



A BI-MONTHLY PUBLICATION OF THE OFFICE OF THE CHIEF EXECUTIVE OFFICER

This Newsletter provides customers, employees, suppliers, shareholders and the community at large with current information on major performance and other activities of the companies under the leadership of the CEO

Volume 1, Issue No. 1

Nov - December 2000

### THE CHAIRMAN'S MESSAGE

At the birth of this valuable information Newsletter, it is appropriate to commence by indirectly getting *Sheikh Mohammed H. Al-Amoudi's* message by quoting his relevant and inspiring speech that he delivered at a luncheon ceremony held in his honour at the World Bank Headquarter in Washington D.C. on October 1, 1997.



Sheikh Mohammed H. Al-Amoudi  
ጆክ ሙሐመድ ሱሴን አል አሙዲ

#### On People

"In my companies, I have always considered investment in my people to be of the utmost importance, because in the final analysis, people matter."

#### On Ethiopia

"Ethiopia is a country close to my heart... My affections and my interests bridge the Arab World and Africa, for I feel that I am a son of both."

#### On Africa

"Africa today is an awakening giant. No other continent is more blessed with natural resources."

"Africa desperately needs training. I would even argue that this is Africa's single most critical need."

"Before the nations of Africa can attract private capital and know-how, their markets need to be liberalized, and trade regions ought to be reformed."

"I believe in Africa and I believe in Ethiopia and my companies will continue to commit a substantial amount of their resources to investment in Africa."

#### የሊቀመንበሩ (ፎርማን) መልዕክት

ይህችን የNewsletter ወቅታዊ ጽሑፍ ለአገልግሎት መዋል ምክንያት በማድረግ የሊቀመንበር ጅክ መሐሙድ ሁሴን አል-አሙዲን ጠቃሚ፣ ቀስቃሽና ከሀረጎች መልዕክት ከአሁን ቀደም ዋሽንግተን በሚገኘው በዓለም ባንክ ዋናው መሥሪያ ቤት እ.ኤ.አ. አካቶበር 1 ቀን 1997 ለክብራቸው በተዘጋጀው የምሳ ግብዣ ተገኝተው ካደረጉት ንግግር በመጥቀስ በመልዕክትነት መልክ በተዘዋዋሪ እንሆ በትርጉም ተርጋል።

#### ሠራተኞችን/ሰዎችን በሚመለከት፡

"በድርጅቶቼ ውስጥ የሠራተኞቼ መሻሻልና ዕድገት ላይ ማተኮር የምንግዜም ተግባራ ነው። ምንም ቢሆን ምን ከሰው የበለጠ ነገር የለምና"

#### ኢትዮጵያን በሚመለከት፡

"ኢትዮጵያ በልዩ ሥር ያለች ሀገር ናት.....ፍቅሬና ፍላጎት በአፍሪካና በአረብ ሀገሮች ላይ እንደ ድልድይ መገናኛ ሆኖ ያገለግላል ስል የሁለቱም የጋራ ልጅ ሆኜ ስለሚሰማኝ ነው።"

#### አፍሪካን በሚመለከት፡

"አፍሪካ በአሁኑ ጊዜ በመንሠራራት ላይ ያለች ግዙፍ አህጉር ነች። እንደአፍሪካ በተፈጥሮ ሀብት የበለጠና የታደለ አህጉር የለም።"

"አፍሪካ በአስቸኳይ ትምህርትና የሙያ ሥልጠና ያስፈልጋታል። እንዲያውም ለአፍሪካ በአሁኑ ጊዜ በአንደኛነት ትኩረት የሚሠጠው አንገብጋቢና ተፈላጊ ተግባር ትምህርትና የሙያ ሥልጠና ነው ማለት ይቻላል።"

"በአፍሪካ የሚገኙ ሀገሮች፣ ካፒታልና የውጭ ሙያ ወደ ሀገር ከማስገባታቸው በቅድሚያ የገበያና የንግድ ይዘታቸውን የማሻሻልና የመለወጥ ጥረት ማድረግ ያስፈልጋቸዋል።"

"በአፍሪካም ሆነ በኢትዮጵያ ላይ ከፍተኛ እምነት አለኝ። ስለሆነም ድርጅቶቼ ካላቸው ሀብት ከፍተኛውን በአፍሪካ እንሸሰት ያደርጋሉ።"

ለሊቀመንበራችንና ቤተሰባቸው እንዲሁም ለመላው ሠራተኛ መልካም ዓመት በዓል እንዲሆንላቸው እንመኛለን።  
We wish our Chairman & his family and all employees a happy "Eid Alfter", Merry X-Mass and a Happy New Year.

### **TIMELY INFORMATION - A VITAL FACTOR**

In an era of booming Information Technology and Internet, e-commerce and e-mail the world is flooded with incredible amount of data, which can be obtained, with a stroke of a key to a computer or any other devices designed to facilitate communication not only among people but also machines. The challenge, however, is not in the possession of information but in its accuracy, reliance and **TIMING**. An organization or a company consisting of employees, who are provided with the means to access to current information, can benefit from enhanced performance resulting from a well-informed workforce. Transparent management can only be achieved through the use of accurate and current media.

The "LINQ" magazine of MIDROC Scandinavia and the "TIRET" magazine of MIDROC Ethiopia provide valuable services in providing us with broad, detailed and historical documentation about the activities surrounding the affiliated organizations in different countries.

Bulletins, such as this Newsletter, while they supplement such publications mentioned above, are designed to focus on issues that are sensitive and timely. This Newsletter is, therefore, intended to be very current, thereby promoting continuous and efficient performance of the employees in their daily activities of our companies. It is in light of this that this Newsletter is created. We believe, it will serve the timely needs of the companies organized under the umbrella of the newly created office of the Chief Executive Officer. This is one of the many communication tools that will be used to facilitate and help the introduction and maintenance of harmonious and transparent working relationships not only among employees but also with our customers, suppliers, shareholders, companies and the community.

### **HIGHLIGHTS OF ACTIVITIES ACCOMPLISHED TO DATE**

One of the main reasons for the commencement of this Newsletter is to provide updates on the status of major activities performed on a regular basis. This, we believe, will help all employees to keep abreast of the current companies' affairs on a timely basis thereby creating effective communication and enhanced performance and production. It is in light of the above that we compiled the following highlights

#### ***Formation of the CEO Office***

Sheikh Mohammed H. Al-Amoudi, the Chairman, appointed Dr. Arega Yirdaw as the Chief Executive Officer of (a) MIDROC Gold S.c. (Mining Sector), (b) ELFORA Agro-Industries Plc (Agro-Industry Sector), (c) Huda Real Estate Plc (Real Estate Business Sector), (d) Kombolcha Steel Products Industry Plc (Manufacturing Sector) and (e) Modern Building Industries Plc (Industrial Sector). These organizations alone constitute 50 percent of the owner's total foreign investment associated with MIDROC's activities in the country. The CEO, with direct responsibility to the Chairman/owner, started his assignment effective June 26, 2000. Sector Leadership Teams were immediately established to help coordinate the services that must be given by the CEO to the above-mentioned organizations. The CEO and his Sector Leadership Teams are temporarily located within the compound established for Huda Real Estate.

#### ***Organization / Structure Changes***

In an effort to modernize as well as establish effective, performance-based and business-oriented working environment, the CEO Office launched a five-month program of re-organizing the five companies. With the cooperation of all concerned and with an energized team spirit, the new organization structures were introduced in all the above five companies. The companies are now set to deal with the performance aspect of their activities starting January 2001.

#### ***Key Personnel Changes***

As part of the re-organization exercises, all the necessary changes have been made at various levels of the organizations. For instance, Ethiopians and South Africans now replace the Swedish expatriates who did occupy the positions of the Local Procurement Manager, the Finance Director and the Operational Manager of MIDROC Legadembi Gold. At ELFORA, the necessary organizational adjustments to the Purchasing, Marketing/Sales departments were immediately introduced to emphasize the importance of developing new market opportunities. The following changes were also made at the top management levels.

Mr. Petrus Jacobus Visagie (of South Africa) is now the General Manager of MIDROC Legadembi Gold Mine, replacing Mr. Fred Bowman of Sweden.

Dr. Kasshun Admassu is appointed as the Deputy General Manager of Huda Real Estate Plc replacing Eng. Afework G. Girmayie.

Ato Terefe Mengesha is appointed as the Deputy General Manager of Modern Building Industries Plc replacing Mr. Hanna Qalqili of Jordan.

The CEO, Dr. Arega Yirdaw, is temporarily acting as the Deputy General Manager of ELFORA until a replacement is appointed to Ato Tilahun Eshete, who resigned on personal reasons, and is retained as an advisor.

There is no change at KOSPI top management level.

#### ***Transfer of DIL Paints Factory***

In an effort to effectively utilize the synergy that is needed among the affiliated companies, DIL Paints Factory is being transferred from EBG to MBI. The necessary transfer activities are expected to be finalized before the end of January 2001.

### **Policies Procedures and Guidelines**

Procurement Procedures and Policies are developed by a team of people from MIDROC Gold and the CEO Office. A seminar was conducted to those affected by the policy prior to implementation. Financial Policy for MIDROC Gold has also been developed by a team of selected people. Procurement/Purchasing Policy for ELFORA is developed. A dedicated procurement department, which checks out the new procedure while performing its routine purchasing activities is established within ELFORA under the leadership of Ato Ibrahim Omar. The policy is due to be fully implemented in the near future. All necessary forms and guidelines are developed to facilitate the preparation and transmittal of weekly, monthly, quarterly, and yearly financial information/data to the CEO and the respective General Managers, and is ready for seminar & implementation during the month of January 2001.

### **Budgets and Timely Reports**

All companies have presented their respective year 2000/2001 budgets to the CEO office for review and approval. The budgets were approved after several review meeting by each company with the CEO and his Leadership Team. The CEO office has also completed its budget for the same year. The CEO office's own budget for operational expenditure is generated from the five companies in a form of a management fee for services rendered. A consolidated budget report of the companies under the umbrella of the CEO is also completed.

### **Visits to Amhara Regional Office**

A team of officials from ELFORA, KOSPI & Ethio-Coffee led by Dr. Arega Yirdaw visited the Amhara Region President H. E. Ato Adisu Legese and his staff in Bahir Dar on September 8, 2000. The purpose of the visit was to discuss items of common interest between the Regional office & MIDROC, in the areas of Agro-Industries and Manufacturing activities in the Amhara Region.

### **Seminars and Meetings**

Seminars & on-the-job trainings will be one of the essential tools to enhance our performance and improve the working situations of our most valuable resource - the people. So far, seminars were conducted on procurement/stores (for MIDROC Gold) and on organization structure (for ELFORA). Brainstorming sessions and

limited studies were conducted on ELFORA Livestock and Poultry activities. The Public Relations members of the five organizations have conducted their first "get-together" meeting in Dec. 2000

Likewise, the Finance Managers from the five organizations have conducted their first "get together" meeting with the CEO Leadership Team in Dec. 2000. A monthly meeting of the CEO with the General Managers is set in motion and has contributed to a coordinated and well-informed transparent management style at the leadership level. All employees above the supervisory level, who reside in Addis Ababa, attended the first "get-together" meeting called by the CEO office on December 30, 2000. This trend will extend to include all employees from all organizations at different locations.

### **Visits to Facilities**

The CEO and his leadership team have so far visited MIDROC Gold Mine, MBI's Awash Plant, Dil Paints Factory, KOSPI (Kombolcha during the inauguration), Nani & Loli buildings of Huda Real Estate, ELFORA's Poultry farm at Debre Zeit & Shola, Cheffa farm, Meat concentrate (Kaliti), Debrezeit Abattor and the Addis Ababa offices of the Livestock, Production and Marketing Unit.

### **New Offices**

In an effort to make the working environment acceptable to employees and conducive to performance as well as minimize costs, the following moves are made.

MIDROC Legadambi Gold Head Office is moved from the Kera area to a new building by the Haile Gebresellasi Road. The rent for Modern Building Industries office building is substantially reduced after a new negotiation. ELFORA Main office is moving to the former East African Tea Company Office building near Bole Medhane Alem Church. KOSPI Head Office is moving soon to a new place by Wollo Sefer Road. In addition to the better environment achieved, there is a saving of a total of 500,000 Birr per year resulting from the decision to move. We appreciate the assistance given to us by Ato Menasse Tadesse, General Manager of Addis Real Estate and his staff to achieve our goal of acquiring better offices at lower costs.



*Mr. Petrus J. Visagie*  
General Manager  
MIDROC Legadambi Gold Mine S.c.



*Ato Yaregal Haddis*  
Deputy General Manager  
Kombolcha Steel Products Industry Plc  
(KOSPI)



*Dr. Kassahun Admassu*  
Deputy General Manager  
Huda Real Estate Plc



*Ato Terefe Mengesha*  
Deputy General Manager  
Modern Building Industries Plc  
(MBI)

**MESSAGE FROM THE CEO**

Just like things around us, organizations cannot progress and grow from infancy to maturity without corrections, adjustments, optimization and re-structuring. During the last five months, we have, as a team, worked diligently to make the necessary re-organization and re-structuring needed to position ourselves on the right path to establish, efficient, customer-oriented, performance-based and profit-oriented companies. Realizing the true, constant, special, dedicated and determined support from our Chairman/owner, we need to play a visionary leadership role to create and maintain organizations that exemplify excellence and attract others to follow our techniques of managing our businesses. Wess Roberts, in his book entitled "Leadership Secrets of Attila the Hun" stated that "Leadership is the privilege to have the responsibility to direct the actions of others in carrying out the purposes of the organization, at varying levels of authority and with accountability for both successful and failed endeavors." The most powerful way to communicate a new direction is through behaviour. This can be transmitted with the help of an information medium that is current and accurate. Leaders should live the change vision and lead by example. In order to succeed in our effort, each of us must take

personal responsibility to lead and dedicate ourselves to continuous improvements. In return, we will have a culture that foster a safe workplace, value-added activities, excellent communication and respect to all employees (irrespective of position, title, type of work or geographical location). To achieve such an environment and establish our companies on solid guiding principles, we need to have a clear understanding of (a) *where we want to be* (our *VISION*), (b) *what we do* (our *MISSION*) and (c) *what we stand for* (our *VALUES*). In an effort to provide a common theme to our endeavours in developing our companies, I offer the following "VISION" and "MISSION" statements along with our "VALUES" that I intend to pursue with the help of all the leaders and employees within our companies.

I encourage everybody to make the necessary efforts to make our vision, mission & values a reality - which can only be achieved through team work at all levels. Allow me to conclude my message by extending my deepest gratitude to all of you for your enthusiastic and genuine support during my effort in acquainting myself with the different activities in each one of our companies. Finally, on behalf of our Chairman and myself, I wish you all a Merry X-Mass and a wonderful, prosperous and successful New Year.

**VISION**

*MIDROC's quality products and sustained services to every consumer and user.*

**MISSION**

*A multi-sector organization with second-to-none leadership positions in each of our products and services thereby exceeding the expectations of our customers, employees, shareholders and the community.*

**VALUES**

***Customer Satisfaction***

Earn the respect and loyalty of customers by providing them with the products and services of highest quality and greatest possible value.

***Employees and Empowerment***

Recognize the fact that our fundamental vitality and strength lies in the employees who should be empowered and encouraged to reach their potential. Provide employment security based on performance, safe and pleasant work environment, and recognition of achievements and sense of satisfaction of accomplishments.

***Corporate Identity and Image***

Strive to increase positive recognition and improve quality reputation as a financially sound, customer/employee-oriented, performance-based, compassionate, well managed and led organization.

***Integrity and Ethics***

Live up to our responsibilities, obligations and commitments without compromise. Engage in fair and honest business practices and stringent code of honor and conduct.

***Balanced Life and Performance***

Promote a balanced life where the individual will have adequate time for his personal development, his family, community and of course his occupation. This helps him work smart and not necessarily hard to achieve highest work performance.

***Shareholders and Owners***

Provide them with maximum values achieved through a steady focus on profitability, financial strength and planned return on invested capital.

***Strength and Stability***

Achieve and improve our financial and organizational soundness to secure our future. The organization is only as strong as its people are.

***Social Responsibility and Corporate Citizenship***

Provide support to family, society, community, countries and the environment where our customers and employees work and live.

***Profit and Growth***

Earn and be recognized as a profitable and growth oriented organization.

***Respect and Trust***

Trust, respect and care for each other in all our relationships.

***Quality and Excellence***

Strive to be the best in everything we do.

***Teamwork and Cooperation***

It is our way of life to achieve our mission.

Please Address Communication to:  
 The Office of the Chief Executive Officer (CEO), MIDROC  
 P.O. Box 5787, Addis Ababa, Ethiopia  
 (ግብይት ግብይት በሰጥርኛ ለግብይት ለገንዘብ)

*Dr. Arega Yirdaw  
 Chief Executive Officer*

