



Faculty & Student Engagement:
*A Relevant Business Opportunity for
International Business Development*

sbtdc

The SBTDC is a business advisory service of The North Carolina University System
operated in partnership with the US Small Business Administration.

sbt^{dc}.org | info@sbt^{dc}.org

NASBITE Conference
St. Louis, Missouri
April 15-17, 2015



International Business Development

- NASBITE accredited & CGBP credentialed
 - Our goal is to increase the number of mid-sized businesses that are exporting and to assist existing small business exporters in expanding their foreign market sales.
- We advise small and mid-sized business owners about the business side of exporting – in 2014.
 - 378 client-companies served.
 - 3,030 hours of international business counseling.
 - 110 jobs created and/or retained.
 - \$15,324,280 in capital formation.

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IBD Team – CGBP Credentialed



[Mary Romano](#)
Charlotte, NC



[Owen George](#)
Winston-Salem, NC



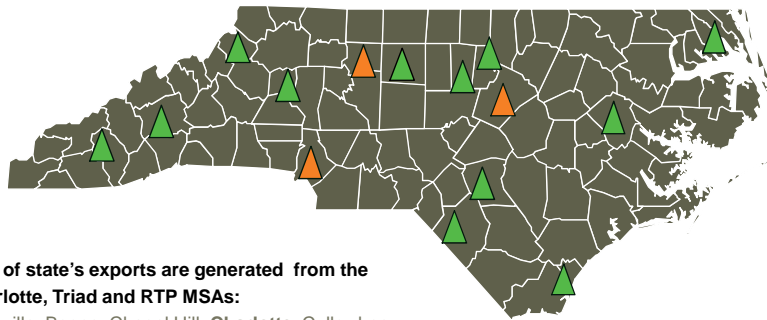
[Alex Viva](#)
Raleigh, NC



[Mike Seibert, Ed.D.](#)
Raleigh, NC



IBD Team Locations



85% of state's exports are generated from the Charlotte, Triad and RTP MSAs:

Asheville, Boone, Chapel Hill, Charlotte, Cullowhee, Durham, Elizabeth City, Fayetteville, Greensboro, Greenville, Hickory, Pembroke, Raleigh, Wilmington, Winston-Salem



IBD Challenges

How do we:

- Provide value to client-companies?
- Generate results and program ROI?
- Strengthen our host-campus relationships?
- Leverage faculty and student resources?
- Build service capacity and expand geographical coverage—without any additional funding?

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Student Engagement

Linking small and mid-sized business owners-managers with MBA students fits with our university mission to:

1. Enhance lifetime skills of business owners.
2. Engage students in working with business.
3. Apply business theory to real-world problems.
4. Lead business assistance and support resources.

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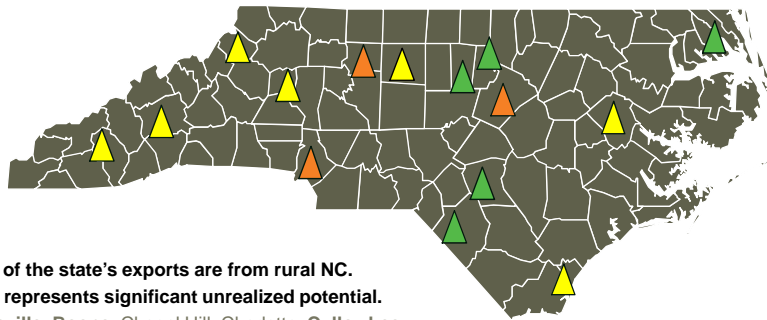
IBD Faculty Liaison Program

We established 4 strategically placed faculty liaison grants of \$1,250 each for a total statewide investment of **\$5,000** (reallocated from our non-personal budget).

- Faculty Liaisons receive a \$1,250 honorarium in return for doing the following:
 - Serving as “Instructor of Record” and recruiting 1 or 2 MBA students per year.
 - MBA students must be currently enrolled and in good academic standing.
 - MBA students must submit their resume and complete our Standards of Conduct memo.

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IBD Team + Faculty Liaisons



**15% of the state's exports are from rural NC.
This represents significant unrealized potential.**

Asheville, Boone, Chapel Hill, Charlotte, Cullowhee,
Durham, Elizabeth City, Fayetteville, Greensboro, Greenville,
Hickory, Pembroke, Raleigh, Wilmington, Winston-Salem

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Export Business Planning – Course

The Export Business Planning elective is a “for-credit” course designed to help students gain global business knowledge, skills and abilities via direct experience.

- MBA students are partnered with an IBD Counselor to assist clients in need of export planning assistance.
 - MBAs are guided and mentored by an IBD Counselor who reviews their project work, what they are learning, and how to apply learning immediately.
 - MBAs contribute 120-150 hours of project work, and they must submit weekly project reports to their IBD Counselor.

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Export Business Planning – Curriculum

- SBA Export Business Planner
 - A step-by-step guide to for creating an export business plan or marketing plan.
- The Global Entrepreneur
 - An ideal text for students when working with a company to develop an export marketing plan.

Export Business Planner For Your Small Business



A downloadable tool to save and customize

- How to determine your export readiness
- Training and counseling information
- Worksheets for global market research
- Financing information and options
- Customizable Export Business Plan and Marketing Plan templates
- Helpful resources for exporters
- Glossary of Export Terms
- And more!

SBA
U.S. Small Business Administration

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Thermal Manufacturer | Western NC

- The Business
 - A manufacturer of low and high temperature laboratory and production furnaces, vacuum formed ceramic fiber heaters, cast heaters, heater coils, air heaters, ovens, kilns and diffusion heaters, all custom designed to meet customer specifications.
- Export Challenge
 - Develop an export strategy to expand market share in existing markets, and to identify and penetrate new markets.

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Thermal Manufacturer | Western NC

- Project Recap
 - Competitive intelligence analysis and understanding of 2-3 leading competitors in key international markets. SWOT Analysis and prioritization of international target markets. Strategies for penetrating new markets and gaining market share where key competitors are already active.
- Owner's Testimonial
 - "This was the best...project. It will be used to make changes in our export marketing strategy. And it will help us support 65 manufacturing jobs."

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Steel Fabricator | Eastern NC

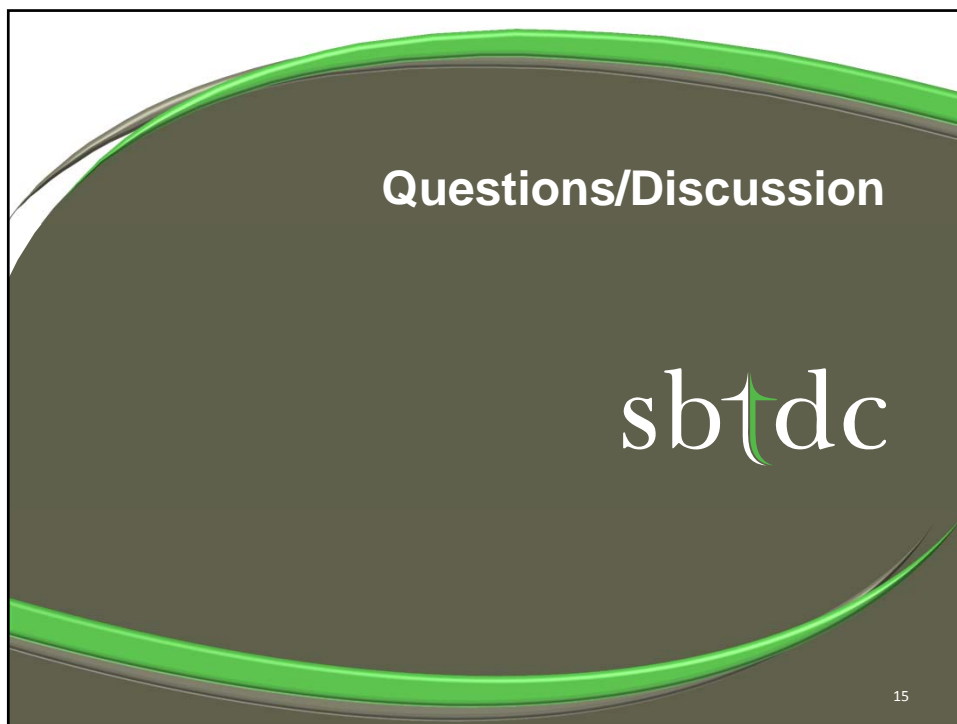
- The Business
 - A steel fabricator that utilizes skilled welders to transform coiled steel into cylindrical or rectangular atmospheric tanks that are sandblasted and coated to customer specifications.
- Export Challenge
 - The general direction of the project was to assess relevant business opportunities and provide a conservative plan to expand business opportunities in 2 key countries, preferably Canada and Mexico (NAFTA).

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Steel Fabricator | Eastern NC

- Project Recap
 - Larger products carry higher profit margin but also higher transportation costs. 5000 gallon tanks are tipping point of this direction. Do not focus on vertical tanks market as these are harder to ship.
- Owner's Testimonial
 - "He (MBA) clearly nailed our primary objective of where to focus our international marketing effort—Canada and Mexico. I appreciate SBTDC providing us with his help...this is directly real world beneficial for us."

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IBD CLIENT PROFILES

Pre-Export Client Characteristics:

- Typically in-business, but not currently exporting
- Seeking assistance with determining the feasibility for exporting
- Little or no in-house international business experience

Phase I Client Characteristics:

- Typically an indirect exporter using an export management company (EMC)
- piggyback marketing or domestic distributors that redirect the products to foreign customers, a.k.a. gray marketing
- Tendency to have exclusive agreement with their domestic customer entity (agent, representative, EMC or distributor)
- International business represents a small percent of total business
- Seeking assistance with developing a proactive rather than reactive market selection strategy
- Relies heavily on outside expertise and assistance, probably from their bank
- Averse to foreign exchange (FX) risk, all pricing is in US dollars
- Payment terms are limited only to secure methods such as letters of credit or L/Cs

Phase II Client Characteristics:

- Transitioning from indirect to direct exporter whereby client deals directly with an entity in the foreign market rather than through another domestic company
- Foreign entity may be an agent, representative, distributor or even a subsidiary of the client company
- May have a mix of exclusive and non-exclusive foreign entity agreements in place
- International business represents a significant percentage of total business
- Seeking assistance with expanding their global activities and pursuing an aggressive international strategy that will include direct exporting and probably some overseas alliances
- Increased international business justifies developing internal expertise
- International business justifies a more aggressive FX policy that can be developed into a competitive advantage
- Begin to offer foreign currency pricing and less restrictive payment terms such as open account

Phase III Client Characteristics:

- Fully involved global company using a direct export strategy with integrated overseas investments and operations
- The FX management is fully integrated into all business aspects including tax, accounting and finance
- Risk management division developed using specialized staff using a full range of payment terms including open account

IBD CLIENT COMPANY ELIGIBILITY

1. Existing for-profit business.
2. Incorporated in North Carolina with primary operations in state.
3. Annual sales revenues greater than \$100,000 and less than \$50 million.
4. Total employment less than 500.
5. Must present problems/opportunities which can be subjected to review, analysis, and consultant team recommendations.
6. Must have active interest/participation by company's or organization's owner and senior management.
7. Must agree to the use of photo and company summary in annual report publication and related publications, where applicable.
8. Must agree to timely, written evaluation of the student team.