



IIEI's GlobalWatch

The International Import-Export Institute ~ P.O. Box 11378 ~ Glendale, AZ USA 85318-1378

Spring 2001, Volume 3, Issue 2

The International Import-Export Institute

Special points of interest:

- U.S. Export Laws regulate which products U.S. firms can export to which countries.
- The U.S. government imposes trade restrictions on over 50 countries around the world.
- Penalties for export violations begin with \$10,000 fines and may extend to suspension of export privileges.

According to the U.S. Bureau of Export Administration, sanctions on India as a result of its nuclear weapons program, cost U.S. business \$150 million in lost export sales in the first year.

Sources: Bureau of Export Administration; US Customs Service

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Export Control Laws Costing U.S. Businesses

The US government utilizes export laws as a tool of foreign policy, often to curb the proliferation of weapons of mass destruction and combat terrorism. These laws have become quite complex over the last several years with multiple layers of license requirements and a broadening of inclusion of many more countries.

Different levels of restrictions have been imposed for about 50 countries, including China, Yugoslavia, and Rwanda. India and Pakistan were added after they conducted nuclear tests in 1998.

However, export control laws are costing US businesses billions of dollars in lost trade annually, particularly in the technology sector where overall exports soared from \$94.7 billion in 1990 to 186.6 billion in 1998.

IBM, Dell Computers, Compaq, Gateway, Alcoa, and more than 200 other companies and individuals have been hit with civil or criminal penalties for violating export laws over the last five years.

The cost of compliance is high, but penalties can be far more painful. Penalties for export violations begin

at \$10,000 fines and can be as severe as suspension of export privileges and imprisonment for company officials.

Gateway Inc. paid \$402,000 in civil fines in June 1998 to settle allegations that it sent U.S. origin computer systems to 16 countries, including Iran, Syria, and China without required licenses.

The number of violations keeps climbing and federal agencies are showing no sign of easing enforcement. With such high stakes, many companies are beginning aggressive efforts to adhere to the ever-changing export rules.

Companies Seeking Competent Trade Specialists

In recognition of the expanding needs of global business, many companies are demanding qualified, competent import-export professionals. The internationally recognized trade certifications from IIEI demonstrate expertise in several areas of specialization, as well as provide a standard of excellence for the individual considering the international market as part of a business or career decision.

IIEI's CERTIFIED EXPORTER® program signifies that an individual meets or exceeds (Continued page 6)



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IIEI Certifications Earn High Praise from U.S. Dept. of Commerce's Export Assistance Center

The **International Import-Export Institute's** certification programs have earned high praises from the U.S. Department of Commerce's Export Assistance Center.

In a recent statement, Frank Woods, Director of the U.S.D.O.C.'s office in Phoenix, Arizona, said "there is no other worldwide organization to my knowledge that supports the entire international trade community with such a certification program".

As accelerated growth in global trade brings with it the demands and complexities of rapidly changing regulations, it has become necessary for those entering, as well as the long-time players, to establish standards and identify the pro-

ficiency levels of those involved.

IIEI's Global certification process strives to bring standardization of terminology and practical knowledge to the international trade community worldwide. IIEI's training courses are designed to prepare people for the examination process leading up to certification.

Woods, who has been familiar with IIEI's certification program for several years, stated that "IIEI fills a very important need in the marketplace with respect to identifying the proficiency level of those involved in international trade."

"The training courses are designed to prepare people for the rigorous certification examination," claimed Woods, "I am very pleased to support this con-

NOMINATIONS FOR GLOBAL ADVISORS

Working in the international trade industry? Interested in being an active contributor to the direction and content of the industry's certification standards? Then IIEI is interested in you. IIEI's Director of Global Relations is taking nominations for individuals wanting to serve on IIEI's volunteer Global Advisory Board. E-mail Diana Larowe at dlarowe@expandglobal.com and help to shape the Global Village of the future.

An Organization is What it Knows

- Rich Shields, Special for *GlobalWatch*[®]

General Electric's icon CEO Jack Welch admonishes us that, "business is simple". Perhaps for Jack it is, but for some strange reason I'm not so sure the rest of us see it that way. To the contrary, I would speculate that most of us find our world to be increasingly complex.

I have to admit that it is humbling, if not depressing, to consider the possibility that someone, who is responsible for an organization pumping out over \$100 billion in annual revenue, is so much smarter than the rest of us that to him business really is simple. On the other hand, maybe Jack's secret is simple.

For starters, you have to concede that Jack has been right a lot more than he has been wrong, so let us give him the benefit of the doubt and presume that business really is simple and the rest of us just don't get it.

Let's start with a simple question:

Q: What do your customers really

want from you?

A: Confidence that their relationship with your firm maximizes their best interest.

Yes, I know what you are thinking. sounds simple but what does it really mean? Does it mean your firm offers lower pricing than your competition? Does it mean that your firm offers differentiated value-added services? Or does it mean that your firm offers a highly specialized good or service not easily found in the market?

The simple truth

is that every organization distinguishes itself in the eyes of its customer by how well its people know what the customer wants, and how well those same people can match the organization's resources to meet the customer needs.

Sounds good, but what does it really mean? It means that your firm will have earned your cus-

tomers' confidence when your customer believes that your people know enough about your customer's business to help solve problems.

This means that your people are masters of their trade and know enough about your customer's business to be able to apply their mastery to create value for the customer.

When this relationship exists, your invoice is not paid out of obligation for least common denominator services rendered, but approved for payment with pleasure.

OK, but how is all this simple? The answer is to invest in your people. They will fight like they train and produce amazing results if you provide them with the tools, the encouragement and your confidence.

Its that simple!

General Electric's CEO Jack Welch admonishes that "business is simply" or is it?

Taking the Export Plunge

How do I know when my company is export-ready? What are the signs? When an overseas customer calls, should we jump?

Even having the sense to ask these questions indicates a level of management maturity that is one of the prerequisites to building a successful and sustainable export business.

Achieving export-readiness involves undertaking a comprehensive but focused audit of your company's export-management ability and preparedness, as well as testing your resolve and commitment to developing export markets. This includes issues from human and financial assets to unused or underused production capacities, as well

as the firm's current plans and strategic objectives.

Assuming everyone is onside and preliminary assessment is positive, here are 10 questions to consider as an export-readiness checklist:

1. Why does your company want to export?
2. Has your company exported before? What did you learn from the experience?
3. Has your company developed an export plan?
4. Have you researched potential markets?
5. Have you thoroughly crunched through all the numbers- from pricing to marketing costs to shipping?
6. Have you identified and assessed all your competitors?
7. Has your market-entry strategy been proven out? Have you test-marketed and explored all options?
8. Have you worked out the logistics

(basically, all supply chain issues such as transportation, packing and order-taking)?

9. Who will be involved and in charge of export activity?

10. What experience or export training do your key personnel have? Complications can pile up quickly for amateur exporters.

Some of this may seem simplistic, but being an exporter requires a solid commitment to actively and aggressively selling goods and services in the sharp teeth of international competition - not just selling surplus production abroad when it suits.

Oh, and if you do get "expressions of interest" from foreign customers, definitely pursue them. These opportunities are ways to begin planning and formalizing export activity, and that's how the whole process usually starts.

Author: Peter Dawes - Warrington International Import Export Trading Inc.



Announcements.....

What's New for YOU



New Testing Fees Reflect Global Pricing Strategy

IIEI's Certification Board has adopted a new certification test fee structure to make certification affordable to everyone worldwide. It is generally based on the economic development & prosperity of the country in which the person taking the examination resides. (See policy statement online for complete details & restrictions.) As of October 1999, the three fee categories are:

- ◆ Category A — Highly Industrialized Countries
- ◆ Category B — Developed Nations
- ◆ Category C — Emerging Countries

The new policy and reduced fee structure makes industry certification more affordable to people in all countries.

Visit www.expandglobal.com and click *Testing* for more details.

Test Date Policy Change

The Certification Board of Governors has announced a major policy change regarding industry examination test dates that will take effect March 1, 2001. After that date, IIEI will cease to offer the two annual test dates. The new policy allows individuals to apply and schedule to sit for the examination at times that fit their busy schedule.

NEW IIEI GLOBAL HEADQUARTERS

IIEI has moved!

Now enjoying larger accommodations, IIEI's new office space is over eight times larger than before. The IIEI staff is still settling into their new space, but are ready to assist you with any of your inquiries. IIEI continually strives to better serve you. Please make note of IIEI's new telephone numbers (602) 944-2560 or **call toll free within the U.S. at (800) - 474 - 8013.**

Long Flight Ahead? Simple Steps Ease the Way



Most individuals working in international trade face plenty of challenges while conducting business, but does getting to your travel destination have to be hazardous to your health as well?

Long-distance travel can be tough on the body, especially if you have to sit nearly motionless for hours on an airplane. According to physicians at the world-famous Mayo Clinic, one of the potential problems of long-distance traveling is developing blood clots.

To avoid this problem and others, doctors advise the following:

Stay hydrated. Drink at least one glass or bottle of water each hour.

Get out of your seat and walk the aisle at least once an hour.

Periodically **take slow, deep breaths.** Don't cross your legs.

Wear comfortable, **loose clothing and sensible shoes.**

Avoid alcohol.

Following these simple guidelines will allow you to arrive at your destination rested, focused and ready for business.

The Journal of Practical Global Business

The **Journal of Practical Global Business**, IIEI's peer-reviewed professional journal, is published four times per year. An annual subscription consists of four issues.

Volume 1 Number 2
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Seeks Members**

There are four categories of annual subscriptions to choose from:

- ◆ Individual Annual Subscription
US\$ 70.00 (U.S. only) Individual
- ◆ International Annual Subscription
US\$ 125.00 (Outside U.S)
- ◆ Institutional Annual Subscription US
\$ 155.00 (U.S. domestic)
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Subscription @ US\$ \$210.00
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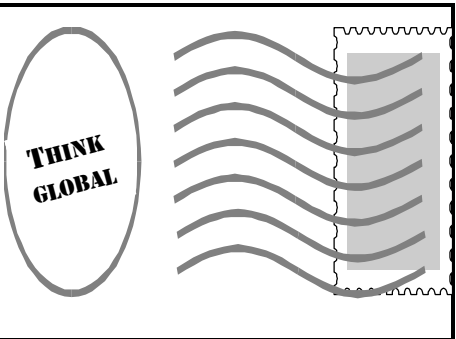
The next issue of IIEI's **Journal of Practical Global Business**®, is scheduled for publication **Summer 2001**. Academically sound articles that offer a practical approach to international business matters are the central theme of the publication. Interested parties, who would like to have their articles considered for publication in this peer-refereed journal, should direct them to: **Dr. Marlene Bedore, Editor. The deadline for receipt of articles is May 25, 2001.**

If you would like to volunteer to be a member of the Journal's peer review board, to read articles with potential for publication, you may direct your interest to the e-mail addresses below.

journal@expandglobal.com

or send your correspondence to:

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Notes from the Executive Director

New Faces

In this issue of *IIEI's GlobalWatch®* newsletter, **growth** is again the best word to describe what is happening here at the International Import-Export Institute. As the new year arrived, we moved our global headquarters in the first week of January. We are now in much larger accommodations to make room for all of the new people on staff that are here to serve you. Our services have been expanded in several areas as we react to your expressed needs for more local IIEI Chapters and new certification designation, such as *Certified International Trade Marketing Specialist®* and more online training courses.

We have seen incredible growth in interest for our services coming from all regions of the world. We are about to announce formal agreements with two very distinguished institutions of higher learning—one in India and the other in Egypt-- to bring online courses in international trade and industry certification to people through those two countries. Watch for the announcement in our next issue.

In this issue you will see a slight change in the content of the newsletter. Instead of information mostly about IIEI, we have included topics we hope you find interesting and useful. If you have other topics you would like to see printed in future issues, let us know. As you read this issue, take special note of the names of new staff members. We are all here to serve you.

David McGee, IIEI's Chief Technology Officer

David McGee has joined the IIEI staff overseeing IIEI's Information Technology Services. Dave is an accomplished programmer in multiple programming languages, and claims to have an amazing ability to quickly learn new platforms and programming languages.

Dave operates in Windows95/98/NT, UNIX, and Mac environments with ease and readily demonstrates his strengths in Visual Basic, MS Access, Macromedia's Director, HTML, Oracle, Active Server Pages, ColdFusion, and UNIX Scripting. Dave holds a Masters degree in Education Media and Computers from Arizona State University.

More about IIEI's International Trade Certifications

Con't from page 1

the international trade industry's high standards of excellence.

The **CERTIFIED INTERNATIONAL TRADE PROFESSIONAL®** is a more in-depth program that demonstrates a mastery of knowledge of the entire import-export business, and requires at least 2 years of actual trade experience.

The **CERTIFIED INTERNATIONAL TRADE MANAGER®** is the capstone course and demonstrates a complete understanding of strategic planning and marketing in the international arena. This certification requires at least 5 years ex-

perience in the management of import-export activities.

With the ever increasing challenges and demands in international trade, *specialty certifications* can attest to unique skills and expertise.

IIEI provides certification programs in the following areas:

- *Certified International Trade Documentation Specialist®*
- *Certified International Trade Marketing Specialist®*
- *Certified International Trade Finance Specialist®*
- *Certified International Trade Logistics®*

IIEI's *Certified International*

Trade Training Coordinator® is for the individual who wants to teach international trade courses on-ground or online. Enrollment requires a master's degree or similar corporate training experience. IIEI offers information and easy registration on-line at its web site:

www.expandglobal.com

Select "Training" from the main menu.



For Members Only

IIEI's Internship Program is a valuable opportunity to gain experience and insight into international trade. Interns are receiving their assignments in a wide variety of areas. If you are currently an IIEI member, you are eligible to become a part of this exciting program. In many instances, you can perform your internship duties online (from your home or business) or in your community. For more information and an application, simply write to:
 Diana Larowe, Director of Global Relations c/o IIEI
 P.O. Box 11378 Glendale AZ 85318-1378 USA

Know someone who should be added to IIEI's mailing list?

If so, just have them fill out the request for information slip below and mark it "mailing list" and then mail it in!

And thanks for helping us get the word out about IIEI!

IIEI JobNet is now Online

Members are free to use IIEI's JobNet to post their resume and job interests to a worldwide audience.

Go online to IIEI's website and click RESOURCES, then JOBNet. To submit your resume, select SUBMISSION REQUIREMENTS.

It is easy and it is FREE to members! Do it now!

Membership Renewal Online

You can now register or renew your IIEI membership on-line.

Simply visit our website at:

<http://www.expandglobal.com>

Click on Resources then Membership.

In an attempt to better meet the needs of the international trade industry, IIEI's Executive Board has adopted "three regional categories" to set the pricing of IIEI's services

- ◆ **Category A**—Highly Industrialized Countries
- ◆ **Category B**—Developed Countries
- ◆ **Category C**—Emerging Countries

A complete listing of all countries and their assignment can be found online at IIEI's web site under the title 'Country Status Listing' on IIEI's main page.

I'd like to join IIEI !!

Name: _____ Date: _____

Company: _____

Address: _____ Apt. No. _____

City/State/ Zip: _____

School Affiliation (in any): _____ Phone _____

Payment Method: Make Payable to *International Import Export Institute*

Payment enclosed (Payable in Money Order US dollars only) \$ _____ TOTAL ENCLOSED

Check Enclosed (Outside the U.S. use U.S. Money Order)

Charge Account # _____ Exp. Date _____

Charge my MC Visa AMX Discover Account

Signature _____

Print Name on Card _____

Membership Fees

IIEI Individual Membership for residents of countries listed in:

- Category A** US\$55.00;
- Category B** US\$35.00;
- Category C** US\$18.00.

Mail to: **ATTN: Membership**
International Import-Export Institute
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The International Import-Export Institute

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