the PSI criteria led to a number of questions that were subsequently discussed with an EVD employee. During this interview, extra information on the criteria was triggered. The differences between PSOM and PSI were used as a basis for a discussion that resulted in a better understanding of the criteria and the PSI programme as a whole. Reflecting on the approach towards analysing the PSOM programme now, it must be admitted that the finding of intriguing information on the ambiguity of the criteria was not expected but came as a surprise during the first interview with an EVD employee. Had this been expected, a perhaps more structured approach in the interview might have been chosen, whereas the researcher now had to improvise in order to try to extract as much valuable information as possible.

Performing interviews

The quality of the screening procedure is for a large part due to the performed interviews with EVD employees, a Teampro client, the chairman of the APSI and an employee of the Ministry of Foreign Affairs. While it would have been interesting to interview several other parties, for example more clients of Teampro, it was decided that these interviews would not add significantly to the information already available to invest in them within the limited amount of time available for the thesis research.

It is here argued that the interviews lie at the basis of the strength of the presented design. It was revealed during the interviews with EVD employees that ambiguity exists among the criteria. These same interviews were used to try to reduce this ambiguity as much as possible. No tangible screening procedure could have been presented without the information that was retrieved during the interviews.

It could be seen as a weakness however, that the transcriptions of the interviews are not published in this report. The main reason for this is that it was chosen to minimize the chances of the presented information being misinterpreted and potentially used against the interviewees in the future. The interviewees openness was much appreciated, and it is not the author's intention further burden the interviewees by allowing for personal critique.

Use of the literature

Several praised authors are cited in this master thesis, for example William Dunn, Amitai Etzioni and Geert Hofstede. It should be mentioned however that theories of well-respected researchers can also be subject to critique. Hofstede's work on the 5 cultural dimensions in particular has received a large amount of critique over the past decades. Examples of the possible weaknesses of his research are that:

- he does not take the existence of subcultures into account (the Flemish and Walloon part of Belgium are a neighbouring example of subcultures),
- it is difficult to translate dimension scores to tangible information on how to collaborate with individuals from different cultures
- the link between the specific survey questions that form the basis of his 5 dimension research and the interpretation of these dimensions is not very clear.

While it is probably valuable to analyse Hofstede's dimensions when trying to grasp the differences between cultures, is must be realized however that the theory does have weaknesses, and that applying this theory to individuals can led to false conclusions or assumptions. (One could argue that applying general theories on an individual level must always be done with great caution). Taking the aforementioned weaknesses into account while using Hofstede's dimensions in chapter 8, it is not expected that they will significantly have influenced the information that is presented there: it was chosen to remain at a relatively high level when applying his dimensions to East African countries and The Netherlands.

Etzioni's theory of mixed scanning was used as a basis for developing a suitable screening procedure in this thesis. Within the examined literature, his model was found to be the most suitable match with the specific setting in this research. It is however not argued that mixed scanning is the best possible approach towards designing a screening procedure. It is possible that other theories exist that could also serve as a basis for a design. However, the model based on Etzioni's theory is expected to be suitable in the sense that it entails all of the procedure requirements in an effective way.

Explicit outcome

The presented screening procedure design is in the basis ready for direct use: the central part of the procedure, the criteria check phase, has been worked out into great detail. Several other elements of the design however still require further research or development. It can be

seen as a weakness of the research that not all elements were elaborated on to the same extent. All phases of the presented design were discussed, but it was chosen to invest a relatively large part of the available time to the criteria check phase, as it is found to be more valuable from a business point of view to be able to present a design that can be implemented immediately. It is strongly recommended however to continue to invest in the screening procedure through further research and regular evaluation.

Quantifying the model

A model that could present a general score per screened project could have positive added value in the sense that such a score could very quickly reflect the overall potential of a project. Such a quantified model would probably require the use of a weighing factor per criteria or per set of criteria. Developing such a model on the basis of the current amount of information available (only 9 PSOM proposals were handed in in the past, this is a relatively low number from a statistical point of view) would probably not have much, if any, added value.

Also, different interviews with the EVD revealed that while a system of weighed values is used to generate a ranking of the proposals, this ranking has never been tested before, and will most likely never be published. The little amount of information on the priority of certain criteria that could be retrieved through the interviews has been taken into account when developing the procedure. (One could think of the initial position of the admission criteria and the value of preference indicating criteria). The EVD employees however repeatedly put the emphasis on the importance of covering all PSI core values.

If such a quantitative approach would prove to be appreciated in the future, for example in case more positively screened projects are received than are possible to handle within Teampro's time capacity, further research could be performed. It is expected that more proposals will have been filed over the next few years, which would perhaps allow for a more funded statistical analysis.

Relation between Teampro and the clients

It was mentioned in chapter 2 that a very interesting aspect of the PSI application process is not taken into account in great detail in this thesis: the relation between Teampro and its clients. Without performing the detailed research however, one can at this stage imagine that an extra element would have been added to the model; an element that would aim to build or support the relation between the two aforementioned parties, for example 'Organize process-centered meeting with client'. The aim of such a meeting/communication would then be to not discuss the project specifics, but to invest time in agreeing on an approach towards doing business together. Such a step in the process could add to the strength and openness of the relation and could result in consensus and commitment (Bruijn e.o., 2002, p36). As is

mentioned later in this chapter, the author would invest more time in this subject if the research were to be repeated.

The implication of working with Teampro's requirements

The requirement to the design that probably most limited the final design, has been the time-limiting requirement. The 3 to 5 effective working days period has been chosen by Teampro based on a personal estimate of the resources that can be made available for the screening of a project. While being completely logical in a business environment to try to reduce the amount of time needed for screening to a balance between effectiveness and efficiency, one could however argue that without this requirement, another approach, probably a more process oriented approach, might have been designed in this thesis. As intensive communication in person with parties that reside in another continent is very time (and money) consuming, these elements have not been extensively integrated in the design. These meetings could both have been used as elements of a process approach, as well as to collaborate with the clients in gathering the required information for the criteria check.

The screening procedure in a larger context

On a high level, the author believes that the designed screening procedure could be useful for several other companies or organisations. First of all, the design could probably almost integrally be implemented in companies that compete with Teampro. (This is of course not the intention of developing this procedure, as Teampro would lose many of the advantages of using the design). Organisations that provide subsidies could however also benefit from such a screening process design, be it probably only in the first stage of their internal procedure: as subsidies are usually linked to very strict laws, these types of organisations would require a more extensive procedure in which several parties evaluate whether financial support is justified. It must be noted however that the core value of this design lies in the approach towards the ambiguity of the criteria: it was reduced to a large extent, while still allowing for 'operational freedom'. This element of the design, the criteria check phase, has been developed to such a specified level that it could not be used by other organisations (other that Teampro's competitors), unless it is adapted to meet the specifice organisation's needs.

Changes to the research approach

At the end of this master thesis, the author wises to reflect on the chosen approach in general: possessing the knowledge and the information that was retrieved through the research, should another approach have been more suitable? The answer to this is no: no major adaptations would be done to the approach, if the research were to be repeated with these procedure requirements. The interviews and the literature study would probably still be an appropriate approach in this context. However, several small adaptations could be advised. As was mentioned earlier in this chapter, realizing that ambiguity exist in the PSOM

and PSI criteria would be translated into a more structured approach for the first interview with the EVD. This could prove to be more time efficient. Also, it would be advisable to plan the interviews at an earlier time in the research process. It was discovered that the months April and May prove to be very hectic times for EVD project officers, as they are then evaluating the PSI proposals of the tender period that closed in February. Having realised this in advance, the author would have planned the interviews in February and March, thereby perhaps allowing for interviewing a higher number of employees. It is possible that more interviews would have resulted in more valuable information concerning the PSI programme and the evaluation criteria. Finally, the major change that the author would perform is to take a closer look at the specific relation between Teampro and its clients and how to implement a more process oriented approach into the screening process. With the time-efficiency requirement, it is expected that an extensive process oriented approach would be too time-consuming. However, an approach that combines process and project management elements might add to the effectiveness of the design while being relatively time efficient at the same time.

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APPENDICES

APPENDIX A: DESCRIPTION OF TEAMPRO'S BUSINESS ACTIVITIES

Teampro's business activities can be classified under seven main categories. These categories, that were presented in chapter 3, will be described in more detail in this appendix.

- The 7 business activities:

Feasibility studies:

Teampro performs feasibility studies, thereby investigating whether certain projects are likely to succeed and should be implemented. This type of studies are done on several areas. For example, feasibility studies were performed for the PESP until the ending of the programme in November 2009. The PESP is a programme for economic cooperation on projects that was administered by the EVD. Another example of an area in which the company is active is the ORIO-programme: this programme focuses on Infrastructure development that is relevant for the development of a country or region.

Match-making:

Teampro has had much experience in matching the right partners for specific projects. This is mainly due to the large network that the company has built over the years. This match-making can be organized one on one as well as in the form of a plenary meeting between a large number of interested parties, for instance during a trade mission.

Market analyses:

Market analyses are performed in different settings: as a separate analysis on a particular request of a client, preceding a feasibility study or as a part of a subsidy application process. In all cases, the aim of such a study is to investigate the local conditions and opportunities on the market that one intends to enter. This analysis helps the client to answer the question whether it is wise to start a specific project in a certain location.

Trade missions:

Teampro regularly organizes trade missions, both in The Netherlands as well as in East-African countries. Each mission focuses on a specific professional sector, for example the agro-industry or the tourism sector. Attending companies/parties are offered a chance to introduce themselves and meet other companies that could potentially become fruitful business relations.

Technical assistance:

This is a category that contains a relatively broad array of activities. One could for example think of consultancy in the field of setting up and expanding economic sector organizations in East-African countries. (This type of organizations is not very strongly represented in many development countries).

Subsidy applications:

This business activity is one of the core activities of Teampro, both time and moneywise. The company is active in different subsidy application programs, for example PSI, PESP, Daey Ouwens and ORIO. The subsidy playing field is a fairly dynamic area, as new conditions and programs are regularly presented. Teampro assists companies that wish be supported in writing an application for a subsidy. Hiring Teampro can be done for several reasons: some companies lack the required specific knowledge while others just prefer to outsource these activities.

Project management:

Teampro offers the possibility to take over subsidy related management activities. The company helps in guaranteeing that the required subsidy conditions are met and provides a detailed insight in the progress of the granted subsidy projects.

- Interlinks between the activities

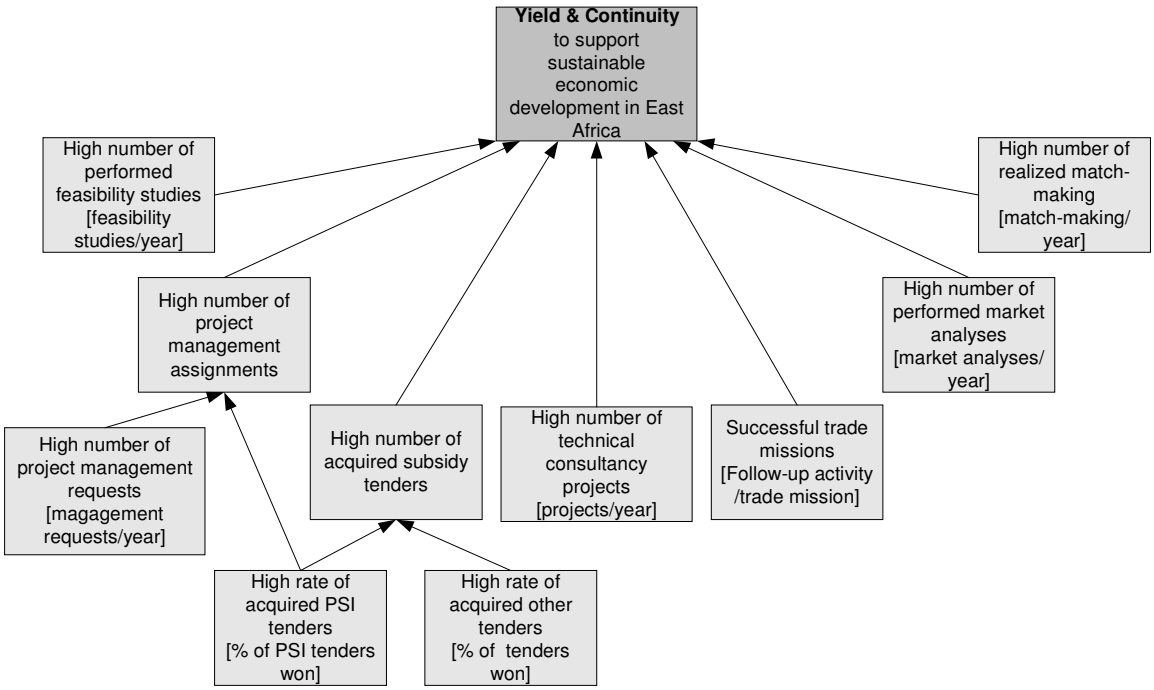
Even though the seven aforementioned company tasks are clearly separate activities, practice shows that they are often combined. In fact, it is even possible to walk deliver all seven services to one customer.
A full business path would contain the 7 elements in the following order:

Trade Mission → Match-making → Feasibility Study → Market Analysis → Subsidy Application → Project Management → Technical Assistance

In this situation, Teampro accompanies a company from the very beginning (a business idea should not even be very specific yet) until the complete implementation of a project.

However, as was mentioned in chapter 3, it is also possible to just combine several of the activities. For example, match-making sessions can be organized during trade missions, and project management can follow a positive subsidy application.

APPENDIX B: ANALYSIS OF OVERALL COMPANY GOALS



As was explained in earlier, the overall goal of Teampro as a competing company is to guarantee yield and continuity. However, it is important to mention that this company was founded with a larger idea in mind: helping in creating sustainable economic growth in East-African countries.

Over the years, Teampro has developed seven business tasks to work towards this overall goal. In order to obtain this yield and continuity, the company aims at having a high performance in those seven fields. Most of these goals are actually very tangible and can be measured relatively easily. An example of this is the goal to have a high number of yearly performed feasibility studies. This can be measured in number of performed studies per year.

It must be mentioned that the one-level goals (like the aforementioned performed feasibility studies) could be further specified into subgoals. An example of this would be to mention that a high number of performed feasibility studies implies a high number of requests for performing such a study. It is chosen not to present these subgoals since they would neither contribute to the required level of information for this specific research scope, nor to the clarity of the model.

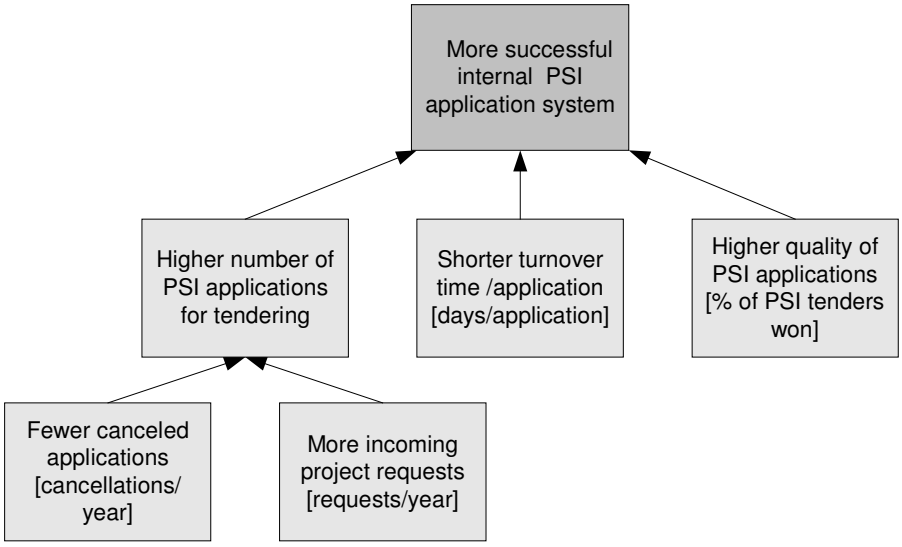
As can be seen in the above figure, Teampro does not focus on organizing a high-number of trade missions, but successful trade missions. Past experience proved that organizing trade-

missions in itself is a relatively unprofitable activity: the revenues are low compared to the amount of time required to organize the event. However, a ‘successfully’ organized trade mission would result in a high number of follow-up activities, as for example match-makings, requests for performing a market analysis, etc.

The central business activity is also the central goal in this analysis: a high number of acquired subsidy tenders. These subsidy tenders have been divided into two categories; the PSI tenders and the other tenders. Presenting all other tenders separately would again not be a very useful contribution. One of the reasons for this is that several tenders for which Teampro applies are only organized for a short period of time. (An example is the Daey Ouwens Fonds, a fund organized by SenterNovem that promotes small-scale energy projects in the least developed countries).

As is visualised in the model, a high rate of acquired PSI tenders in combination with a high number of follow up requests for project management, would lead to a high number of project management assignments. This is also one of Teampro’s central goals.

APPENDIX C: ANALYSIS OF SPECIFIC PSI GOALS



A separate goal analysis is performed for Teampro's internal PSI application system. As is presented in the above figure, three elements contribute to the main goal of having a more successful internal PSI application system.

First of all, it would be positive to be able to hand in a larger number of PSI applications in each tender period. In order to do this however, it would help to have a higher number of incoming project requests as well as fewer cancellations during the process of preparing and writing a proposal. These cancellations are mainly due to the withdrawal of one of the project partners.

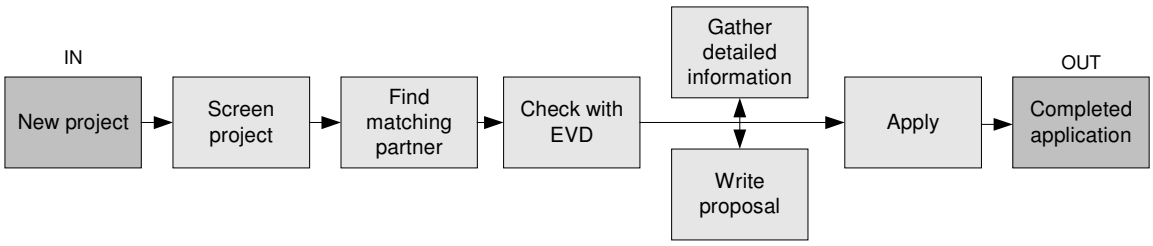
Also, the time that is required for preparing a PSI proposal is a central element in this matter. The shorter the turnover time per application, the more applications can be prepared by Teampro's employees.

Finally, a high quality of the PSI applications is very important. It is however not easy to define this level of quality into detail. In terms of tangibility, a good quality application is an application that is found to be worthy of a subsidy in the eyes of the EVD. Anton Jansen, a project officer at the EVD described the following characteristics of a high quality/good applications:
A good applications is a well-written application for an innovative project with long term beneficial local effects, that takes all PSI criteria into account.

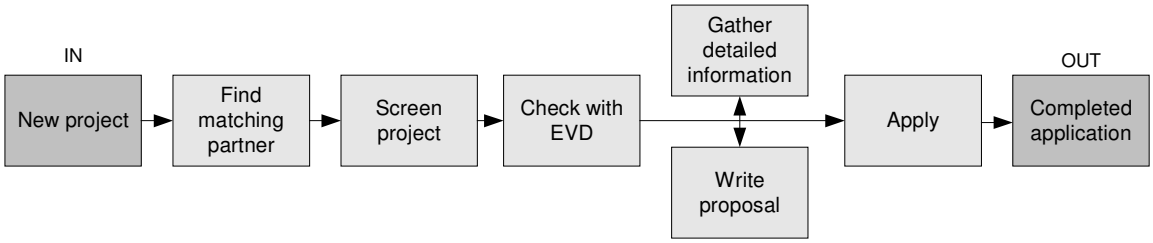
APPENDIX D: INTERNAL PSI APPLICATION PROCESS

This appendix will describe Teampro's current internal PSI application process into more detail. As the exact approach is project specific, it is not possible to present one overall time path. The three different possibilities are presented below. First all separate elements will be clarified.

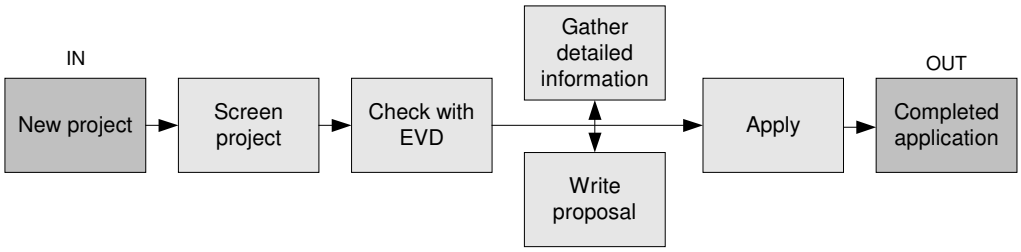
1) Request from single project partner



2) Partner search before screening



3) Request from a set of project partners



New project:

Application assistance is requested: this new project is the incoming element in the application process.

Screen project:

After receiving a new request. Teampro's CEO, Mrs Tocklu performs a screening of the proposed project. Since project ideas are not always well-defined and decided, Mrs. Tocklu's task is mainly to estimate the potential of the basic idea in the current market.

Find matching partner:

The applicant that contacts Teampro can be both a Dutch/Foreign company as well as an East African company. If the applicant did not find a convenient partner at this stage, Teampro offers the service of searching for a matching partner. Mrs Tocklu's large network lies at the basis of this match-making.

Check with EVD:

Teampro is very enthusiastic about contacting the EVD at an early stage. The EVD offers the possibility to discuss a project idea at a very early stage of the application process. In fact, most project officers are strongly advising to make use of this free opportunity. While this process phase is put in a specific place in the process chain, it should be noted that the EVD is always open for contact at any time (by telephone, email or in person).

The meetings with the EVD can prove to be very helpful. Project officers can prevent that companies put a lot of time into ideas that fall out of the scope of the PSI programme. They can also provide solid advice on projects that do have potential or suggest a more appropriate approach.

Gather detailed information:

In order to provide the EVD with all the required document, a large amount of detailed information must be gathered. One can think of a local market analysis, information on the elements of corporate social responsibility in the project and so on.

Write proposal:

This phase occurs simultaneously with the gathering of information. Writing a PSI project proposal has to be performed within the strict boundaries of the EVD. An extensive application form is published on the website a few months prior the closing of the application period.

Apply:

Once completed, Teampro hands in the application in hard copy at the EVD's office in the Hague. This is done to make sure that the documents are not lost in the mail. Especially in the new PSI system, it is crucial to hand in a fully completed application form. No exceptions are made.

Completed application:

The output of this process is a completed PSI application. Teampro must now wait for feedback from the EVD.

Differences between the models:

1) Request from single project partner

The first application process contains all above elements in the described order. A single project partner applies for assistance. A matching partner is looked for after a positive screening of the proposed project.

2) Partner search before screening

In some cases, Teampro will find a suitable project partner before performing a more extensive screening.

3) Request from a set of project partners

Project partners can already have decided to participate in a specific project when contacting Teampro. The matchmaking phase is redundant in this case, which is why this element has been omitted from the third model.

APPENDIX E: ACTOR ANALYSIS AT THE LEVEL PSI

Parties Involved	Interests	Desired situation	Existing/expected situation	Causes	Influence options
EVD	Economic development (of both undeveloped and developed countries), through an optimal division of the available PSI-budget	- A complete and optimal distri-bution of the available budget - Maintain or improve the current level of quality of the PSI applications	- A relatively high number of (subsidy) request has to be denied - Fewer subsidies are granted than possible within the budget at this time (this may change in the future if the budget is lowered or a higher number of applications or made)	The level of quality of some applications is relatively low	- Set good and transparent criteria - Communicate clearly on how to improve proposal (through the website, news letter, personal contact)
Dutch/Foreign Project Partner	- Yield & continuity of the company, through the (subsidized) expansion to a new market in an undeveloped country - (Economic development of East-African countries)	- (A realistic assessment of the possibility of doing business with an East-African partner) - A maximized likelihood of winning the PSI-tender	- (A realistic assessment of the possibility of doing business with an East-African partner) - Project applications are sometimes denied, which can be seen as loss of time and money	- The application failed to convince the EVD of its strong potential and/or was found to carry unacceptable risks. - The abortion of the application process can come at a relatively late stage	- Demand a no cure/no pay agreement with the consultant agency - Have proactive attitude towards the application (e.g. meet the African partner at a very early stage)
East-African Project Partner	- Yield & continuity of the company through (subsidized) cooperation with a Western partner	- (A realistic assessment of the possibility of doing business with an East-African partner) - A maximized likelihood of winning the PSI-tender	- (A realistic assessment of the possibility of doing business with an East-African partner) - Project applications are sometimes denied, which can be seen as loss of time and money	- The application failed to convince the EVD of its strong potential and/or was found to carry unacceptable risks. - The abortion of the application process can come at a relatively late stage	- Demand a no cure/no pay agreement - Have proactive attitude towards the application (e.g. meet the Dutch partner at a very early stage)
Consultancy Competitors	- Yield & continuity of the company by maximizing the chances of	- A maximized likelihood of winning the PSI-tender			Optimise the current working practices

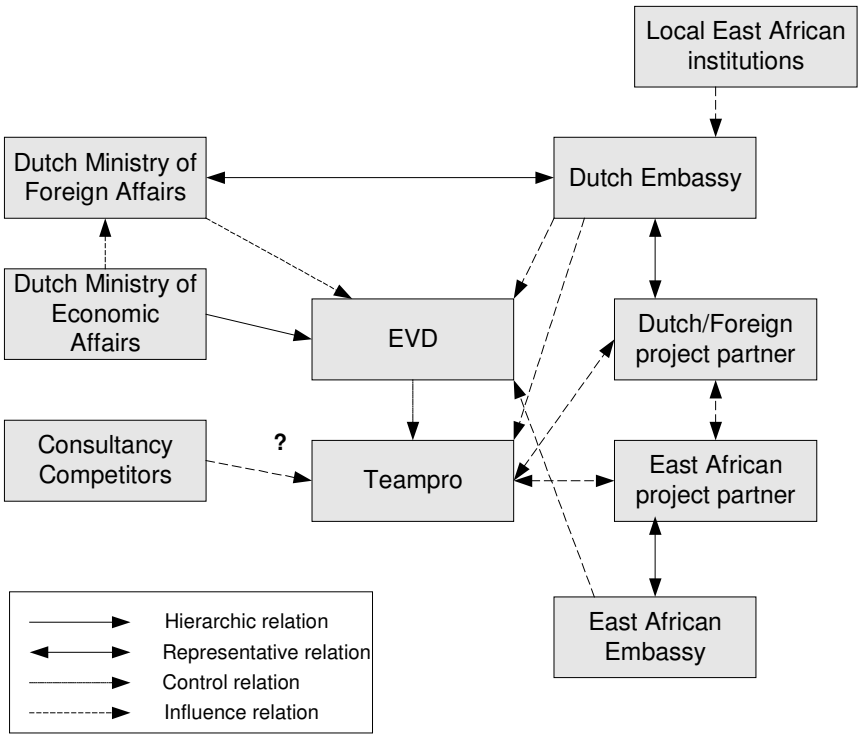
	attracting customers and winning tenders				
Dutch Ministry of Financial Affairs	A strengthened and supported Dutch economy by creating new market possibilities abroad	A complete and optimal distri-bution of the available budget	Fewer subsidies are granted than possible within the budget at this time (this may change in the future if the budget is lowered or a higher number of applications or made)	The level of quality of some applications is relatively low	- Communicate new agreements with EVD on taking bigger financial risks, thereby handing out more subsidies - Create more awareness concerning the PSI-project
Dutch Ministry of Foreign Affairs (Department of Development Cooperation)	A strengthened economy and durable economic growth in developing countries through (financially) supporting companies	A complete and optimal distri-bution of the available budget	Fewer subsidies are granted than possible within the budget at this time (this may change in the future if the budget is lowered or a higher number of applications or made)	The level of quality of some applications is relatively low	- Communicate new agreements with EVD on taking bigger financial risks, thereby handing out more subsidies - Create more awareness concerning the PSI-project
East African Embassy	- Local representation of home country - Support of Dutch companies in East Africa - A strengthened economy and durable economic growth in home country	Clear communication of experience with/information on the project partner			- Keep open communication lines with companies - Communicate with local authorities
Dutch Embassy in East African country	- Local representation of home country - Support of Dutch companies in East Africa	Clear communication of experience with/information on the project partner			- Keep open communication lines with companies - Communicate with local authorities

Assumptions:

- One of the project partners contracted a consultancy agency to guide them through the application process. The project partners mentioned in the above table are/were advised by Teampro.

- The competitors see no problem in the suboptimal results from Teampro. In fact, improving the results might become a problem for these companies.
- The Dutch and Local Embassies do not experience a direct problem in this context. They are however involved in the application process: Embassies are consulted when performing a check on the parties involved. Both Teampro as well as the EVD partially base there decisions on the embassies' information.

APPENDIX F: NETWORK ANALYSIS



While several of the relations drawn in the figure above are probably self-explanatory, this appendix provides a structured insight on how to interpret the figure.

The Dutch Ministry of Foreign Affairs is (slightly) influenced by the Dutch Ministry of Economic Affairs. This is due to the latter one being responsible for the distribution of the national budget over the other Ministries.
The Dutch Ministry of Foreign Affairs however, has an strong influence on the EVD (this is specifically the case for the PSI programme, since it was established by this Ministry). Being administered by the EVD (an organization directly under Economic Affairs), the PSI-programme is however funded and developed by the Ministry of Foreign Affairs.

As was just mentioned, the EVD falls directly under the Dutch Ministry of Economic Affairs. As a result, the relation between these two parties is defined as being hierarchical.

The relation between the Dutch embassies and the Dutch Ministry of Foreign Affairs can be defined as a representative or a hierarchical connection, depending on the point of view of the analyst. It is here chosen to define the relation as being representative.

One of the roles of the embassies is to represent the national companies abroad. This is both true for the Dutch as for the non-Dutch embassies.
Also, both presented embassies have an influential relation with the EVD: an interview with an officer from the EVD revealed that the EVD relies on information from the Dutch embassies when assessing the partners that apply for a PSI subsidy. East-African Embassies can be contacted, but is must be mentioned here that this is not a standard procedure.

Through the Dutch Embassies, project officers from the EVD can request specific information at different local East-African institutions on for example the level of development in a certain sector. This type of information could for example be used to determine the extent to which a project idea is innovative.

Teampro has the exact same relation with the Dutch Embassies, as it also communicates with these embassies for detailed information on the partners.

The relation between Teampro and the project partners is described as being two-way influential. This is based on the fact that Teampro relies on the partners openness, cooperation and commitment when accepting an assignment, while the project partners rely on Teampro to deliver a high quality proposal. This dependency on the project partners will need to be carefully considered when developing a screening procedure.

Teampro's competitors are in the exact same position as Teampro in this specific PSI analysis. The arrows to the other parties have been omitted, since they would neither improve the clarity nor the level of useful information.
Even though past experience is that the EVD's PSI budget was larger than could be distributed over the approved proposals, interviews with EVD officers indicated that this situation has changed. The first tender that was performed under PSI, revealed that for the first time in the EVD's history with PSOM/PSI, the ranking system has been used to determine which projects will receive a subsidy: the number of positively evaluated applications proved to be larger than the available budget. This means that the competition for Teampro has increased under the new PSI programme. The influential relation between Teampro and its competitors is likely to become stronger in the future.

As was to be expected, the most crucial relation in this research proves to be the relation between the EVD and Teampro. Proposals for the subsidy programme that is discussed here are directly approved or rejected by the EVD. Also, the EVD regularly makes adaptations to the application criteria. These adaptations can heavily influence Teampro's activities, as the EVD could for example decide to remove a development country from the list of eligible countries. Regular communication with project officers is to be advised in order to minimize the (potentially negative) impact of the changes.

APPENDIX J: DECISION MAKING TECHNIQUES.

The examples below are based on random cases. All were retrieved from the website www.mindtools.com. The only purpose of this appendix is to provide the reader with more insight in the practical usability of the 5 decision making tools that were listed in chapter 7.

- **Grid analysis**:

  This type of analysis can be used to support decisions when many factors have to be considered. It is especially valuable when there are several good alternatives that need to be compared. It is also known as the 'weighted matrix' or 'score table': the different options are compared on the weighted scores for each factor. Summing up the scores translates qualitative factors into a quantitative final score per option.

  The example below shows a grid analysis with weighted scores for the decision on which car to buy.

Factors:	Cost	Board	Storage	Comfort	Fun	Look	Total
Weights:	4	5	1	2	3	4	
Sports Car	4	0	0	2	9	12	27
SUV/4x4	0	15	2	4	3	4	28
Family Car	8	10	1	6	0	0	25
Station Wagon	8	15	3	6	0	4	36

- **PMI**:

  This abbreviation stands for Plus/Minus/Interesting. The power of this tool lies in the fact that instead of starting to compare options, it begins with analysing whether an option would in fact improve the situation. PMI entails that a list is generated of all positive and negative effects, as well as an overview of the possible interesting outcomes when implementing an option. Each of these elements are subsequently scored, after which a total score of an option can be calculated.

  The example below presents a PMI table for the question: Should I move to the big city?

  As the total of the three columns adds up to –6, one may conclude that moving to the big city would be a negative decision.

Plus	Minus	Interesting
More going on (+5)	Have to sell house (-6)	Easier to find new job? (+1)
Easier to see friends (+5)	More pollution (-3)	Meet more people? (+2)
Easier to get places (+3)	Less space (-3)	More difficult to get own work done? (-4)
	No countryside (-2)	
	More difficult to get to work? (-4)	
+13	-18	-1

- **Six thinking hats**:

  This technique supports the decision maker by analysing decisions from different perspectives. The creator of this tool, Eduard de Bono, distinguished six differently coloured hats: each hat represents a different way of thinking. For example, the white hat stands for analysing the data, the red hat symbolises analysing the option from an intuitive perspective, and the black hat represents a pessimistic approach.

  In the following example, the directors of a company are considering to construct a new office building.

  Looking at the problem with the **White Hat**, they analyse the data they have. They examine the trend in vacant office space, which shows a sharp reduction. They anticipate that by the time the office block would be completed, that there will be a severe shortage of office space. Current government projections show steady economic growth for at least the construction period.

  With **Red Hat** thinking, some of the directors think the proposed building looks quite ugly. While it would be highly cost-effective, they worry that people would not like to work in it.

  When they think with the **Black Hat**, they worry that government projections may be wrong. The economy may be about to enter a 'cyclical downturn', in which case the office building may be empty for a long time.

  If the building is not attractive, then companies will choose to work in another better-looking building at the same rent.

  With the **Yellow Hat**, however, if the economy holds up and their projections are correct, the company stands to make a great deal of money.

  If they are lucky, maybe they could sell the building before the next downturn, or rent to tenants on long-term leases that will last through any recession.

With **Green Hat** thinking they consider whether they should change the design to make the building more pleasant. Perhaps they could build prestige offices that people would want to rent in any economic climate. Alternatively, maybe they should invest the money in the short term to buy up property at a low cost when a recession comes.

*The **Blue Hat** has been used by the meeting's Chair to move between the different thinking styles. He or she may have needed to keep other members of the team from switching styles, or from criticizing other peoples' points.*

- **Cost/Benefit analysis**:

CBA's, as Cost/Benefit analyses are regularly referred to, are a widely used tool in many companies. They are claimed to be relatively simple: the costs associated with a decision are retracted from the benefits of implementing it. CBA's can be performed using only financial costs and benefits. It is however possible to combine these with less tangible effects: this does of course affect the simplicity of the tool.

Costs:	***Benefits:***
New computer equipment: ▪ 10 network-ready PCs with supporting software @ $2,450 each ▪ 1 server @ $3,500 ▪ 3 printers @ $1,200 each ▪ Cabling & Installation @ $4,600 ▪ Sales Support Software @ $15,000 Training costs: ▪ Computer introduction - 8 people @ $400 each ▪ Keyboard skills - 8 people @ $400 each ▪ Sales Support System - 12 people @ $700 each Other costs: ▪ Lost time: 40 man days @ $200 / day ▪ Lost sales through disruption: estimate: $20,000 ▪ Lost sales through inefficiency during first months: estimate: $20,000 Total cost: $114,000	▪ Tripling of mail shot capacity: estimate: $40,000 / year ▪ Ability to sustain telesales campaigns: estimate: $20,000 / year ▪ Improved efficiency and reliability of follow-up: estimate: $50,000 / year ▪ Improved customer service and retention: estimate: $30,000 / year ▪ Improved accuracy of customer information: estimate: $10,000 / year ▪ More ability to manage sales effort: $30,000 / year Total Benefit: $180,000/year

Payback time: $114,000 / $180,000 = 0.63 of a year = approx. 8 months

- **Decision tree**:

The strength of decision trees lie in the structure that they provide: through this structure, the different courses of action can be explored. They assist in forming a balanced overview of the risks and benefits linked to specific decisions. Along the

structured branches of the tree, statistical probabilities are translated into a final value per branch. These values can then be used as a basis for the decision of which course of action to take.

APPENDIX K: OVERVIEW OF THE SCREENING PROCEDURE REQUIREMENTS

- The new screening procedure must be **effective**: it must distinguish potentially successful projects from nonpotential ones.
- The new screening procedure must **distinguish** between projects that have no potential at all, and **projects** that could have **potential** if several adaptations were made.
- The new screening procedure must be **complete**: it should check for all aspects that are defined as being crucial decision elements to the EVD (and Teampro).
- The new screening procedure must leave **no** (or as little as possible) **room for interpretation of the criteria**.
- The new screening procedure must be **well-described/easy to use**: other employees than the CEO must be able to perform a screening based on the new procedure.
- The new screening procedure must take the **response time** from applicants into account.
- The new screening procedure must be **time-efficient**: it should not take more that 3 to 5 effective working days to come to a relatively solid decision (this is after all required documents from the partners were received).
- The screening procedure must be **centered around the EVD's criteria**.
- The screening procedure must be able to **handle the ambiguity** of the criteria.
- The screening procedure must take the potential **relation** issues between the **project partners** into account**.**

APPENDIX L: INFORMATION REQUEST DOCUMENTS

As the information documents that are requested from the project partners form the basis of the criteria check of the presented screening procedure, it is important to make sure that the right documents are gathered. The four categories that were presented in chapter 9 have been specified in the table below. This specification is partly based on the EVD's partner information sheets in the PSI application form. Some elements were added to create a wider image of the project in order to be able to perform the criteria check.

This table could be used to assess whether the information requested from the project partners is complete before proceeding to the criteria check.

Document	Copies	Information		Received?
Partner information	*1 per partner*	General contact details	Company name	
			Postal address	
			Email address	
			Website	
			Name of contact person	
		Company description	Chamber of Commerce registration number (or equivalent)	
			Legal structure	
			Operating sector	
			Number of employees	
			Core activities	
		Business experience	Foundation year	
			Examples of activities	
			Experience with PESP /PSOM/PSI	
Basic project plan	*1 per project*	Description of involved companies		
		Project idea		
		Project location/area		
		Project duration		
		Investment plan		
		Project budget (incl. Hardware vs. Tech. Assistance)		
		Financing plan		
		Implementation plan		
		Joint venture set-up/ share division		
		Market analysis/Customer profile		
(Audited) Annual reports of last 2 years	*1 per partner*			

APPENDIX O: USABILITY EVALUATION

This appendix presents more detailed information on the usability evaluation session that was held at Teampro's office in Rotterdam on the 25th of May 2009. Three employees participated in this evaluation session that had as purpose to inform on the overall usability of the criteria check design based on the process tree presented in chapter 9.

1. Usability definition and approach

Usability is a widely used term, especially in the context of software applications. The definition (Nielsen, 1994), used in this research is formulated as follows: "Usability is a quality attribute that assesses how easy user interfaces are to use".
Jakob Nielsen, a renowned usability consultant, defined five usability components in his book 'Usability Engineering':

- *Learnability*: How easily can users accomplish basic tasks the first time they encounter a design?
- *Efficiency*: After having learned the design, how quickly can users perform tasks?
- *Memorability*: If users use the design after a period of not using it, how easily do they regain their skills with the design?
- *Errors*: How many errors do users make, how severe are these errors, and how easily can they recover from the errors?
- *Satisfaction:* How pleasant do users find it to use the design?

Nielsen further defines three components for user testing:

- *Find representative users*: this component is adhered to by asking current Teampro employees, future users of the designed procedure, to test the design
- *Perform representative tasks*: this component is also met, by asking the employees to use the design to screen a PSI project.
- *Observe the users activities*: The employees have been observed during the evaluation session: What do they do? Where do they encounter difficulties? It is important to prevent contamination of the results by intervening as little as possible.

The usability evaluation session in this thesis focussed on evaluating the criteria check design on the learnability and satisfaction component. Through this session, the employees were asked to indicate potentially found errors concerning the location of criteria (in the four different sheets) as well as the adaptability of criteria (yes/no). Finally, the session aimed at evaluating the automated worksheet's ease of use.
These evaluation points have been captured in the following questions to the employees:

- Is the designed process tree understandable?

- Is the criteria checklist understandable?
- Does this design offer decision-making support? (Does it lead to a conclusion on whether or not to proceed with the potential project?)
- Did you notice errors concerning the location or adaptability of criteria?
- Does the automated worksheet add to the ease of use of the design?

The employees' answers to these questions in combination with the researcher's observations form the conclusions of this evaluation session that are presented further in this appendix.

2. Usability evaluation session

The session consisted of several elements, as described below.

- Presentation:

  The designed procedure has first been presented to the employees; subsequently, the process tree has been elaborated on. The aim of this first part of the presentation was to quickly walk through the procedure before continuing to the testing part later on, to guarantee that the employees had a basic understanding of the design.

  In the second part of the presentation, an introduction was given on the case that was about to be used for the testing. Again, the presented information was minimized in order to reduce the chances of influencing the evaluation session.
- Application:

  The employees were then asked to try to apply the criteria check design on the specific case. The process tree as well as the Excel sheet containing the criteria checklist were made available to them. Several sources of information could be used by the testers: information that had been provided via email right after the presentation, the Internet, and telephone contact with the project partners. The employees were asked to individually apply the design to the presented case and fill in the Excel sheet. After completing this part, the employees were asked to copy their answers to a second, automated worksheet. (The employees were only asked to use the automated worksheet at a later stage in the session, in order to be able to evaluate the usability of the criteria check procedure itself, without potentially getting distracted by the automated features).
- Evaluation:

  After several hours of working, a plenary session was held in which the testers were asked to evaluate the criteria check design. The tips and conclusions of this evaluation are presented below.

Throughout the session, notes were taken of the participants' questions and remarks.

3. Conclusions

The following conclusions were made on the basis of the aforementioned usability evaluation session:

- The designed process tree and criteria checklist were found to be very understandable. A remark was made on the exact meaning of the term 'tangible criteria'. In order to avoid confusion, the employees indicated that they would appreciate a basic explanation of the term. A detailed manual to be written in the future should take this comment into account.
- The employees all confirmed the model's decision making support: filling in the Excel sheet while following the process tree's guidance led to an assessment of the project. The model was found to be self-explanatory and built in a logic way.
- It was indicated in general that users of the model tend to go too fast: as a result, it occurs that not all remarks are carefully read, which can again cause confusion: the manual should again refer to the importance of going through the criteria check procedure (and the complete screening procedure) in the exact same time order as designed.
- No errors concerning the adaptability or the location of criteria in the model were noted.
- The automated worksheet was well appreciated by the employees; it was found to offer more support and made checking the process tree redundant, due to the automatic conclusions and recommendations that are programmed in the workbook.
- The evaluation session lead to an internal company discussion on the exact level of detail required in the information. It was decided to not use the term "business plan" at this early stage of coming to a PSI project proposal, since experience learned that the information delivered by the large majority of Teampro's clients is not detailed enough to be referred to as a business plan. The term "basic project plan" was chosen to better grasp the amount and detail level of the information. The exact content of such a basic project plan will need to be decided on by Teampro in the near future.
- The criteria that aim at checking the partners' financial stability are hard to interpret or calculate for individuals that do not have a financial or economic background. It was indicated through this evaluation session that communication on this subject with Teampro's financial manager would be much appreciated in order to learn from his experience.
- Two out of the three participants to the workshop were non-experienced employees. They indicated that some criteria were still hard to assess, even after reading the comments per criteria. This underlines the previously recommended action to organize internal workshops on how to assess PSI projects, since it was argued that it is not possible to translate all PSI criteria into tangible ones. It is likely that the

employees lack a minimum level of experience in the area of screening PSI projects: 'creating this experience' (see chapter 9, paragraph 9.3) could hereby increase the quality of the project screening.

Overall, the employees that participated in the workshop have positively evaluated the usability of the model.

4. Adaptations/additions based on the usability evaluation session

- As mentioned in this appendix's third paragraph, the term 'business plan' has been replaced by "basic project plan", in order to avoid confusion on the extensiveness and the level of detail in the information required from the project partner to screen their project idea.
- In order to use the designed screening procedure as intended by the developer, it is essential to possess the right and the right amount of information. This essential need was revealed in the usability evaluation session. The amount of information required for this new screening approach is more extensive than the information that has been retrieved in the screening stage in the past. This implies that more information will need to be required from the partners. This change in the information-gathering phase has been emphasized as a result of this session. Also, a detailed overview of the required information should be developed in the near future. The overview in appendix L could serve as a basis for a future detailed information request document to be sent to the project partners.
- Finally, a very basic overview/guideline for the use of the automated workbook has been written down, in order to support first time users in the near future. Teampro indicated that they intend to develop a detailed guideline for the procedure in the future.

APPENDIX P: BASIC CRITERIA CHECK GUIDELINES

This appendix presents a short overview of the steps that need to taken when screening an incoming project idea based on the criteria check approach that is presented in this report. This appendix can be seen as a basic guideline for the criteria check phase.

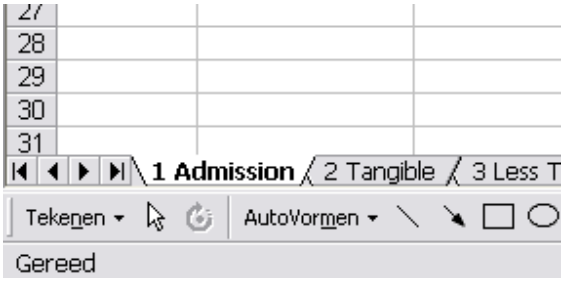
0. Check whether all requested information has been received. (The information list in appendix L can be used as a checklist). (If yes, proceed)

1. Read through/scan the aforementioned information.

2. Open the Excel workbook named “Screening Criteria Checklists (automated).xls” on the server.

3. Save workbook under a new name: example Criteria Check ‘project name’.xls.

4. Go to sheet 1 Admission



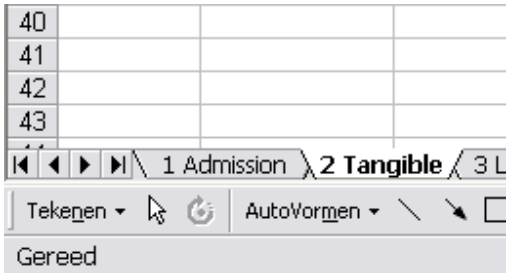
5. Assess all criteria in this sheet, based on the available information. (Not on the expected changes in the future!) Answer with yes or no (no abbreviations, no capitals).

			PSI
1			
2			
3	**Not**	**Criterion met?**	**Specific P**
4	**Adaptable**	yes/no	
5	x		The applying
6	x		The local part
7	x		The applicant
8	x		The applicant
9	x		Governmenta
10	x		Equity of appl

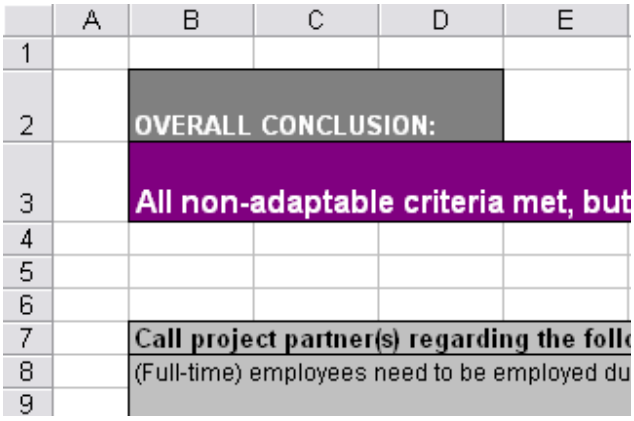
6. Carefully read the conclusion presented below the criteria and follow the instructions. The screening process ends if criteria that are not adaptable are not met!

	Conclusion:
	Waiting for more input.

7. Proceed in the same way through sheets 2, 3 and 4 (if this is indicated in the conclusion in each Excel sheet.)



8. Finally, go to sheet 5: conclusions. Carefully read the conclusion for the screened project, and follow the recommended actions if any are presented under the main conclusion.


A
B
C
D
E
1
2
OVERALL CONCLUSION:
3
All non-adaptable criteria met, but
4
5
6
7
Call project partner(s) regarding the follo
8
(Full-time) employees need to be employed du
9