

# **VEGA EXPORT TRADE TRAINING PROGRAM BAHRAIN & MOROCCO**

**ASSOCIATE COOPERATIVE AGREEMENT NUMBER EEM-A-00-04-00011-00**

## **QUARTERLY REPORT** For the Period **October 1, 2006 – December 31, 2006**

**VEGA EXPORT TRADE TRAINING PROGRAM**  
**October 1, 2006 – December 31, 2006**

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## **I. EXECUTIVE SUMMARY**

This report covers the period from October 1, 2006 through December 31, 2006 and covers all activity undertaken by the VEGA Export Trade Training (VEGA ETT) program in Bahrain and Morocco.

At the direction of MEPI, the VEGA ETT program has been coordinating with the Beyster Institute in Morocco and Bahrain to deliver the ETT training modules.

On November 8 and 9, 2006, VEGA ETT delivered its second training workshop in Morocco. The workshop, Export/Import Management and Marketing - was delivered in Tangier, Morocco and a total of 48 participants attended the two day workshop.

From November 13-15, 2006, VEGA ETT presented its third training session in Bahrain. The workshop – M-Commerce & E-Commerce & Services in Global Trade - was a 1 day program that was delivered to 3 different audiences in Manama, Bahrain. A total of 51 participants attended the three trainings.

## **II. INTRODUCTION**

The Volunteers for Economic Growth Alliance (VEGA) was awarded Associate Cooperative Agreement number EEM-A-00-04-00011-00 from the United States Agency for International Development (USAID) on September 30, 2005, to implement the Export Trade Training (ETT) Program in Morocco and Bahrain. This report covers the period from October 1, 2006, through December 31, 2006.

This report provides details of all the activities undertaken by the VEGA ETT program during this period, including training, customized technical assistance and other program activity.

## **III. PROGRAM ADMINISTRATION**

### **A. Program Administration**

VEGA ETT has continued to use the services of Jaffari Consulting firm to provide logistical support in Manama, Bahrain. Jaffari Consulting was responsible for the recruitment of the participants and, in coordination with the Headquarters staff, managed the logistical preparations in Bahrain.

VEGA ETT has continued to utilize a portion of the Morocco Fast Track Trade (MFTT) staff in Morocco. The MFTT staff, in-coordination with the Headquarters staff, managed the planning stage of the training workshop, including finding the most appropriate and cost effective location as well as recruiting the appropriate audience.

### **B. Modification of Marketing Materials and Training Modules**

Based on feedback from the training sessions in Bahrain, VEGA ETT modified Training Module #2 – Import/Export Management and Marketing in International Trade - to improve the flow of the training session. The Volunteer Expert developed additional training material to better illustrate the training topics. The new training material was turned into a workbook (attached as an Appendix to this Report, titled “Export Marketing Manual”) that was used in the training workshop delivered in Tangier, Morocco.

## **IV. PROGRAM ACTIVITIES**

### **A. Second Training Workshop in Morocco – Import/Export Management and Marketing - November 8& 9, 2006 (Tangier, Morocco)**

VEGA ETT presented a second Training Workshop in Morocco. Import/Export Management and Marketing was a 2-day workshop that was delivered in Tangier, Morocco. The workshop topic covered three elements: marketing strategy, marketing plan, and sales skills.

There were 43 participants at the training session. The 43 individuals represented 28 organizations including 18 private-sector businesses, 6 government organizations, 3 associations and 1 individual consultant.

Feedback collected at the completion of the workshop noted that the training session was very interesting and that the facilitator was knowledgeable on his topic. Attachment 1 – Evaluation Comments for Import/Export Management and Marketing - November 8 & 9, 2006 (Tangier, Morocco), is a list of the comments from the completed evaluation forms.

### **B. Third Training Workshop in Bahrain – M-Commerce and E-Commerce & Services in Global Trade November 13-15, 2006 (Manama, Bahrain)**

VEGA ETT presented the third workshop in Manama, Bahrain. The one day session was an interactive technology workshop that was delivered to 3 different audiences. The workshop was a blend of business and technology and focused on three specific business challenges and ways that technology is able to address those challenges and help business owners be more competitive and efficient. (See Attachment 2 - M-Commerce and E-Commerce & Services in Global Trade, November 13-15, 2006 – Agenda). These challenges were:

- 1) Customer Relationship Management challenges and tools
- 2) Expense Tracking challenges and tools
- 3) Project Planning challenges and tools

The class was highly interactive and included business case scenarios (See Attachment 3 - M-Commerce and E-Commerce & Services in Global Trade November 13-15, 2006 – Business Case Scenario), small group activities, live software activities, software simulations, demonstrations, large group discussions, advice sharing between participants, and general networking. If there is time in the future, there will also be a skill building session on marketing to US clients.

Because it was highly interactive and some of it computer-based, VEGA ETT needed to limit the number of participants to a maximum of 20 per day, and VEGA ETT delivered the program to three different audiences. 19 participants attended the November 13<sup>th</sup> session, 17 attended the November 14<sup>th</sup> session and 15 attended the November 15<sup>th</sup> session for a total of 51 participants overall.

### **C. Customized Technical Assistance**

Marketing and Sales assistance was provided to 8 Export Trade Training participants in November 2006. The following are the activities that were agreed upon with 4 companies that have the potential to export to the US and where the consultant thought he could add some value:

1. A drug manufacturer was interested in producing pharmaceuticals for US or EU drug companies, in essence to be a job shop for these drug companies and the product could be sold in the US. They believe there is a demand for their manufacturing services. They could perform in two areas: supplement peak manufacturing and perform the manufacturing for drugs with small quantities. After consultation, VEGA ETT and the client agreed that they would work together to find an individual who has the skills to assist the company in obtaining FDA certification for its tablet line. The consultant has agreed to contact individuals that are involved in drug manufacturing in the US, research whether there are US and offshore companies that perform job shop type manufacturing, and contact a sample of large and small drug companies to see if they use outside drug manufacturing companies.

The consultant contacted an associate who has extensive experience with pharmaceutical companies in the US and EU who assisted him in developing questions and comments to be discussed before proceeding.

1. Offshore drug manufacturing is being done in India and other Asian countries. There is a need to determine if company can compete on cost and quality.
2. Does the company have a good enough relationship with existing drug companies to get their support to award them off shore manufacturing contracts?
3. The investment to become FDA certified is lengthy and expensive. The question remains as to the company's willingness to expend the necessary investment.

The consultant and the company are arranging a conference call to go over what the certification effort would entail, how long it would take, and what resources would be needed.

**2.** A cosmetics company in Morocco desires to get their line of cosmetics exported to the US. Presently they are enjoying success in France and Spain. The following are the agreed to action items:

- contact samplings of cosmetics importers to determine the best way to get products into the US market; and,
- assist with their marketing material and marketing correspondence for English speaking countries.

The consultant created a sample letter that the company could use to contact potential partners to distribute their product, he also envisions contacting the key members of the Independent Cosmetic Manufacturers and Distributors ICMAD & CTFA by using this letter.

**3.** An Olive Oil Company would like to export 400 metric tons annually of olive oil to the US.

The consultant has been able to get a list of the major specialty food importers (olive oil) and brokers from The National Association for the Specialty Food Trade (NASFT). The consultant created and sent a sample letter that the company could use to contact the companies on the NASFT list. He also suggested to them to participate to the Olive Oil Taste Competition in California. Star Olive welcome this suggestion and they are now preparing samples to be sent to California. As they needed to be FDA registered, the program gave them a contact of a consultant who is an FDA Registration specialist. The FDA Registration process is completed.

**4.** A lead, copper and brass recycling company which sells the finished product to the EU.

Presently they are experiencing a lack of recyclable material. They requested that the consultant contact scrap dealers in the US to determine if the US companies would have any interest in selling their recyclable material to the company. The consultant conducted some research and discovered a large trade association that represents scrap recycling, Institute of Scrap Recycling Industries (ISRI). He suggested that the company research the Institute and inquire about joining, as well as finding a list of brokers.

## V. ATTACHMENTS

### 1. Evaluation Comments for Import/Export Management and Marketing - November 8 & 9, 2006 (Tangier, Morocco)

#### Comments regarding the Strengths of the program included:

*Very interesting*

*The information was clear and well presented*

*Very useful and interesting*

*Section 3 [Culture] was very specified and useful.*

*A very concise guide of how to penetrate the US market (include export plan) It emphasizes how the company can create a relationship with the customer.*

*This gives us outline of how to export and understand the different cultures of companies.*

*Done by an experienced trainer. Handouts and material was good.*

*A good landscape of what has to be done for relationships in dealing with export/import.*

*The culture section was good.*

*The facilitator and materials were good.*

*The program is based on the experience of the facilitator and based on real experience.*

*Experienced Facilitator and from focused country.*

*Very useful.*

#### Comments regarding the Weaknesses of the Program included:

*We did not talk about Imports.*

*We want to have more case studies.*

*The time is not enough to cover everything. Needs more time.*

*There was only 1 speaker.*

*The space in the room was not enough.*

*Workshop was really very short.*

*Too Short*

*We should have more general marketing information.*

*Moving from room to room.*

*On the second day, the room was very hot.*

*Could have been more focused and tailored to specific needs.*

*Too short. I would like more time on sales. Should take more time to do exercises and exchanges with others.*

*The IBM experience does not apply to the small and medium enterprise market.*

*There should be more focus on the small and medium market businesses.*

## 2. M-Commerce and E-Commerce & Services in Global Trade November 13-15, 2006, Agenda

**Goal of Workshop: To introduce you to more advanced software tools that can help entrepreneurs and their businesses**

7.45-8.00am      Class Sign-In and Coffee

8.00am            Course Introduction

### **Technology Topic – Customer Relationship Management**

*(Includes Virtual Entrepreneur introduction, group discussions, case scenario – small group activity, self-paced simulation, and debrief)*

*\*Break\**

### **Technology Topic – Expense Tracking**

*(Includes case scenario – small group activity, hands-on activity with Excel pivot tables, and debrief)*

1.00om            LUNCH

2.00pm            Networking mixer activity

### **Technology Topic – Project Planning**

*(Includes case scenario – small group activity, self-paced simulation, optional lab, and debrief)*

*\*Break\**

4.15pm            Self Assessment and Action Plan

4.30pm            Wrap-up and Course Evaluation

### 3. M-Commerce and E-Commerce & Services in Global Trade November 13-15, 2006, Business Case Scenarios

#### Project Planning: Working Step by Step

After talking about it for two years, Heba is finally determined to put together a print catalog for the store. She has done research on how to go about it, and wants to select a graphic designer to help. Together, Heba and Mohsen have determined that the project will involve several tasks. Heba would like to prepare a timeline for all of these tasks, as well as develop a more precise budget for the project.

#### Store Catalog Project

##### Complete Initial Design and Layout

- Categorize the products to be included
- Determine “look and feel”
- Determine number and placement of photographs
- Develop draft of the catalog

##### Gather and Select Product Photographs

- Select photographer
- Select in-store items
- Review and choose photographs

##### Develop Text and Graphics

- Have Mohsen write product descriptions
- Select artwork

##### Print Catalog

- Select print shop
- Supply camera-ready materials

##### Distribute Catalog

#### Discussion Questions

1. Using Heba’s list above and a separate piece of paper, develop a timeline for how Heba could complete this project in 12 weeks (or 90 days).
2. Small-business owners often have to manage various projects. Sample projects for a small business include designing print materials or a website, planning an event, setting up a new business location, and launching a new product line. Think of an example of this kind of project that you have conducted in your own business. In your group, discuss your experience:
  - Describe any challenges faced in planning and implementing the project
  - Did you use Heba’s approach of creating a list or use another method instead? Specifically, did you develop a list of action steps needed? What method did you use for constructing the schedule? The budget?

## Contacts: Keeping Track of Customers



Heba has decided to have an open-house event to showcase her designer T-shirts. She has prepared a flyer and an invitation. Now she and Mohsen would like to send the notice out to a select group of their customers. Heba has asked Mohsen if they can review their list of clients and decide whom to invite.

Unfortunately, Mohsen has a dilemma. He never got around to putting together a customer list. He has lots of names and addresses, but the information is scattered — in stacks of papers, printed faxes, and files. He asks his full-time sales clerk for assistance.

**Mohsen:** Alisha, could you please search through these papers and write down any customer addresses you find?

**Alisha:** Of course, Mr. Farran. I'll just hand-write the list with names and addresses. Is that all right?

**Mohsen:** Yes, and maybe at some point, when I have time, I can type up the names, but I just don't have time today, and Heba needs this list by tonight.

**Alisha:** She wants to put the invitations in the mail first thing tomorrow, I suppose.

**Mohsen:** Yes, she's going to our daughter's school play tomorrow afternoon. So, tonight we will have to look through the list, locate our local clients to invite to the open house, and hand-write their mailing addresses for about fifty invitations. Another late night in the Farran household!

## Discussion Questions

1. In addition to client addresses, what other types of information might be found in the stack on Mohsen's desk that would be useful to organize?
2. Give Mohsen some advice on how he might better organize and manage the information he already has. Suggest some categories of information for his business that might be useful in organizing file folders.
3. How do you organize files and records in your office? What types (categories) of information do you track? How effective is your system? Do you use technology? How?
4. Brainstorm five ways that you could improve your own information-management process.
5. Assume that Mohsen came back from a conference with a stack of business cards, including those of many prospective clients. Discuss how he might compile this information, and track his follow-up contacts to maximize the potential sales for his business.

## **Budgets and Financial Records: Working with Expenses**

Khalil enjoys his work and loves being a business owner. But he would rather do almost anything than sit down and pay bills and manage his monthly expenses. Khalil does most of his farm-related finances using a preprinted financial notebook and a calculator. He writes down all financial transactions. Then he totals up the monthly figures and gives the information to an outside accountant, who calculates taxes in compliance with government requirements. The accountant also handles the payroll for employees and provides a summary statement to Khalil, who files all his records into monthly file folders in his office.

Khalil knows he could do a better job of managing his expenses – both for business and for personal accounts. For example, he could organize his bills into categories to be able to track where the money is going and to determine how he might be able to cut costs. But trying to see trends in his spending patterns is difficult using his handwritten methods of accounting and budgeting.

His son-in-law, Akbar, is also an employee in the business. Akbar's friend has offered to use a computer to help Khalil organize his finances, but Khalil is hesitant to share his sensitive business information with anyone else, even friends and family.

So Khalil continues as he has always done. He looks at his monthly bank statement to get a general sense of the current state of his business, does some rough mental calculations, then gets back to work. However, he still does not have a clear idea of where his money is going every month.



## **Discussion Questions**

1. Discuss your own experience with financial record keeping. Are your methods similar to Khalil's? Do you keep paper or electronic records? Explain your choice. What are some advantages and disadvantages of your current method of keeping financial records?
2. Should Khalil accept the offer from a friend for help? Why or why not?
3. What aspects of your finances do you handle yourself, and which ones are handled by others? For example, do you work with an accountant? Are you satisfied with your current arrangement? Why or why not?
4. How do you organize your financial records? By month? By category? Explain your choice. List five to seven categories of expenses in your (or any) business.
5. Discuss some ways you would like to improve your method of financial record keeping and expense tracking.

#### **4. Evaluation Comments - M-Commerce and E-Commerce & Services in Global Trade November 13-15, 2006**

##### **Comments regarding the Strengths of the program included:**

*The Program was useful – CRM Section the best  
Liked pivot table, project management  
CRM was good section  
I want to learn the software and use it in my business  
Liked the exposure to CRM and project management  
Very Interesting program  
Conducted in a very alive way  
Excellent information and good back up  
MS project session was good  
It was a healthy enjoyable atmosphere. We have exchanged a lot of ideas  
Group communication – very active  
I liked all of it. I liked the 30-second self-introductions  
Excellent teaching techniques*

##### **Comments regarding the Weaknesses of the Program included:**

*Too Short – Maybe make it a two day course  
Need more time for better output, concentrate more on practical part  
Project management part too short  
Need more workshop time  
Need more time – too short  
Group was too large. Wish for 10 to 15 in group only  
Should have pre-reading material before program  
Maybe made 2 day with added 2-3 applications more  
Needing reading material  
Increase the time  
More time and details for each subject.  
Give free copies{of the software}  
More time*

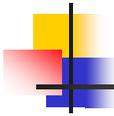
# **APPENDIX**

## **EXPORT MARKETING MANUAL**

## **INTRODUCTION**

A successful export plan needs to have three elements: marketing strategy, marketing plan, and sales skills. This manual will address these three elements in detail. Upon completion of this manual a company will have developed their own strategy, have a marketing plan in place and understand what sales tools and skills are needed. The format of the manual presents narratives in an outline format, a case study that will be used throughout the entire manual, and preformatted pages to allow a company to enter their specific plans. Once completed, this manual can be transformed into a living strategy and plan of execution.

## MARKETING STRATEGY



### What Are You Going to Export?

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- Need to be very specific in what product / service plan to export
- How is the product/service used and why
- Price, how is the price justified
- Consumer or Business to Business product /service
- Where and who has bought the product /service
- Why did they buy
- References / success stories

Any strategy begins with what are the products / services that you presently sell or plan to develop. Each product or service needs to address the following:

- Need to be very specific as to what is the product / service
- How is the product/service used and why?
- Price, how is the price justified?
- Consumer or Business to Business product / service?
- Where and who has bought the product / service?
- Why did they buy?
- References / success stories

After the products have been identified and defined, the products you plan to export need to be determined. When selecting the products choose, the products for which you feel there is an export market. The products have to be extremely competitive and have to have multiple success stories.

*(The following is the case study that will be used throughout this manual) **Next Software (Next)** is a successful software company in Bulgaria and would like to export their software or services to the EU. They have been successful creating software for multiple companies in Bulgaria - both large and small companies. Their software development strengths lie in web site creation and maintenance. Their analysis has determined that the creation of generic web sites could be done by companies in Central Asia, Russia, China and India. **Next** decided that their strength lay in the software that is needed to maintain the data that populates the site in order to keep it current. They determined this by looking at their most successful customers to see what services and software they sold to these customers. **Next** decided to provide the software and services to do the “plumbing” for web sites.*

LIST ALL THE PRODUCTS AND SERVICES PRESENTLY BEING SOLD BY YOUR COMPANY.

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## Who is Going to Buy Your Product

### ■ Target Market: Evolutionary Product

- Upgrade or Replace a Similar Product: Microsoft XP
- Replace a Competitive Product: Japanese cars
- Enhance Older Products: New Speakers on Stereo System

Once the export products have been selected, it then needs to be determined where or what will be the target market. Where does the greatest potential opportunity lie?

- Upgrade or Replace a Similar Product: Microsoft XP
- Replace a Competitive Product: Japanese cars replacing European cars
- Enhance Older Products: New Speakers on Stereo System
- Enhance an existing product
- Offer a totally new or revolutionary products: Apple iPod

Next decided that their target export markets would be:

1. Prospects who had dormant web sites
2. Web site creators who had limited data management expertise, marketing agencies
3. Content management companies that needed additional skills

LIST THE TARGET EXPORT MARKETS WHERE YOUR SELECTED EXPORT PRODUCTS COULD BE SOLD.

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**WHO is Going to Buy Your Product?**

- **Target Market; Revolutionary Products**
  - New market / use; personal computer, iTunes
  - Expansion of existing market; DVD recorders, Blackberry



**WHO is going to buy your product?**

- **Target Market; Audience**
  - Geography
  - Age
  - Income
  - Others
- Analysis is **KEY**, it drives all follow-on activity
- Where is your product targeted?

The next step is crucial: WHO IS GOING TO BUT YOUR PRODUCT AND WHY? A very clear understanding of this point is required before anything can be moved forward. Without this analysis, it is very difficult to develop the marketing plan. The target market audience needs to identify by:

- Geography
- Age
- Income
- Gender
- Size
- Other elements

***Next** decided there target market would be companies in Germany and Netherlands that focused on creativity in developing web sites, mainly marketing agencies and boutique web site creators. These companies did not have the resources or expertise to invest in the technical content management of web site development; however, their customers were asking for this support and the web site creators needed to provide a solution or they would lose the customer. As a separate marketing thrust, **Next** decided to go after the large content management (CMS) developers.*

LIST WHO IS GOING TO BUT YOUR PRODUCTS BY TARGETED EXPORT MARKETS.

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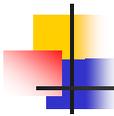
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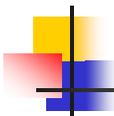
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## ***WHY*** are Customers Going to Buy **Your** Product?

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- Need to do competitive analysis
- How will you compete?
  - Who is the direct competitor?
  - Are you an alternative competitor, competing for the same \$\$?
- Why are the competitors successful / where are they weak?
  - Features
  - Price
  - Quality
  - Availability
  - Visibility
  - Support
  - Customer satisfaction
  - Loyalty
- Where do you fit within the competitors product line?
- **Is the competitor profitable?**



## ***WHY*** are Customers Going to Buy **Your** Product?

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- How old is competitors product? new or aging? What will be the follow on product?
- What has been the success of other companies competing against the competition?

***KEY***; determine who is the competition, direct and indirect, where you plan to target your sales efforts

**WHY** are Customers Going to Buy **YOUR** Product? This is the **BIG** question to answer. The following activity needs to be done in as impartial a manner as possible. You need to be honest in your analyses. If you have not, you could be wasting a great deal of time and money. It needs to be determined who is the competition, direct and indirect, and where you plan to target your sales efforts.

- An in-depth competitive analysis needs to be done as impartially as possible. This analysis must include what you think the competition plans in the future and in reaction to your move into the market.
- How will you compete?
  - Who is the direct competitor?
  - Are you an alternative competitor competing for the same \$\$?
- Why are the competitors successful? / Where are they weak?
  - Features
  - Price
  - Quality
  - Availability
  - Visibility
  - Support
  - Customer satisfaction
  - Loyalty
  - How old is competitor's product, new or aging? What will be the follow on product?
  - What has been the success of other companies competing against the competition?
- Where do you fit within the competitor's product line?
- **Is the competitor profitable?**

***Next** discovered their competitors were Content Management Software (CMS,) companies with offerings that ranged from the very expensive to very low cost. The competitive CMS packages could be very complex and difficult to install and the low end offerings that had little support were still difficult to install. The offerings were based on a propriety code that was difficult to upgrade, maintain and was subject to crashes. **Next** decided that a CMS offering based on Microsoft web site management technology would fit a marketing segment not being fully exploited. Their target market became Microsoft based web designers who wanted to remain a MS house.*

**LIST YOUR COMPETITORS. WHO ARE THEIR TARGETED MARKETS? WHAT ARE ALL THE STRENGTHS AND WEAKNESSES OF THE COMPETITORS?**

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MARKET SEGMENTATION:  
TARGET EFFORTS FOR THE HIGHEST  
RETURN



- **Segmentation Slices Opportunity By:**
  - Vertical Industry/ Customer Set
  - Horizontal Cross Industry/Customers
  - Company Size/Income
  - Each Segment Will Be Profiled By The Number Of Companies, Size Of The Companies In Revenue, People And Competitive Presence
  - Objective is to Determine Where Is The Best Opportunity

Once the target market has been selected, and it has been determined that the products are competitive and a competitive strategy has been developed, the targeted market needs to be segmented to determine the opportunity by segment within the targeted market. Segmentation slices the opportunity by:

- Vertical Industry/ Customer Set, banking industry / small banks
- Horizontal Cross Industry/Customers, content management systems / small web site developers
- Company Size/Income, 50 employees with less then 2million Euros in sales
- Each Segment Will Be Profiled By The Number Of Companies, Size Of Each Company's Revenue, People And Competitive Presence, there are 500 web site designers with less the 50 people in Germany
- The Objective is to Determine Where Is The Best Opportunity

*Next determined that small web shops in Germany with 20 or less employees were their targeted segment. There were over 400 or them. They also discovered a lack of skilled Microsoft CMS developers in Germany which could be an untapped segment for future development.*

HOW DO YOU PLAN TO DETERMINE YOUR TARGETED SEGMENT? WHAT RESEARCH IS NEEDED AND WHERE WILL YOU TO GET IT?

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## MARKET SEGMENTATION: TARGET EFFORTS FOR THE HIGHEST RETURN



- **Each Segment Identified Will Be Analyzed To Determine:**
  - What Products Are Instrumental To The Success?
  - Features and Functions To Satisfy The Targeted Customers
  - Support Required?
  - Affordability/Justification Of The Offering
- **How Do We Target Our Marketing/Sales For The Best Return On Investment (ROI).**

### MARKET SEGMENTATION: TARGET YOUR EFFORTS FOR THE HIGHEST RETURN

After the Segments with the greatest potential have been identified, another segment analysis needs to be done to determine what would be the investment to be competitive in the chosen segments. Each segment identified will be analyzed to determine:

- What products are instrumental to the success?
- Features and functions to satisfy the targeted customers?
- Support required?
- Affordability / justification of the offering?

The objective is to target the marketing / sales for the best return on investment (ROI).

*Next analysis showed that the marketing agencies would require significant support both technical and marketing. The Web Shops had the skills to sell and install a CMS system. They also had the customer contacts, but were very demanding in cost, support and functions. The CMS companies had a skills shortage but were reluctant to use outside support in their development efforts. To sell to this segment, positive references were key.*

HOW DO YOU PLAN TO DETERMINE YOUR TARGETED SEGMENT PRODUCT AND SUPPORT REQUIREMENTS? WHAT RESEARCH IS NEEDED AND WHERE TO GET IT?

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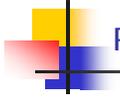
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MARKET SEGMENTATION:  
TARGET EFFORTS FOR THE HIGHEST RETURN

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- **Competitive Analysis Of The Targeted Segments**
  - How Established Are The Competitors?
  - Satisfaction Of Customers With Top Competitors?
  - Profitability of Competitors?
- **Product**
  - Features/Functions
  - Support
  - Price/Profitability
- **Where Do We Fit**
  - Low Cost?
  - High Function?
  - Support and Function?



MARKET SEGMENTATION  
TARGET OUR EFFORTS FOR THE HIGHEST  
RETURN

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**How Do We Compete?**

- Head To Head
  - Under The Radar
  - Augment Existing Offerings
- 
- *Critical, Honest Evaluation Of How We Stack Up From The Customers' View.*
  - **DO IT NOW OR DO IT LATER BUT IT WILL BE DONE**

MARKET SEGMENTATION:  
TARGET EFFORTS FOR THE HIGHEST RETURN

The next step in the segmentation process is to determine the competition and how competitive will your offering and company be. The following analysis needs to be done in as much detail as possible as it makes no sense to invest in an export plan when your product is not competitive.

- Competitive analysis of the targeted segments
    - How established are the competitors?
    - Satisfaction of customers with top competitors?
    - Profitability of competitors?
  - Product
    - Features/functions?
    - Support?
    - Price/Profitability?
  - Where do we fit?
    - Low cost?
    - High function?
    - Support and function?
- How do we compete?
- Head to head - go directly against the competition
  - Under the radar - try to not be visible to the competition - go into segment sizes where they are not present
  - Augment existing offerings - team up with the competition by offering an enhancement to their offering
- Critical, honest evaluation of how we stack up from the customers' view.
  - **DO IT NOW OR DO IT LATER BUT IT WILL BE DONE**

*Next determined that they were the low cost provider of Microsoft based CMS offerings. They also were very competitive in their support and services, but there was strong resistance in doing business with a company based in Bulgaria. The perception is that a company based in a country with an unstable government is not where one would like to invest one of your key marketing programs.*

HOW DO YOU PLAN TO ACCOMPLISH A COMPETITIVE ANALYSIS OF YOUR TARGETED SEGMENT? WHAT RESEARCH IS NEEDED AND WHERE TO GET IT.

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## CHANNELS OF DISTRIBUTION

- **How Do The Targeted Segments Acquire All Products and Services?**
  - Direct From Vendor?
  - Independent Distributors?
  - Sales Agents/Manufacturing Representatives?
  - Affiliated Organizations?
  - Trade Group Endorsements?
  - Etc.
- **What is the Decision Making Process**
  - Relationships
  - Use of Consultants to Evaluate and Recommend
  - CEO Or Buyer Decides

### CHANNELS OF DISTRIBUTION:

Selection of the plan to export your product into the targeted market segment will be one of the most significant decisions to make. A channel of distribution is the route to market of how your product will eventually be sold to the final customer. There are many routes to market and each one has be evaluated and pursued to determine the best fit. There can be multiple routes to market. The following are the key points to understand in selecting the channel to distribute your products:

- How do the targeted segments presently acquire all products and services?
  - Direct from the vendor
  - Use of independent distributors
  - Sales agents / manufacturing representatives
  - Affiliated organizations
  - Trade group endorsements
  - Other
- How is the decision made to acquire new products?
  - Relationships with existing channels may be how a company expands their line
  - Use of consultants to evaluate and to recommend buying new products
  - Does the CEO or buyer decide what products to buy?

*Next discovered that the route to market would be direct sales. Their targeted segment dealt directly with the software developer and / or installer. A direct relationship was essential due to the fact that a CMS system was the foundation needed to have a successful web based marketing effort. Due to training requirements, software tailoring and the support needed to insure a successful installation, a direct contact between the clients and Next was essential.*

WHAT ARE THE DIFFERENT ROUTES TO MARKET AND THE CHANNELS OF DISTRIBUTION FOR EXPORTING YOUR PRODUCT TO THE TARGETED MARKET SEGMENT?

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## Determining Channels Of Distribution

- Data and Analysis from 3<sup>rd</sup> Party Survey Groups
- Trade Groups have numbers of members in association and size.
- Internet Search on Competitors
- Develop Customer Surveys for Company Employees to Do.
- Support Required: Communications, Coverage
- Time to Establish
- Cost to Support: Demo's, Sales Literature, Returns
- Training
- Contracts
- **DO IT NOW INSTEAD OF LATER, RUSH TO MARKET CAN BE COSTLY IN MONEY AND REPUTATION**



## CHANNELS OF DISTRIBUTION

- **Determine Best Channel for Route to Market**
  - Are Any Channels Blocked With An Existing Offering (Trade Group, Endorsements)
  - Can We Partner With An Existing Channel (Sales Agents)
  - Can we Augment Any Existing Channel, Quickest and Easiest Channels to Establish
- **Most Affordable Channel To Get In Front of As Many Decision Makers As Possible and Fits the Customer Buying Preference.**

### **Determining Channels Of Distribution**

The following research is instrumental to a successful export plan. Determining the different channels of distribution to your targeted market segment is the **KEY TO SUCCESS**. There may be multiple routes to market/channels of distribution that serve your market segment. The following are just some of the methods of determining the targeted market segments routes to market:

- Data and analysis from third party survey groups. Most market segments have independent survey groups that prepare in depth independent data on the market segment.
- Trade groups have information on the numbers of members in the association and size of the companies. They also have an abundance of information concerning products, suppliers, support, etc. This information is usually free and on their web sites.
- An internet search of competitors is a very useful method to link to other sites.
- Develop customer surveys for your company employees to do. Have your employees call potential clients and survey them to determine how the potential clients acquire their products and what support and services they require.
- When researching the routes to market, it needs to be determined if there are unique requirements that a channel may have such as:

- Support required - unique communications, coverage frequency
  - Time to establish - they may only integrate new vendors on a fixed schedule (per the catalog publications)
  - Cost to Support - Demos, Sales Literature, Returns
  - Training - who does the training, how is it done and where is it conducted?
  - Contracts - what are their unique terms and conditions
- **DO IT NOW INSTEAD OF LATER. A RUSH TO MARKET CAN BE COSTLY IN MONEY AND REPUTATION**

*Next* did most of their routes to market on the internet, through trade groups, research companies and by attending trade fairs. The internet produced the most leads through association sites with links to suppliers and other users. They found that the list of attendees and sponsors to a trade fair was quite beneficial. They were quickly able to determine the channels of distribution, who were their competitors and what support was required. *Next* then did their own client surveys from the names acquired on the internet. This was key in order to understand who and where were the main channels of distribution.

WHAT DO YOU FEEL WOULD BE THE ROUTES TO MARKET AND THE CHANNELS OF DISTRIBUTION FOR EXPORTING YOUR PRODUCT TO THE TARGETED MARKET SEGMENT?

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## Selecting Channels of Distribution WHO MANAGES THE CUSTOMER RELATIONSHIP

- FUNDAMENTAL OBJECTIVE: WHO DOES THE END USER HAVE A RELATIONSHIP WITH THE CHANNEL OR YOU
- EXPOSURE TO HAVING THE CHANNEL MANAGE THE CUSTOMER INTERFACE
  - SQUEEZE YOUR MARGINS
  - DRIVE UP SUPPORT COST
  - CHANGE VENDORS
  - LIMIT YOUR UPGRADE / FOLLOW-ON GROWTH
- BUT MAY BE THE FASTEST, LOW COST ROUTE TO MARKET
- ACCESS TO CUSTOMER IS KEY TO DETERMINE
  - SATISFACTION
  - NEW ENHANCEMENTS AND UPGRADES
  - REQUIRED SUPPORT AND SERVICES
- A STRATEGY IS NEEDED TO INSURE YOU ARE PART OF CUSTOMER RELATIONSHIP

### SELECTING THE CHANNEL OF DISTRIBUTION WHO MANAGES THE CUSTOMER RELATIONSHIP?

In determining the channel of distribution, a key element must be considered; who does the end user see as his provider of your product. Is it you or the channel? Who has the relationship? This relationship is vital because it has an effect on the following:

- The exposure to having the channel manage the relationship is that they will
  - Squeeze your margins
  - Drive up support cost
  - Change vendors and terminate your relationship with the client
  - Limit your sell up and growth market from existing clients
- A channel that assumes all customer interface may be the fastest and cheapest channel to get your product introduced into the segment
- Access to the customer is key to determine
  - Customer satisfaction
  - New enhancements and upgrade opportunities
  - Required support and services to grow the segment of the business
- A strategy is needed to insure you are part of the relationship with the customer.

***Next determined** that web shops and marketing agencies would act as their primary route to market. The customer would sign a **Next** contract that was executed by the web shop or marketing agency. **Next** would provide most of the support and education for the client. This relationship resulted in direct contact with the client. **Next** would have access to the client to sell upgrades and enhancements to the product. The web shop and marketing agencies would sell the client the services that they did best which was to design web sites and marketing campaigns. Their route to market for a CMS developer was a direct customer contact with no other channel involved. This approach was a very straight forward bid for contract work.*

**SELECT AND PRIORITIZE THE CHANNELS OF DISTRIBUTION FOR EXPORTING YOUR PRODUCT TO THE TARGETED MARKET SEGMENT.**

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## Selecting Channels of Distribution

### TERMS AND CONDITIONS

- **Affordability**
  - What Does The Channel Expect
    - Margin
    - Support Both Marketing, Service And Technical
    - Exclusive Coverage
    - Training
    - Sales Coverage to Them
    - Other Considerations
  - Cost is Not Just Margin's But All Expected Support
- **Be Realistic In What A Channel Will Do To Market and Support**
- **THEY WILL PROMISE THE WORLD AND DELIVER THE MINIMUM**
- **SELECTING A CHANNEL IS A VERY KEY STEP. THE DECISION WILL IMPACT FUTURE GROWTH BOTH POSITIVE AND NEGATIVE**

### **SELECTING THE CHANNEL OF DISTRIBUTION: Terms and Conditions**

The final step is to select the target channel of distribution. There will be many factors to consider, but the key is who do you feel the most comfortable with as a business partner. Once decided and you enter into an agreement, it is very difficult to change things both legally and image wise. The following are some areas to consider:

- Can you afford the cost, both margin and support costs, to support a channel?
  - Margin
  - Support Including Marketing, Service And Technical Support
  - Exclusive Coverage
  - Training
  - Sales Coverage to The Customer
  - Other Considerations
  - Cost is Not Just Margin Cost, But All Expected Support
- Be realistic in what a channel will do in the area of market and support.
- **THEY WILL PROMISE THE WORLD AND DELIVER THE MINIMUM.**
- **SELECTING A CHANNEL IS A VERY KEY STEP. THE DECISION WILL IMPACT FUTURE GROWTH, BOTH POSITIVELY AND NEGATIVELY**

*Next decided to set up a 2 phase contract approach with web shops and marketing agencies. Their first 5 contracts would be deeply discounted in order to provide an incentive to the channel to sell their services. Next would also absorb a lot of the initial marketing cost. After their channel achieved some momentum with good installations and references, they offered a new pricing scheme that would not be so deeply discounted. Next would still conduct the training and do the support in order to grow the base. They also established yearly objectives and renewals in order to grow the base.*

LIST THE MARGINS THAT YOU WOULD BE WILLING TO OFFER THE CHANNELS AND THE SUPPORT YOU WOULD OFFER THEM

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## MARKETING SUPPORT PLAN: SEGMENT AND CHANNEL

- We have
  - Positioned our product
  - Identified our market segment
  - Selected our routes to market
  - Created our terms and conditions with our channels
- We need a market support plan that implements our plan. A distribution channel expects you to present a market support plan.



## MARKETING SUPPORT PLAN: SEGMENT AND CHANNEL

- **EDUCATION: SALES, TECHNICAL AND RELATIONSHIP**
  - YOUR EMPLOYEES
  - CHANNEL EMPLOYEES
  - CUSTOMER
- **SUPPORT**
  - 1<sup>ST</sup> LEVEL OF SUPPORT (HOTLINE)
  - 2<sup>ND</sup> LEVEL SUPPORT
  - SUPPORT SATISFACTION MEASUREMENTS
- **RELATIONSHIP MANAGEMENT**
  - CHANNEL COVERAGE
    - FACE TO FACE
    - TELEPHONE
    - EMAIL
  - CUSTOMER COVERAGE
    - FACE TO FACE
    - FEEDBACK MEETINGS
    - NEWSLETTERS
    - EMAILS

Once the products have been positioned, the market segments identified, the routes to market have been selected and the terms and conditions with the channels have been identified and selected, a market support plan that implements the original plan needs to be developed and finalized. A distribution channel expects you to present a market support plan.

- **Education: sales, technical and relationship**
  - Your employees
  - Channel employees
  - Customer
- **Support**
  - 1ST level of support (hotline)
  - 2ND level support
  - Support satisfaction measurements
- **Relationship management**
  - Channel coverage
    - Face to face
    - Telephone
    - E-mail
  - Customer coverage
    - Face to face
    - Feedback meetings
    - Newsletters
    - E-mails



## MARKETING SUPPORT PLAN: SEGMENT AND CHANNEL

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### ■ Marketing

- What is Your Marketing Responsibility
  - Regionally, Geographically, Industry
  - Trade Show
- Trade Groups
- Joint With Channel
- Lead Generation Programs



## MARKETING SUPPORT PLAN: SEGMENT AND CHANNEL

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- Measurements System
  - Your Executives
  - Channel Business Partners
- Quality Measurements
- Measure of Success
- Invoice Terms
- Inventory
- Sales and growth targets
- Bonus plans

### ■ Marketing

- What is Your Marketing Responsibility?
- Regionally, Geographically, Industry Wide
- Trade Show
- Trade Groups
- Joint With Channel
- Lead Generation Programs

### ■ Segment and channel management

- Measurements System
- Your Executives
- Channel Business Partners
- Quality Measurements
- Measure Success
- Invoice Terms
- Inventory
- Sales and growth targets
- Bonus plans

Next had a unique approach to a market support plan. They developed an all inclusive market support web site for future and current partners. Every element of the plan was available on the web site and could be down loaded from marketing brochures to on-line demos. This partner web site was available to anyone who wished to be a partner. By making the site available to future partners, Next was able to determine any interest and capture their names. This is a good approach for capturing and supporting any channel of distribution.

DEVELOP THE KEY ELEMENTS OF YOUR MARKET SUPPORT PLAN AND THE RESEARCH THAT IS STILL NEEDED.

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**EXPORT TRADE TRAINING PROGRAM  
MARKETING FOR SUCCESSFUL EXPORT  
TRADE**

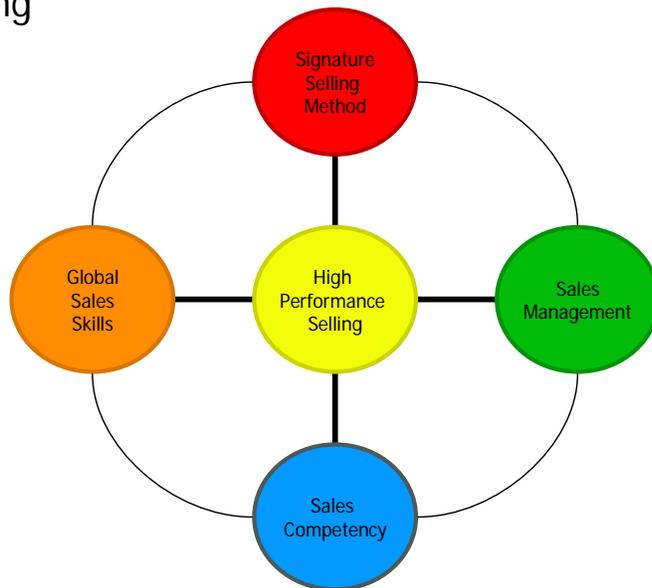


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**Section 2  
Sales Skills to Execute  
the Marketing Strategy**

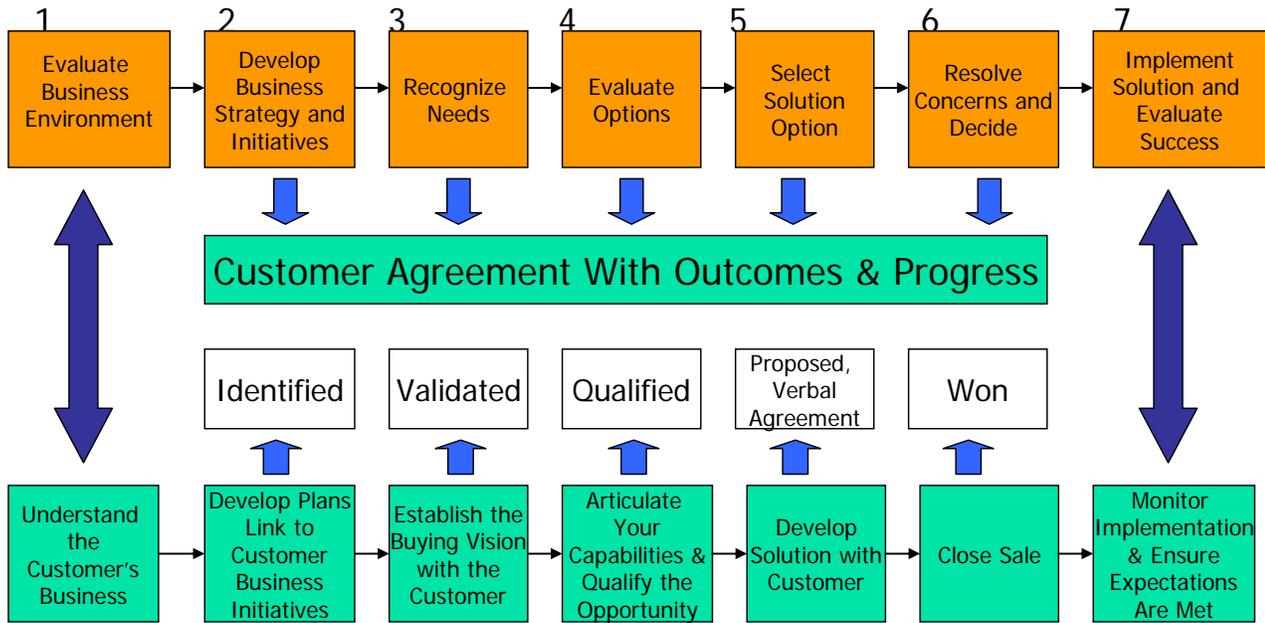
## High Performance Selling: Relationship Selling Method

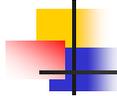
The Relationship Selling Method (RSM) is Part of High Performance Selling



# RSM is a Customer Focused Process: Align the Customer's Buying Steps and Advance the Sale

Mission: To Align With the Customers' Buying Steps





# RSM Step 1: Understand the Prospects Business Environment

## **Goal: Evaluating the Business Environment**

- Research the Prospect's industry, competitor and business direction
- Establish Initial Contact; via Telemarketing, Trade Shows, Road Show
- Understand Prospect's Business and Objectives
- Create Relationship and Sales Strategies

**Successful Outcome: Prospect and you agree to continue the relationship**

### **Step 1: Understanding the Prospect's Business and Generating Interest**

The key to your success will be in identifying the key customers, the channel of distribution in establishing a relationship. This can be done by developing the sales skills necessary to execute the marketing strategy. A proven sales process methodology used by major companies and refined by Siebol Systems is the seven steps of The Signature Selling Method. This is part of the Customer Relationship Management process of IBM and other major companies. The CRM process will be used in the development of our export plan.

Before we start to implement the CRM process, we need to establish a relationship with our identified channels of distribution. There are multiple methods to gain access to potential business partners. They all involve some degree of cold calling. Telemarketing has proven to be the best method to establish a relationship in a business to business environment. Telemarketing is used by most major corporations (IBM, Citibank, Deutsch Bank) in their business development efforts.

1. Direct mail works well if you do not have a specific target segment that is being addressed. It is very broad in scope and is best used in a business to consumer approach.
2. Mail is effective if it is personal and with a very specific message. A letter sits on the desk requiring some action be done.
3. E-mail is very ineffective in a business to business setting. Everyone is bombarded with unsolicited emails daily, and the tendency is to hit the delete button.
4. Internet search has proven to be effective, but it is costly. In addition the success is dependent on the future client initiating the search. This may not happen.
5. Face to face cold calling is the most effective method, but cost is prohibitive in an export plan.

Face to face can be economically possible by going to trade shows and association meetings.

Our approach will be to use the telephone and trade show participation to implement our marketing strategy.

## TELEMARKETING

Telemarketing is thought of as a way to sell telephone call plans, magazines, etc. but has been proven as one of the effective lead generation methods. Telemarketing success is due to the direct contact between two companies. A telephone call between two companies trying to establish a relationship is similar to trying to establish a date between two people.

In a business to business environment the aim of a telemarketing campaign is to generate qualified leads. Do not expect to create any business in the initial telephone calls. Before any telemarketing activity starts, a call to action needs to be identified. A call to action can be:

1. Setting up an introductory meeting
2. Schedule a follow up call involving a more detailed conversation concerning the potential of doing business
3. Learning the required actions necessary to be one of the client's business partners.
4. Ask them to attend your seminar or booth at a trade show.

The overall objective of the call is for the prospect to understand the benefits and potential results of partnering with your firm and to assess their willingness to move forward in the relationship.

In a telemarketing campaign you can not just pick up the phone and call the prospect. Effort and practice is required to develop a good script and telephone skills. A script is just a structured conversation to insure all the points are covered. The elements of a script are:

1. Get attention. There are only 5 to 10 seconds in which to peak interest in continuing the conversation.
2. Convey why you are calling and what you are selling.
3. Identify how both parties could cooperate in the future.
4. Handle all potential major objections.
5. Conclude with a desired call to action.

Before the script can be developed the following peremptory work needs to be done:

1. Compile a detailed list of products and experience that your company offers.
2. References to be integrated into the script. References need the following information:
  - a. Company name, line of business and sales volume.
  - b. Situation before the application/software/integration was done. What were the pain/problems?
  - c. What were the requirements the company had established?
  - d. Initial proposal presented to the reference account
  - e. Why customer selected your company? - experience, solution depths, expansion capability, cost, etc.
  - f. Installation effort and schedule originally proposed
  - g. Final installation effort, time frame and cost; for instance, "the final effort only took 3 months and with 6 people"
  - h. Resulting benefits are important, but more important is how we did it.
3. Company research that includes the following
  - a. Press releases
  - b. History of growth mergers, etc.
  - c. Organization
  - d. Locations
  - e. Revenue and growth
  - f. Organization

- g. Executives
- 4. Create a prospect sheet (paper or electronic) which is the form to be completed on any company called.
  - a. Date
  - b. Name of highest contact and/or gate keeper
  - c. Interest
    - i. High
    - ii. Neutral
    - iii. None
  - d. Hot buttons or pain needs by specific industry. This needs to be list with a check box that will be easy to complete, but it needs to have enough information to be meaningful to the executives.
  - e. Requirements that the prospect identifies that are needed to establish a partnership
  - f. Action plan by who and when
  - g. Should only take 10 – 20 seconds to complete by checking the boxes

*We will continue to **NEXT** as our case study in the Sales Skills section. The following are the scripts that **Next** utilized when trying to set up a meeting with software developers in Germany. The first script was required to get by the gatekeeper. The gatekeeper is the person that filters all calls to the CEO or the person you are trying to reach.*

*“ Hello, I am Gary Mutz, the CEO of the Next Corporation in Sophia, Bulgaria. We have over 100 customers that are presently using our service.*

*Can I have 2 minutes of your time to discuss an opportunity for your company???? **Or** can I ask your help in seeing how I can arrange a meeting with one of your purchasing executives?”*

**Yes**

*“I will be in your city visiting clients and prospects, and would like to set up a meeting with your CEO or CTO or CIO (This depends on the size of company. Larger companies would have a CTO or CIO) if he is available?”*

**What do you wish to discuss**

*“We’re currently expanding into the EU markets. Our current software developer (System Integrator) customers in the EU tells us that they are making increased profits by partnering with us. I would like to see if there is an opportunity to partner with COMPANY NAME. Is it possible for me to talk with your CEO.”*

**NO**

*“Sorry he/she is not available. Could I be connected to your Chief Technical Officer or your Chief Information Office, please?”*

**NO, we will have one of the officers call you back when they are available.**

*“Thanks, my name is FFFFFFFF LLLLLLLL and my cell number is NNNNNNNN. It may make more sense for me to send an e-mail to one of your executives. Who should I send it to? Since their time is valuable, what information should I include in the e-mail?”*

**Yes, send a mail to NAME at nnnnnnnn&mmm.com**

*“Thank you. You have been very helpful. Should I copy you on the e-mail? As a follow up to the email, can I call you to schedule a time with one of your executives.”*

**NO**

*The following is the CEO script utilized. Remember this is just a structure to the phone call with the CEO.*

**SOFTWARE DEVELOPER SCRIPT**

*Hello, thanks for taking my call. May I have 5 minutes of your time to discuss an off shore development opportunity?*

*I am Gary Mutz, the CEO of Next Corporation. We have over 100 highly satisfied customers in the Balkans.*

*We have a wealth of customer development experience and leading edge technical skills.*

*We feel that our experience can be of assistance to other solutions developers outside The Balkans.*

*We’ve done work for companies outside of the Balkans like Online Berlin, Toyota and Razorfish Netherlands.*

*My research found that your software supports the banking industry and your platform is java and that you use Oracle as your data base; is this correct????*

*We are very experienced in your industry having installed our application in (Reference account) using the same platform and languages as you.*

*Have you investigated using outside companies that could be used in your development, support or services efforts?*

### *General Objections and Responses*

*1 - We are working with someone and we are happy. -- "Can I ask how you picked your current partner?"*

*2 - I'm too busy to talk now. -- "when would be a good time to call back when you have time available? Is May 6 at 10:00 convenient?"*

*3 - I'm not interested. -- "Did you know that none of our current customers were interested the very first time I called, but it was one of their best decisions to investigate our services."*

*4 - Please send me something. -- "The best information is on our web site. Are you at your computer now? Our web site is \_\_\_\_"*

*5 - "I have not investigated outside companies yet." – Well, why is that? Has it not been cost-effective enough, too inconvenient or something else?*

*6 - "We've done quite a lot." – How did you choose the partners you are currently working with? What kinds of projects have you worked on?*

*1 - In India or Asia. "We're seeing a trend toward companies doing some portion of their system development work closer to home. Do you have projects where you need to see the developers frequently?"*

*2 - In Czech Republic or elsewhere in E. Europe. "I know that you have had a lot of interest in offshore. We're talking to a lot of companies who made early partnerships in the countries that are now in the EU ... no longer offshore ... and are now looking to take the next step because costs are rising. When will you consider next steps? Can I tell you something about Bulgaria?"*

*3 - In Russia or Ukraine. "What has been your experience there? How do you handle the Intellectual Property risk?"*

*From what you have described you may be interested in using outside resources. Where would these resources help you the most, at the present time and in the future, to achieve your goals?*

*Where are your largest challenges??? Probe for a definitive list of challenges and if they are reluctant to answer, use the following statement to engage conversation: "From our experiences as developers it is a challenge for us to*

- 1. Keep our offerings current with the latest technology*
- 2. Maintain stability of our product, reduce the amount of maintenance required*
- 3. Code compatibility is one of our major challenges. Maintaining multiple product releases has absorbed a lot of our resources."*

*It appears that your biggest challenges are in the areas of 1111, 222, 3333. Is that correct?*

*I believe we can be of assistance in helping you, but before I go into our sales pitch, in your opinion, what would be the ideal development partner/resource??? (need to probe to get this list)*

*It appears that you need development resources that can (following are some examples of needs):*

1. *Manage a design, development and validation of an entire applications module*
2. *Need to have skills in C++, .....,.....*
3. *Must be able to quickly focus resources and become productive in a very short time.*
4. *xxxxx*
5. *hhhh*

**and you would like to have a total fixed contract price with a committed delivery schedule!!!!(this is an exclusive of NEXT)**

*I assume that you are like the rest of the software development community in Germany and that your average yearly development salary is 120,000 euros is that correct????*

*I think we can offer a good partnership in that we have over (11) people that meet the requirements you have stated. We could deliver the finished product for 50% of your current cost and on a committed schedule. Will this appeal to you????*

*What's your price per man hour???*

*Every project is a little different. We're very competitive. Give me a specific project scope and let me surprise you!*

*I feel that you have some apprehension or you need more information regarding our company.*

*Would you like to know more about Bulgaria before you would commit any of your development outside of your organization? I can understand your apprehension. Let me give a brief evaluation of Bulgaria.*

1. *Excellent Intellectual Property Rights protection laws.*
2. *Very close. -- 2 hours from downtown Sophia downtown Vienna, 3 to downtown Frankfurt or Amsterdam.*
3. *Part of Europe but not yet part of the EU.*
4. *Our costs will be very competitive for at least the next 5 years.*
5. *Software applications that are equal in quality to other countries in the EU.*

*It appears that you have expressed an interest in what we have to offer and I think the next step would be for us to get together to go into more detail. When would be a good time for us to set up a meeting????*

*Meanwhile you can find out more about **Next** via our web site.*

The following techniques will improve the success of your telephone call:

1. In the US, use the first name and do not use MR.or MS/MRS. You are treating the CEO as an equal partner in this relationship.
2. Use references to get attention and credibility and to incorporate how and what was accomplished. Do not overuse references. Once you have the prospect's attention, go into your story on what you can do for them.

3. The price/margin you quote needs to be attractive enough to continue the conversation. Beware though that there will be a price negotiation during the final stages of signing the agreement and be sure to give yourself some wiggle room.
4. Location needs to be addressed as to why it is no problem and may actually be a benefit.

Most objections that a prospect brings up are really questions they have. A good sales approach is to restate the objection as a question that you can answer. The most common objection will be “we are not looking for anything right now” which you could restate as a question “If I understand you, you are content with your present product line and are not seeking to expand it. Is that correct?” A good answer to this question is, “I can appreciate your position. My most successful clients have had the same objection originally, but after they understood what we had to offer, they were very happy. It was one of their best decisions to partner with us”. A list of all possible objections with appropriate responses needs to be developed and rehearsed so that the response is very natural.

One of the most common objectives is “I am not the right person to talk about it.” This objection can be turned into a real source of information because a good response would be “I agree you may not be right person to discuss our partnership. However, I would appreciate it for you could take a few seconds and tell me who in your organization I should contact to discuss this opportunity. Also, do you know any other people I should contact that may be interested in how we could create a partnership? Do you mind if I reference that you and I have had a discussion and that you suggested I call them?”

When the telephone call is coming to a close, be sure to get an agreed upon call to action such as a visit by you, a proposal, a conference call with the appropriate executives, etc. Also, settle on an agreed to date when the call to action is completed in order that we can move on to the next phase. After the call is complete, the following should be accomplished:

1. Schedule the time with his assistant
2. Send a letter and/or email that documents the discussion and agreed upon action plan. Be sure to include thanks for their time.
3. Complete the prospect data capture form within 5 minutes to make certain that you will not forget the details of the discussion.
4. Document your plan of action.

The most important activity to a successful telemarketing campaign is to practice sales calls on members of your company. Company employees can usually be tougher than a real life calls. This is essential in order to become at ease while giving your pitch over the telephone.

**PRACTICE, PRACTICE, PRACTICE AND CRITIQUE**

## **TRADE SHOW AND ASSOCIATION MEETINGS**

Attending a trade show as a visitor is a very effective way to meet the decisions makers of potential business partners. The trade show exhibitors are the targets to approach. They are there to meet potential clients and suppliers (you) so they are open to conversations about new opportunities. The benefits of a trade show are:

1. You are treated as a member of the industry and are received very well.
2. You will become knowledgeable about what is going on in the industry in a very short time.
3. You can try out your script for potential clients and get instant feedback that will allow alteration and tweaks to see what works best.
4. You can meet face to face with an unlimited number of decisions makers.

The bigger the show that you attend, the more opportunities. The costs for a big show are not that much more than a regional show and the opportunities are greater.

The following are the preparatory steps necessary to a successful trade show attendance:

1. Determine what companies you plan to approach based on the exhibitor and attendance list.
2. Call the targeted companies to find out who is attending.
3. Research the targeted companies from data on their web site.
  - a. Name of CEO and other officers
  - b. Latest financial results
  - c. Recent success
  - d. Product announcements
  - e. Growth figures
  - f. Recent reorganizations and officer appointments
  - g. Other
4. Call the highest ranking executive to set up an appointment at the show. It could be at their booth or off site somewhere.
5. Lay out your schedule and map at the show to reduce overlap and wasted walking time.
6. Create a brochure unique to the trade show. Make it simple and easy to read. The purpose of the brochure is to recap your sales pitch. It will remind the executive that he had a conversation with you.

Actions to take while in the exhibitor's booth:

1. Ask for a specific person at the booth. If they are not available, wait or return when they are available.
2. Use parts of your telemarketing pitch to convey your message to the key contact. Solicit as much feedback as possible. It is the only time you will be face to face. You need to impress them with your company's abilities.
3. Do NOT take notes during the conversations. Focus on the contact and do not give them a chance to divert from your questioning and conversation.
4. If you are talking with a prospect in his booth and he notices a customer he would like to visit, you can tell him you can wait or reschedule while he talks to them. This will gain a lot of points and show that you are concerned about his success.
5. Ask for business cards from all executives in the booth.

Actions to take after leaving the exhibitors booth:

1. Record on the business cards short comments immediately after leaving the booth. If you wait more than 10 to 15 minutes, you will not remember everything.
2. At the end of the trade show, complete your prospect sheet and enter the information in tracking systems (Outlook is good). Make the narrative as complete as possible and use complete sentences. If you do not, you will not understand what you meant two weeks later.
3. Give a priority score to each lead so you can sequence them when you are back in your country.

Follow up is very instrumental to success and you should take these steps:

1. Within 7 days send off a letter or email summarizing the conversation you had with the prospect. Mention that you will be calling within the next 2 weeks.
2. Complete the follow up telephone call to discuss the next steps necessary to set up a partnership.

*Next came up with a unique approach to making the initial contact with their prospect. They initiated a road show where they scheduled themselves in an EU city for a period varying from 3 days to one week at a time. Three to four weeks ahead of the show they telephoned the prospects and stated that they would be in their city. They did this approach whenever they were meeting existing clients, prospects or attending a trade show. The following is the script that was very successful for them:*

*"Hi, Bill. This is John Doe with Next in Bulgaria. Ana in Mr. Miller's office (CEO) suggested that I should give you a call.*

*My company is a software development company with over 100 customers in Bulgaria and in the EU. We have over 20 software engineers. We do a variety of software development, testing and process outsourcing projects. We've done work for other EU companies like Online Berlin, Toyota and Razorfish.*

*The reason I am calling is that I am organizing an executive road show to Munich in September, and am meeting with leading banks and software companies. I would like to see if we should meet with you.*

*What kinds of projects have you worked with IT outsourcing partners on ??*

- A. *“Not very many”-Well why is that? Has it not been cost-effective enough, too inconvenient or something else.*
- B. *“We’ve done quite a lot.” How did you choose the partners you are working with? What kind of projects have you worked on?*
- C. *What is the most important thing for you in choosing outsourcing partners?*
- D. *Where is the bottleneck in your development process? Testing, development ... How much of a difference would it make if you could add peak capacity there?*

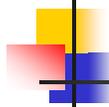
*(You need to engage the prospect and have a discussion to qualify for a meeting.)*

*Well, that sounds interesting. We’ve done a lot of testing for our clients. It sounds like we should meet. I have an opening on Thursday, 6 May at 14:00 or on 8 May at 09:00. Does either of these times fit your schedule?*

*Will anyone else be attending the meeting?*

*Great, I’d like to send a confirmation of our meeting by email. Can you give me your email address? I would be happy to copy you personal assistant. Can you give me his email?*

Telemarketing and trade show attendance is a very productive way to generate qualified leads who have stated an interest in pursuing the relationship. This is the objective of step 1 in the seven steps of The Relationship Selling Method. Once you accomplish this step, you have started your export plan and can move on to creating a proposal.



## RSM Step 2: Develop Proposal Linked to Prospect's Business Objectives

### **Goal: Developing Business Strategy and Proposal**

- Research Prospect's Company and Market
- Determine Competition
- Assess Prospect's Compelling Reason to Establish a relationship with your company
- Documents Success Stories and References
- Create an Initial Relationship Plan and Proposal

**Successful Outcome: Customer Demonstrated Interest in Working with YOU.**

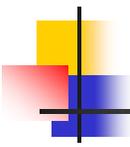
### **STEP 2: Develop Plans that Link to Prospects Business Initiatives and Objectives**

During the time between initial meeting/telephone call and the scheduled follow on meeting, a lot of research needs to be done:

1. Do extensive research on the company via the web.
  - a. What are the products sold?
  - b. Where are they selling the products and what markets are being addressed?
  - c. Who are their customers?
  - d. What is the size of the prospect, both in revenue and people?
  - e. Who are the officers?
  - f. What are their recent sales successes?
  - g. Other
2. Find out who their competitors are.
  - a. How successful their competitors compared with the prospect?
  - b. Determine what their marketing strategy is.
  - c. What products do they offer, and do they have any product like yours?
  - d. What are their recent success stories?
  - e. Other

3. Review your customer base to determine if there are any appropriate success stories and references. **THIS IS KEY TO ADD CREDITABILITY TO ANY PROPOSAL YOU GIVE,**

Once you have done all the necessary research, you can begin to generate an offer/presentation that **fits** into the prospect's business plans which he has discussed with you as well as what you have learned from your research. It is vital that your proposal appears to have been developed to fit with the prospect's business initiatives and objectives. You are linking with them. The ultimate goal is to establish a mutually beneficial relationship with the prospect.



## RSM Step 3: Establishing Buying Vision with Prospect

### **Goal: Recognizing Needs**

- Clarifying Business Needs and Initial Requirements
- Transition from the Prospect's Initiatives to Conceptual Solution
- Confirm the Prospect's Sponsorship and Ability to Decide
- Negotiate Access to Power Sponsor if Appropriate.

**Successful Outcome: Prospects Stated Business Need, Buying Vision, and Agreement to Support Your Access to Power Sponsor. You know you have reached this outcome When the following has been achieved:**

- Business Initiatives and Requirements Confirmed
- Prospects Buying Vision Developed and/or Influenced
- Initial Conditions of Satisfaction Agreed with Prospect
- Sponsor Communication Acknowledged and Agreed

### **Step 3: Establishing Vision of Buying With the Prospect**

This is the key step to establishing a relationship with a prospect that will result in long term revenue. During this meeting your objective is to:

1. Demonstrate that you understand the prospect's market and his business model.
2. Reaffirm that their hot buttons / pain which was discussed in the prior meeting are still current and major concerns.
3. Present possible solutions / products that could alleviate some of the pain.
4. You and the prospect must evaluate what solution would be best to solve his problems / challenges. During this evaluation, you will be trying to shift some of the ownership of the solution to the prospect.
5. Clarify what is the value of the solution in cost savings, additional revenue, customer satisfaction, competitive advantage, etc. You need to identify a specific dollar amount to the value.
6. Learn what the purchasing process is and who are the decisions makers or Power Sponsors? Who will sign the agreement between the prospect and your company?
7. Get agreement to the next step and create a purchasing timetable.

The result of this step is that there is an agreement on what would be the best solution, the value of the solution (cost justification) to the prospect, and on the buying process. You have knowledge as to who needs to be convinced about establishing a relationship with your company.



## RSM Step 4: Articulate & Propose Your Capabilities & Qualify Opportunity

### **Goal: Evaluating Options**

- Review/Influence the Prospect's Buying/Evaluation Criteria
- Develop Solution and Value Statement with Prospect and Discuss Alternatives and Enhancements
- Document and Agree to the Evaluation and Purchase Process with Power Sponsor. Include Conditions of Satisfaction

### **Successful Outcome: Prospect's Power Sponsor and You Agree to Go Forward with Preliminary Solution**

### **Step 4: Articulate & Propose Your Capabilities & Qualify Opportunity**

Step 4 is very important because this is where you establish with the prospect what should be the qualifications used in the selection of a vendor to provide the necessary solution. This is not done directly but through the process of articulating your capabilities to provide the solution. At the same time, you are pointing out that your competitor does not have the correct capability.

During step 4 you need to do a trial close on the Power Sponsor. Here you ask the Power Sponsor if the proposal meets their desired solution and if you can provide the vendor support needed, if they will buy from you. "We will establish a relationship." You are trying to get the Power Sponsor committed to you and to take some ownership in the selling process. They will become your inside salesman. If you do not get the commitment, you need to know why and what you need to do to get his commitment. You can not move forward without the Power Sponsor's commitment to sell the solution with you.

The result of step 3 and 4 is that the prospect has purchased your product or assumed ownership of both the solution you developed and of the vendor's qualification to provide the solution. When you leave the meeting, you will know what solution will sell and how to position your company.



## RSM Step 5: Finalize Solutions with Prospect

### **Goal: Selecting the Solution Option**

- Refine Solution & Create a Value Proposition with the Prospect
- Build a Solution Proposal and recommend Implementation Plan
- Validate Competitive Strategy and Adjust Tactics as Appropriate (there will be competition)
- Get Agreement to the Relationship and Moving Forward
- Get Prospect to Agree or Modify Contracts & Negotiations Process

**Successful Outcome: Customer Power Sponsor's Conditional Approval of Proposed Solution.**

### **Step 5: Finalize Solutions with Prospect**

This is the step in which you develop and propose your solution to the prospect. You also cover what kind of relationship would be best for both parties. There should be no surprises for the prospect because he has assumed some ownership and he expects to see what he has requested and agreed to support. The terms and conditions of the agreement you are proposing should have been discussed and agreed to in the prior meeting. The proposal should consist of the following:

1. Description of the pain, problems, and challenges facing the prospect and where possible what this is costing or revenue that is being missed. "In our prior meeting we discussed the challenges facing AAA and our proposal will address these challenges".
2. Statement as to why your company is qualified to solve these challenges. Emphasize how you have experience solving these problems; "The challenges you face are similar to what RRRRR had and we were able to help them by proposing a ssssss".
3. A detailed description of your solution including the associated benefits due to acquiring your solution; "We feel that if you accept our recommendation you should be able to achieve the following results" At this time, all costs for acquiring your solution needs to be identified.
4. A description of the relationship / agreement needs to be detailed; "If you allow us to be one of your preferred suppliers, we would be able to provide you the following products with a 3 day delivery and an additional discount of 10%".
5. An installation or delivery plan needs to be presented with associated time tables.
6. A summary of the benefits achieved by the investment made with you should be developed to show that financially this acquisition is justified.

Get agreement from the Power Sponsor that your proposal meets the prospects needs.



## RSM Step 6: Close the Sale

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### **Goal: Resolving Concerns & Deciding**

- Make Necessary Refinements to Solutions
- Ask the Tough Questions
- Resolve Any Open Concerns for Final Customer Approval
- Negotiate Final Terms & Conditions
- Prepare Contracts and Obtain Customer Signatures
- Do It Now, Eliminate Surprises latter

**Successful Outcome: Prospect becomes a Customer with a signed Win/Win Contract**

### **Step 6: Close the Sale**

Present the final proposal and ASK FOR THE ORDER. If there are any outstanding issues that are needed to get the order signed, make the necessary refinements, but do not delay the decision. All negotiations should be done now and nothing should be left open. Both parties have come to the meeting expecting to set up an agreement between both companies; delays might kill the deal.



## RSM Step 7: Monitor Implementing the Solution and Ensure Expectations are Met

---

### **Goal: Implementing the Solution and Evaluating Success**

- Work with Customer to Track Benefits
- Manage Implementation Activities to Meet/Exceed Customer Expectations
- Checkpoint with Customer to Ensure Conditions of Satisfaction are Met or Exceeded
- Regularly Review Progress with Key Sponsors
- Look for Ways to Extend Customer Value and Create New Opportunities

**Successful Outcome: Customer Acknowledges the Value of YOUR Solution and the relationship with your company.**

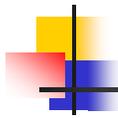
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### **Step 7: Monitor Implementing the Solution and Insure Expectations are Met**

Implementation of the solution is key to future business and equally key is to quantify the benefits of the solution sold. When you can verify that doing business with your company is very beneficial, additional business keeps coming. The following are the key steps to monitor:

1. Regularly review progress with key sponsors and take an interest in the progress and delays. This activity reinforces the partnership between you and the customer.
2. Manage implementation activities to meet/exceed customer expectations.
3. Work with customer to track benefits. If the benefits are not tracked, it is difficult to get the customer to realize the benefits of doing business with you.
4. Check with customer to ensure satisfactions are met or exceeded. Until the customer agrees that they are delighted, the sale is not completed.
5. Look for ways to extend customer value and create new opportunities.

**Successful outcome: Customer acknowledges the value of YOUR solution and the relationship with your company.**



## Create New Opportunities

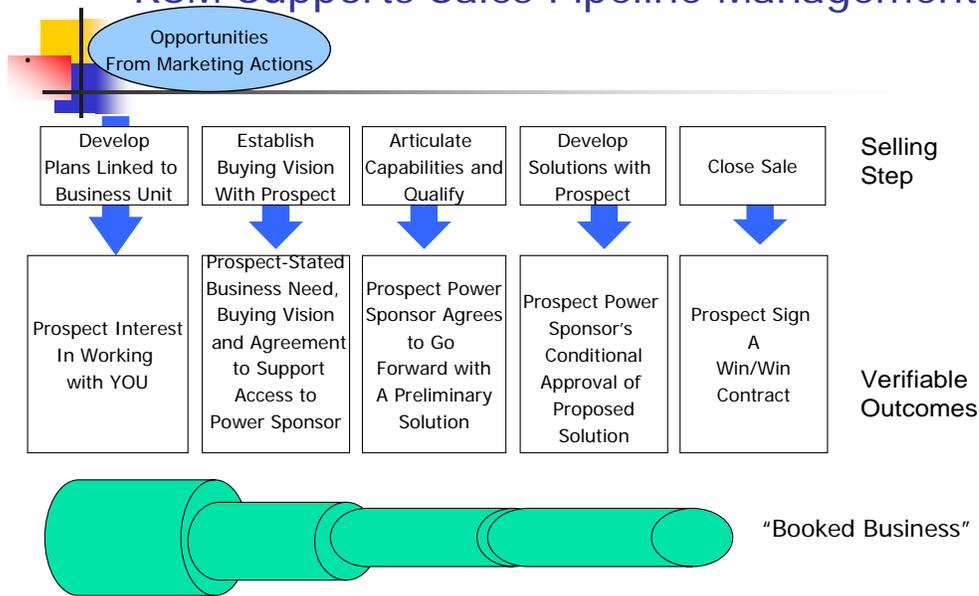
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- Leverage What You Know About the Customer's Business and Environment
- Grow Relationships with Key Players in the Customer Organization
- Use Common Method, Language and Sales Aids to Bring new Solutions to the Customer
- Initiate Conversations Based on Customer Knowledge Gained Throughout the Sell Cycle
- Build Customer Reference Stories for Other Opportunities
- The ***Real Gold Mine***

### **Create New Opportunities And Grow the Business**

1. The knowledge you have gained about the customer and their market segments is extremely valuable. You can transition into more of a partner/consultant relationship.
2. Grow relationships that were established during the sale and installation of your product. The trust the customer's key players have in your company should be leveraged into other solutions.
3. Build upon the knowledge you have gained about how the customer communicates, the methods they use, and their business process.
4. Initiate conversations with the key players at any opportunity to converse on both old needs and new ideas. Continually be present within the customer organization. Create reasons to be visible via phone, letter and email. Constantly send the customer updates and new concepts.
5. Build your customer into a success story / reference so that you generate new opportunities with new prospects. Nothing opens doors better than a success story.
6. The ***Real Gold Mine*** is a delighted customer.

## RSM Supports Sales Pipeline Management



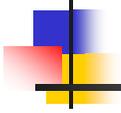
### RSM Supports Sales Pipeline Management

Pipeline management is managing the volume and movement of the opportunities in the sale's pipeline. The knowledge of where each opportunity is in the pipeline allows you to take action to accelerate the sales process. The key questions that a good pipeline management system can provide are:

1. Is there enough business in the pipeline to meet our objectives?
2. How much is real and achievable business? By giving weight to business at each step, you can get a general idea of what is the reality.
  - a. Step 1 would be worth 10% of the forecasted sales volume.
  - b. Step 2 would be worth 25% of the forecasted sales volume.
  - c. Step 3 would be worth 50% of the forecasted sales volume.
  - d. Step 4 would be worth 75% of the forecasted sales volume.
  - e. Step 5 would be worth 90% of the forecasted sales volume.
  - f. Step 6 would be worth 10% of the forecasted sales volume.
3. How big is the gap between what is real and what is needed?
4. What actions can the company do to close the gap?
5. What help does my sales and support team need?
  - a. Improved prospecting techniques, telemarketing clinics, trade show attendance, etc.
  - b. Improved sales call skills and relationship building techniques
  - c. Increased knowledge on doing research
  - d. Generating value driven proposals that justify the sale
  - e. Asking for the order

Where should the management of the company focus their time and resources to close the gap?

**EXPORT TRADE TRAINING PROGRAM**  
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**Section 3**  
**Understanding the**  
**Culture Where We Plan**  
**to Sell**



# Culture

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## Program Objectives

- Recognize the Impact of Culture on Business.
- Gain Insight into the Shaping of Country Values and How They Influence Current Behavior.
- Be aware of the different communication styles within a culture
- Use the 7 Dimensions of Culture to Increase Self-Awareness and to Analyze Cross-Cultural situations.
- Understand and work within the different corporate cultures
- Develop Skills to Enhance Your Effectiveness in the Workplace.



## Developing Your Cultural Awareness: Learning From the Outside In

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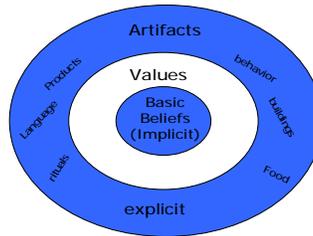
Your Initial Entry to a Culture is at the Explicit Outer Layer – Artifacts, Products, and observed Behavior. This entry is Through Your Senses – What You See , Hear, Feel, Taste and Smell.

A Deeper Understanding of a Culture Comes With Learning About the Inner Layers – The Values and the Basic Beliefs. The Learning Process is Similar to Peeling Away the Layers of an Onion and Exposing a Deeper Layer.

## Developing Your Cultural Awareness: Learning From the Outside In

What is Culture?

- An Integrated System of **Learned** Behavior Patterns that are Characteristic of the Members of a Society
- Behavior Patterns developed in Response to Threats to Groups Survival and to Ensure Group Continuity



## Developing Your Cultural Awareness: Learning From the Outside In

- Primary Awareness
  - Food
  - Language
  - Appearance
- In-Depth Awareness
  - Notions of leadership
  - Social interaction
  - Tempo of work
  - Attitudes toward subordinates and peers
  - Patterns of group decision making
  - Approaches to problem solving
  - Roles and status by age, sex, class, occupation, kinship
  - Use of time
  - Nature of friendships
  - Ethics
  - authority

Only 10% of a culture is visible. It is what you see, hear, feel, taste and smell. In order to achieve financial success in a new culture, you need to understand why a culture is the way it is, the other 90% of what makes up a culture. Mastering the other 90% will be of the greatest value and will produce success. The following are some of the values that make up the other 90%:

1. Tempo of work
2. Patterns of group decision making
3. Roles and status by sex, age, class, occupation, kinship
4. Use of time
5. Rules of hierarchy
6. Notions of responsibility
7. Attitudes toward subordinates and peers
8. Approaches to problem solving

In the US, a young executive management team is well respected. This reflects the value that a young team brings new ideas that will challenge the norm. It is built on a basic belief that innovation and creativity is all important to a management team.



## The Foundations of Behavior: Values, Beliefs, Assumptions

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- **Assumptions** are basic beliefs about the nature of reality –what is true. They are taken for granted and generally exist out of awareness.

Examples:

- An individual can change or improve.
- External forces strongly influence what can be changed.
- Competition stimulates high performance.
- High Performance is Achieved through group effort.



## The Foundations of Behavior: Values, Beliefs, Assumptions

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- **Values** refer to what is considered “good” in culture. They are learned and are slow to change.

Examples:

- Individualism
- Competition
- Cooperation
- Change
- Personal Responsibility



## The Foundations of Behavior: Values, Beliefs, Assumptions

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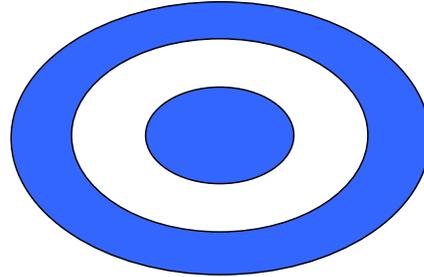
- **Behavioral Norms** of a culture are based on the values, beliefs and assumptions of that culture.

Examples:

- Corporations conduct individual performance appraisals. (Competition, Individualism)
- Adults continue to study, earn degrees, and take classes. (Personal responsibility, change, competition.)

## Exercise #1: Learning About Yourself: Your Value Priorities

- \_\_\_\_\_ Group Harmony
- \_\_\_\_\_ Competition
- \_\_\_\_\_ Cooperation
- \_\_\_\_\_ Privacy
- \_\_\_\_\_ Work/Task Orientation
- \_\_\_\_\_ Tradition
- \_\_\_\_\_ Equality
- \_\_\_\_\_ Personal Responsibility
- \_\_\_\_\_ Filial Piety
- \_\_\_\_\_ Independence
- \_\_\_\_\_ Family
- \_\_\_\_\_ Consensus
- \_\_\_\_\_ Hierarchy
- \_\_\_\_\_ Fun, Enjoyment
- \_\_\_\_\_ Religious Faith, Spirituality
- \_\_\_\_\_ Honesty
- \_\_\_\_\_ Material Possession
- \_\_\_\_\_ Other \_\_\_\_\_
- \_\_\_\_\_ Other \_\_\_\_\_
- \_\_\_\_\_ Other \_\_\_\_\_



1. From the list please mark 5 values that are a very high priority for you.
2. Cross out 2-3 that are a low priority.

## Seven Dimensions of Culture: Values-Based Cultural Differences

The basic values and beliefs of a culture can be explored through the research of Trompenaars Hampden-Turner Consulting. These Seven Dimensions illustrate differences in seeing the world, in interpreting the world and in facing the challenges of the world.

### “What Makes the World Stable and Comfortable for you?”

The Seven Dimensions, named by their values-based extremes are:

Universalism-----	Particularism	
Individualism -----	Communitarianism	
Neutral -----	Affective	
Achievement -----	Ascription	
Past-----	Present-----	Future
Internal -----	External	

- The ends of the continua represent the extremes of each dimension.
- No individual or national culture is positioned as a fixed point; there is always a range of motion

# Seven Dimensions of Culture: Individualism ----- Communitarianism

## Source of Identity and Scope of Responsibility.

### Individualism

Personal responsibility and individual freedom are encouraged. Personal expression and individual initiative are valued Group is defined as consisting of individuals.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

### Communitarianism

Individuals are responsible for the groups' well being and work for consensus in the group's interest. The values of the group and its survival are primary. Define self by group you are in.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

I

On a range spanning 10% of this are, where do you place yourself?

C

Possible perceptions of this preference –  
(Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

Possible perceptions of this preference –  
(Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

# Seven Dimensions of Culture: Universalism - Particularism

## Degree of Consistency in Application of Rules Policies, Etc.

### Universalism

Rules Apply Equally in order to be fair to everyone. Accountability to and consistency in rules and procedures are highly valued.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

### Particularism

Applications of rules varies according to the situation and the people involved. It depends. Accountability to relationships is primary.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

U

On a range spanning 10% of this are, where do you place yourself?

P

Possible perceptions of this preference –  
(Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

Possible perceptions of this preference –  
(Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

# Seven Dimensions of Culture: Specific ----- Diffuse

Degree of Overlap in Public & Private Life: Depth of Involvement

**Specific**

Activities and relations are compartmentalized with clear separation between public and private aspects of one's life.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

**Particularism**

Diffuse All aspects of personal and professional life including relations are connected and intertwined.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

S

On a range spanning 10% of this are, where do you place yourself?

D

Possible perceptions of this preference – (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

Possible perceptions of this preference – (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

# Seven Dimensions of Culture: Neutral -- Affective

Amount of Emotion Appropriate to Express

**Neutral**

Emotions should be controlled so that issues can be discussed in a clearly objective manner. The facts are most important.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

**Affective**

Emotions should be openly and freely expressed to show comment to the relationship and the issue.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

N

On a range spanning 10% of this are, where do you place yourself?

A

Possible perceptions of this preference – (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

Possible perceptions of this preference – (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

# Seven Dimensions of Culture: Achievement ----- Ascription

## Source of Status and Recognition

### Achievement

Status and recognition based on one's skill, knowledge and accomplishments.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

AC

On a range spanning 10% of this are, where do you place yourself?

### Ascription

Status and recognition derived from membership in a specific group, family, gender, university, profession, etc.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

AS

Possible perceptions of this preference – (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

Possible perceptions of this preference – (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

# Seven Dimensions of Culture: Past --- Present --- Future

## Meaning of Time and Its Use in Business Processes

### Past

Planning for the future is based on the analysis of the past – respect for ancestors and traditions.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

### Present

Day to day experience directs people's lives and decisions --- focused on doing and action

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

### Future

Activities are directed toward future prospects --- focus on planning.

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_

Using the Entire Bar, Place Your Past, Present and Future?

Possible perceptions of this preference (Positive and Negative)

\_\_\_\_\_

\_\_\_\_\_

Possible perceptions of this preference (Positive and Negative)

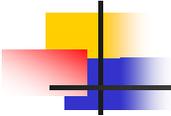
\_\_\_\_\_

\_\_\_\_\_

Provide an example where you show this preference:

\_\_\_\_\_

\_\_\_\_\_



# Seven Dimensions of Culture: Internal ---- External

## Locus of Control

### **Internal**

Individuals can control the environment and their future. This includes nature as well as reaching personal goals, managing career path, completing a project, etc.

Provide an example where you show this preference:

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---

Possible perceptions of this preference – (Positive and Negative)

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### **Particularism**

Outcomes are controlled by outside forces. Some are predictable: family background, social status, educational levels, etc. Others are unpredictable: luck, fate, devaluations, inflation, etc.

Provide an example where you show this preference:

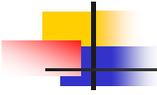
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Possible perceptions of this preference – (Positive and Negative)

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## Cross Cultural Communication

### Indicators for Cross-Cultural Communications

- Understands that communication contains verbal and non-verbal elements , including listening and silence.
- Uses wide range of verbal and non-verbal elements to more accurately send and receive messages.
- Speaks language(s) other than own native language and incorporates host language knowledge into communication
- Demonstrates sensitively to the emotional and behavioral challenges of communicating in a non-native language.
- Looks to self in identifying barriers to effective communications

## Cultural Differences in Communication Style

The manner of conveying a message can vary according to the amount of meaning contained implicitly in the situation or explicitly in the actual words. Cultures differ in the amount of implicit and explicit meaning used in typical messages.

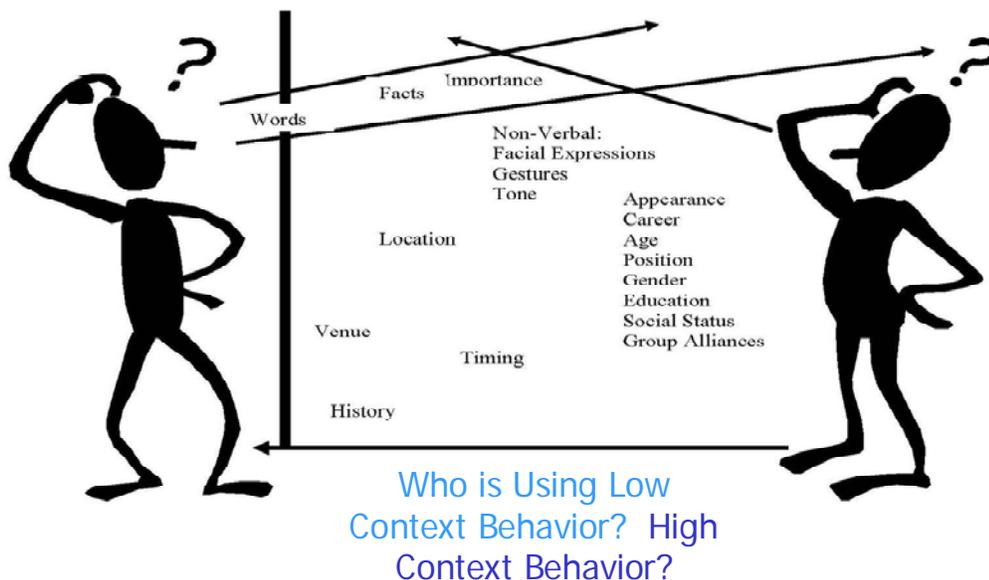
### High Context

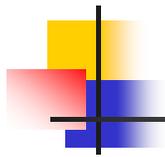
- Message contained in environment and person
- Indirect
- Focus on relationship building
- Shared knowledge/experience
- Information flows informally through networks
- Slow to Change
- Multiple tasks carried out at the same time
- Sender and receiver are responsible for success of transmission

### Low Context

- Message contained primarily in words.
- Direct
- Focus on task completion
- Knowledge/experience not shared
- Information flow is controlled through formal channels
- Changes rapidly
- Individual tasks carried out one at a time
- Sender has primary responsibility for success

## Learning to Find the Meaning





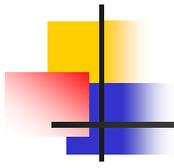
# High and Low Context Cultures

High Context  
implicit

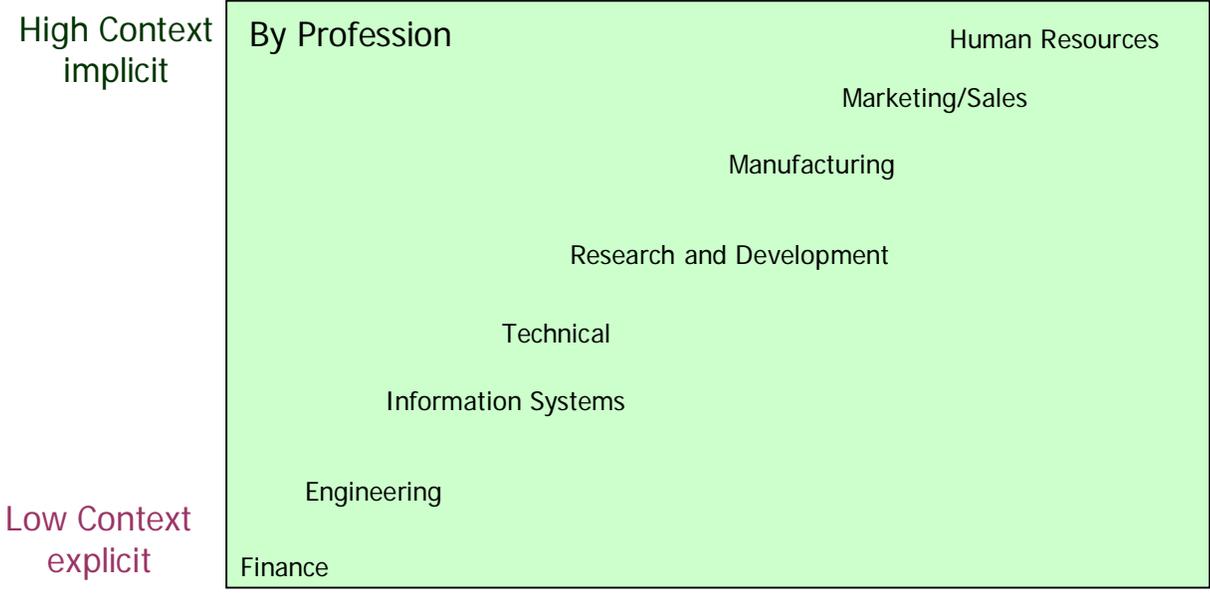
By Country

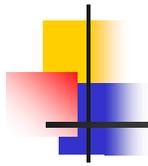


Low Context  
explicit



# High and Low Context Cultures





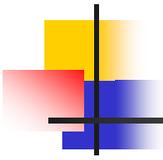
## Four Types of Corporate Culture

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Research has identified four types of corporate culture:

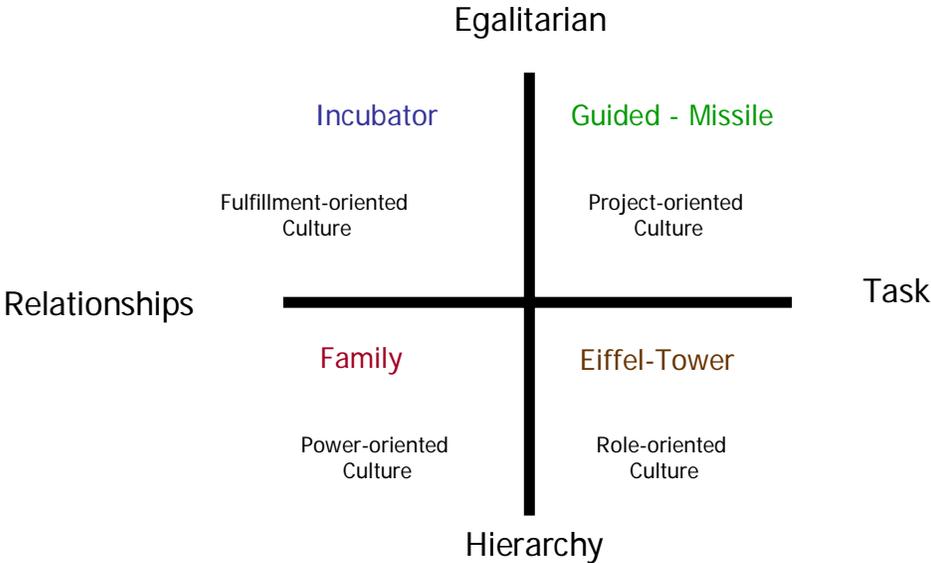
- Incubator – Egalitarian/Relationships
- Guided Missile – Egalitarian/Task
- Eiffel Tower – Hierarchy/Task
- Family – Hierarchy/Family

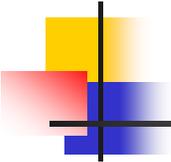
National cultures generally show a strong preference for one type. Typically in a corporation one type will predominate. However, it is possible for each type to exist within one company among different business units, different departments, different functions, etc.



# Four Types of Corporate Culture

Which Type is Most Comfortable for You?





# Four Types of Corporate Culture

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## Incubator

**Fulfillment- Oriented:** Organization serves individual creativity

**Management** by enthusiasm

**Change** – Fast and Spontaneous

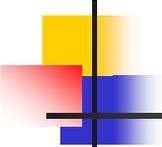
**Motivation** – participation in innovative projects important to society

**Thinking/learning** – process-oriented, creative

**Strength** – everyone on same wave length

**Weakness** – problems may be redefined without being tied to customer

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# Four Types of Corporate Culture

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## Guided Missile

**Project-oriented** – “whatever it takes” to get the job done

**Management** by objective

**Change** – quick adjustment as “target” moves

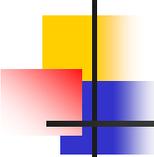
**Motivation** – loyalty to profession and projects more than to company

**Thinking/learning** – problem-oriented, practical

**Strength** – quick launch of projects.

**Weakness** – quick launch of projects.

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# Four Types of Corporate Culture

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## Family

**Power-oriented** – authority in “father” who is involved in all aspects of employees life

**Management** by subjective

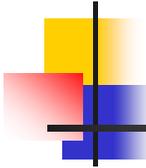
**Change** – by authority; quick if impacts power

**Motivation** –praise and appreciation, not necessarily money

**Thinking/learning** – intuitive, holistic, error-correcting

**Strength** – can be quickly mobilized by leader

**Weakness** – difficulty with matrix structures; “ child defers to “parents”



# Four Types of Corporate Culture

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## Eiffel Tower

**Role-oriented** – “whatever it takes” to get the job done

**Management** by Job Description

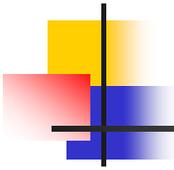
**Change** – through rules and procedures

**Motivation** – duty to do the job well

**Thinking/learning** –logical, analytical; skills required for specific work

**Strength** – clear understanding of relative positions of people.

**Weakness** – rigidity promotes resistance to change



# National Patterns of Corporate Culture

