



Do You Have the Skills for Global Success?

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The Challenge for International Trade as a Job

- As a profession – international trade still not recognized as a career (not just about travel)
- The practice of global commerce is highly varied
- Practitioners tend to work in one or two “silos” with inadequate training and exposures to other equally valid areas
- Companies are seeking proof of competence

Companies versus Individuals

- To be globally successful, we know what companies need:
 - Management commitment
 - Competitive product or service
 - Proactive approach to marketing
 - Cash flow
- But often ‘domestic’ individuals are tasked with global growth

So What Should Individuals Know?

- **Wrong knowledge and skills:**
 - **Missed opportunities:** reactive marketing, markets and partners in control
 - **Increased risks:** lack of resources, less knowledge about markets and partners, lack of compliance
- **Less competitive!**

NASBITE Credential Project

- **Nasbite International: non-profit association of teachers and trainers in international trade**
- **Wanted to develop a professional qualification for trade practitioners and students**
- **Worked with Professional Examination Service on ‘practice analysis’ study**

Task Force Outcome: NASBITE Practice Delineation

<u>Domains</u>	<u>Common Threads</u>
Global Business Mgmt	Documentation
Global Marketing	Legal and Regulatory Compliance
Supply Chain Mgmt	Intercultural Awareness
Trade Finance	Technology
	Resources

Tasks and knowledge statements identified for each above

- **Next- We needed a national survey to evaluate the work of the task force to add, modify, delete, and refine task and knowledge statements**

National Survey

Summer 2003

- Surveyed 1500 experts in international trade from small to large companies – over 250 respondents
 - 1) National District Export Council Members
 - 2) Members of FCIB
 - 3) Clients of SBDCs, ITCs, Nasbite BOG contacts, and volunteers from NASBITE listserve

Survey Item Example

- Task: Develop and select market strategy to maximize sales and profitability.
- Knowledge of: 1) alternative entry- and exit-strategies (e.g., licensing, agency/distributor, international joint venture)
- 2) U.S. and foreign laws and regulations that apply to the entry strategy (e.g., entity law, taxes, laws relating to agency/distributor/other intermediaries)

Four Goals to the Survey

1) Task Frequency

- How frequently did you perform each task during the last year?
 - Never
 - Rarely
 - Occasionally – weekly or monthly
 - Frequently – daily or almost daily
 - Routinely – several times a day

Goal 2) Task Criticality

- How critical is each task to achieving the international trade objectives of the client or organization?
 - Not critical
 - Minimally critical
 - Moderately critical
 - Highly critical

Goal 3) Knowledge Usage

- Which level best represents your use of this knowledge in your practice?
 - Do not use the knowledge
 - Recognize / recall the knowledge
 - Apply / interpret / integrate the knowledge

Goal 4) Knowledge Acquisition

- At what point should the knowledge be acquired by practitioners in international trade ?
 - Never
 - Primarily prior to completing two years
 - Primarily during the third, fourth, and fifth years
 - Primarily after six or more years

Respondent Demographics

- **Position**

- **Practitioner (corporate)** 41%
- **Svc Provider/Consultant** 40%
- **Educator/researcher** 6%
- **Employee at Trade Assistance Org.** 13%

Respondent Demographics

- **Employment Sector**
 - **Private Sector** 70%
 - **Government** 19%
 - **Non-Profit (universities
SBDCs, etc.)** 11%

Respondent Demographics

- **Number of Employees**

– Less than 20	31%	
– 20-49	10%	
– 50-99	5%	46% from 'small'
– 100-499	16%	
– 500-999	11%	27% from mid-sized
– 1000-2499	7%	
– 2500-4999	7%	
– 5000 or more	13%	27% from large

Based on Survey Results

- Most of the task statements were supported
- Many of the knowledge statements were not supported
- Approximately 230 knowledge statements were reduced to 150
- Some knowledge statements needed to be refined

Further Looks at Skills / Functions

- Global management
- Global marketing
- Supply chain management
- Trade finance
- Resources & technology
- Documentation & compliance
- Intercultural awareness

NABSITE Practice Delineation

- Tasks and knowledge statements to support professionalism in global growth
- Available online under CGBP FAQs
 - www.nasbite.org/?page=CGBPFAQ

NASBITE Certified Global Business Professional Practice Delineation

This document contains the trade skills certified through the NASBITE Certified Global Business Professional credential. It is comprised of four top-level domains, and five threads (topics across all four domains). The NASBITE CGBP exam contains multiple choice questions that draw from the following tasks and knowledge statements. Program details at www.nasbitec.org.

Domains of Practice

Task Statements

Knowledge of Statement

01 Domain 1: Global Business Management

Develop and/or assist with the strategic and operational planning, development, implementation, and assessment of the international aspects of the business

Task 01/01: Develop and/or assist in the creation of a global mission statement for the firm.

Knowledge of:

01/01/01: components of a mission statement

Task 01/02: Recognize ethical and cultural issues that are inherent in global activities and contribute to an ethical and cross-culturally sensitive business environment.

Knowledge of:

01/02/01: business ethics as perceived and practiced in the U.S. and in other countries (e.g. cultural relativism, labor laws)

01/02/02: culturally appropriate techniques for international business settings (e.g., adaptive behavior, response, and verbal/written language to correspond with local business culture, group vs. individual, ethnocentric vs. monocentric, high context vs. low context)

Task 01/03: Participate in the global business planning and long-term strategic planning processes.

Knowledge of:

01/03/01: environmental factors affecting international strategies (e.g., political, legal/regulatory, sociocultural, cost and competitive factors, appropriate levels of technology)

01/03/02: local, state, federal and global support initiatives that are designed to enable global business ventures and expansion

Global Management

- **Global business planning**
- **Research: determine viability of global ventures**
- **Risk management**
- **Legal and regulatory compliance**
- **Global budget**
- **Supporting relationships**

Knowledge Relating to Global Management

- To gain insight on tips for U.S. companies selling products or services into a particular foreign country, a U.S. company should research which resource?
 - *Commercial Service Country Commercial Guide*
 - *Coface Country Report*
 - *UNCOMTRADE*
 - *World Bank - World Development Indicators*

Knowledge Relating to Global Management

- Assume Westward Chemicals, based in the U.S., owns 10% in a subsidiary in France. When Westward Chemicals sells products to that subsidiary in France, which of the following is a true statement?
 - *Transfer pricing rules do not apply since foreign ownership is less than 50%*
 - *Transfer pricing rules do not apply since foreign ownership is less than 75%*
 - *Transfer pricing rules do not apply since France is part of the EU.*
 - *Transfer pricing rules apply*

Global Marketing

- Internal / external assessment
- Foreign market selection
- Foreign entry mode selection
- Foreign partner selection
- Coordinate the marketing mix

Knowledge Relating to Global Marketing

- A company is considering its foreign partner options. Ideally the foreign partner will need to inventory the product in quantity to be sold later in smaller quantities. This likely means which type of foreign partner would be used?
 - *export management company*
 - *agent*
 - *distributor*
 - *franchise*

Knowledge Relating to Global Marketing

- The Gold Key service offered by the U.S. Commerce Department is useful for:
 - *providing booth space at overseas trade shows*
 - *using the services of the U.S. Commerce Department to clear goods through customs faster*
 - *identifying and setting appointment with potential foreign partners*
 - *conducting credit analysis of potential foreign partners*

Supply Chain Management

- Optimize supply chain solutions
- Select intermediaries
- Complete required documentation
- Coordinate with other departments
- Facilitate offshore procurement

Knowledge Relating to Supply Chain Management

- When is the Electronic Export Information filing required?
 - *For all shipments*
 - *For any shipment in which the value is US\$1000 or greater*
 - *For any shipment in which the value is US\$2,500 or greater*
 - *For any shipment in which a single commodity value is US\$2,500 or greater*

Knowledge Relating to Supply Chain Management

- In determining if a product qualifies as originating in a NAFTA country, the profit made by the exporter, as defined by the invoice price less the cost of materials,
 - *is never used toward the determination.*
 - *in some cases is considered as “originating” and used toward the determination.*
 - *is only used if all the materials used are also originating.*
 - *is only used when using preference criterion C.*

Trade Finance

- **Risk assessment: political, economic, commercial**
- **Payment method selection**
- **Effective credit management**
- **Financing export growth**
- **Managing foreign exchange risk**

Knowledge Relating to Trade Finance

- In a non-confirmed Letter of Credit, the risk of non-payment to the exporter is with:
 - *the applicant (buyer)*
 - *the applicant's bank (the buyer's bank)*
 - *the advising bank*
 - *the confirming bank*

Knowledge Relating to Trade Finance

- A key feature of a futures contract versus a forward contract is that the futures contract can be:
 - *postponed*
 - *cancelled*
 - *traded*
 - *modified*

What Is the Implication of All of This for Companies?

- Without the right skills, you may miss opportunities and have increased risk
- International staff don't always have to be hired, they can be trained.
- Small businesses in particular need these skills because one person may have many responsibilities.
- You don't know what you don't know! Use the **NASBITE** standard to benchmark your skills and then get training.

NASBITE CGBP

- **Nationally recognized standard for the certification of international skills**
- **First exam offered in 2005**
- **The CGBP does not mandate a specific course of study ... it only identifies the standard and test against that standard.**

What Trade Skills are Certified and at What Depth?

- The exam questions match with the **NASBITE Practice Delineation**
- The exam tests the tasks and knowledge associated with a practitioner who has worked in global trade for two years

Who is a Suitable Candidate for the Credential?

- Individuals working in the profession
- Students studying for a career in the profession
- Individuals in small and large companies would benefit

What are the Benefits from Achieving Certification?

- Identifies to employers a proven competence in global business
- Assures an understanding of a broad range of issues rather than one or two areas
- Use of the credential logo and wordmark on resumes and business cards

What is Required to Achieve Certification?

- Pass the **NASBITE CGBP Exam**
- Have completed either two years of college-level studies **OR** two years working in the field of global business

What is the Exam?

- 150 multiple choice questions
- Questions are from the **NASBITE Practice Delineation**
- Possible points are from 200 to 800. Must achieve 500 to pass the exam.
- **Exam Fee (US/CA/MX)**
 - \$100 registration
 - \$295 exam fee (payable once)

Results Since 2005

- About 2000 Awarded CGBP
- National pass rate: 50-70%
- Nearly 150 US Commercial Service Trade Specialists & Managers certified
- Over 300 SBDC counselors

What Students and Practitioners Are Telling Us

- The CGBP helps get them the interview
- Companies don't yet recognize the CGBP, but ask about it
- It is a differentiator!
- It sends an important signal to their boss

More Information

Please review the **CGBP** brochure available on our website or contact **NASBITE** directly:

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