

SHARING TRADE SECRETS

Motivated Employees One Key to Success

Canadian Fracmaster Limited (CFL) has achieved national and international recognition for application of advanced technology to enhance the recovery of petroleum from depleted reservoirs. CFL's success in the export market has been pronounced in Russia where it has become the major foreign producer and exporter of petroleum in only six years since its first joint venture, UganskFracmaster, commenced operation.

Fracmaster has over 2,000 employees, mostly citizens of the Russian Federation, in its four West-Siberian ventures. All four involve Russian enterprises; two also include Canadian partners. In all four, however, CFL as operator, has responsibility for day-to-day operational management, and for strategic thinking and planning of future activities. CFL's Russian operations contribute heavily to the company's total revenues, and are the prototype for initiatives being pursued in Asia, Eastern Europe, the Middle East and Latin America.

Fracmaster's success is based on widely understood secret ingredients — leadership, exemplary entrepreneurship, state-of-the-art (and often proprietary) technology, plus highly-trained, powerfully-motivated employees in all operations. CFL uses expatriate employees as trainers and start-up staff in host countries, with rapid incorporation of local staff into all managerial and operational spheres. All staff, expatriate and local alike, may expect to grow and develop globally as continuing success creates expanded opportunities.

Focus on local employees

Fracmaster's really not-so-secret approach to its overseas activities is to view local employees as part of the continuum of required experience represented initially by expe-

rienced Canadian expatriates. Local employees with their own traditions of excellence, albeit often learned under very different social, economic, and political conditions, have the potential initially to offer powerful skills to each overseas undertaking, and then to apply their expertise to an increasingly wider domain. As local employees successfully grow, develop and rise within CFL's foreign joint ventures, they become eligible to join the international Fracmaster family that embodies so much of CFL's relations with its staff.

Agreements between Canadian companies like Fracmaster and foreign partners such as those found in transformation economies like Russia explicitly address the demand that technology transfer and technological training be pro-

vided in Canada to citizens of the host country. Fracmaster views this requirement as offering multiple benefits, most of which are not included in the legal documents governing relations between CFL and its foreign partners.

Additional benefits are not mandated but are equally important, especially for individual employees and Fracmaster itself. A melding is encouraged between the Canadian and foreign cultures represented by CFI and its local employees which enhances the pool of talent available to Fracmaster anywhere.

The Fracmaster Institute

These activities have been deliberately made operational by Canadian Fracmaster through a division called The Fracmaster Institute (TFI), located in the headquarters of the company's main international business unit, Canadian Fracmaster Offshore (Cyprus) Limited (CFOCL). CFOCL is based in Nicosia and its twenty-plus employees are responsible for Fracmaster operations in countries of the CIS and the new emerging democracies in Eastern Europe.

The mandate of TFI is to ensure that key employees throughout Fracmaster's global operations apply common business principles

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Editor-in-Chief: Amir Guindi

Editor: Don Wight

Assistant Editor: Don Wight

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For more information, contact: (613) 992-5791, Department of Foreign Affairs and International Trade, Ottawa K1A 0G2.