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An industrial renaissance

Vice-President of the European Commission and Commissioner for Industry and Entrepreneurship, Antonio Tajani, explains the importance of industrial competitiveness for the 21st Century...

Without a strong industrial base, the European economy cannot prosper. As the EU starts emerging from the longest ever recession, we have to bear in mind that competitive enterprises are the foundation of our future economic success. While in 2013, Member States made some improvements in their business environment, exports and sustainability, many roadblocks still remain – particularly for industrial competitiveness. For example, the cost of energy is increasing in almost all Member States, while decreased investment and access to finance are further contributing to the de-industrialisation of Europe. Internal demand also remains weak, keeping intra-EU trade subdued. Only by overcoming these hurdles can the EU achieve the sort of industrial competitiveness it needs in the 21st Century.

In 2012 the European Commission presented a strategy for the re-industrialisation of Europe, with the objective of increasing the share of GDP earned through manufacturing from 15% to 20% by 2020. To reach this target we need to put industry at the top of the European agenda and more needs to be done both at EU and national level. In these challenging economic times, we simply cannot afford to do otherwise, because industry accounts for over 80% of Europe's exports and almost every fourth private sector job.

That is why in March 2014, we will have the European Council dedicated to industry and on January 22nd we issued a Communication for an industrial renaissance. In it, the Commission proposed action for further coordination between EU and national instruments and more coherence in those policies which have an impact on industrial competitiveness.

A growing competitiveness gap

Two industrial competitiveness reports that the Commission issued in September 2013, show that despite some timid signs of recovery, the EU has not yet shrugged off the crisis. While manufacturing is showing some signs of growth – also thanks to positive export figures – the industrial base continues to shrink, from 15.5% last year to the current 15.1%.



Antonio Tajani, Commissioner for Industry and Entrepreneurship, and Vice-President of the European Commission

Furthermore, the reports show that the root of the crisis is the growing competitiveness gap between European economies. Despite purposeful action by the Commission under Europe 2020 to re-launch competitiveness and reforms in many Member States, there are still major structural imbalances. The productivity gap remains wide, with some countries hampered by punitive taxation, inefficient public sectors or slow judicial systems. Not to mention the limited capacity for innovation, the cost of energy and inadequate infrastructure.

An industry-friendly EU not yet achieved

The competitiveness of European industry is showing an overall improvement in the business climate and environmental sustainability, as well as a trade surplus of €365bn. However, domestic

demand remains weak. Similarly, investment is still low and has fallen by €350bn since 2007 (from 21.1% to 17.7% of GDP). Whereas in 2001 the EU attracted 45% of global foreign investment, today we are at around 20%.

Access to finance has also become more restrictive, particularly for SMEs. The cost of energy – already the highest among our competitors has increased even further and is around double that in the United States and more than triple that in China. Consequently, every day we read about industries leaving Europe to invest in countries where energy costs are more sustainable.

All these factors have contributed to poor results in 2 key areas: productivity and employment. It is here that we are falling behind the United States and Japan. While the EU's average productivity level is 126, that of Japan and the United States is 132 and 135 respectively. Comparison of unemployment is even less flattering: 7% in the United States, 3.8% in Japan and 11% in the EU. Since the start of the crisis in Europe, almost 4 million jobs have been lost in industry.

An Industrial Compact to go with the Fiscal Compact

The process of de-industrialisation is going on in most EU Member States. In the October 2012 communication approved by the Member States, the Commission took up the challenge of reversing this continuing decline, and we have made some progress.

Much has already been done in the context of Europe 2020. We have devised industrial plans for, among others, shipbuilding, cars, steel and construction, as well as a strategy to strengthen the defence and security industry. The task forces for strengthening the 6 leading sectors identified in the communication – advanced manufacturing, key enabling technologies, the bio-economy, smart grids, raw materials, sustainable transport and construction – are operational.

However, the most recent data shows that we need to do more and act urgently. A further loss of human resources and industrial capacity in key sectors could take us to a point of no return, weaken our exports and make us more technologically dependent.

We know which problems need to be solved to unleash industrial potential: a public sector that works with business, sustainable energy costs, modern infrastructure and research and training that are geared to the market. However, repeating like a mantra that reforms are needed – some of which we've been waiting a decade for – will get us nowhere. This is why I have been emphasising the theme of governance in making reforms effective.

Comment from Adjacent Digital Politics Ltd – Entrepreneurship

To help overcome the EU unemployment crisis, entrepreneurs could play a valued role in creating more jobs to generate further growth in the industry sector, and enabling SME's to help within economic growth in Europe.

“More entrepreneurs mean more jobs, more innovation and more competitiveness. Becoming an entrepreneur and making a dream come true takes a lot of personal risk and effort. Entrepreneurs are the heroes of our time,” said Antonio Tajani.

“Entrepreneurship is also the most powerful driver of economic growth in economic history. If we can unleash Europe's entrepreneurial potential, we can bring back growth in Europe.”

A number of initiatives are in place to help companies to acquire e-skills, as it is estimated that SME's grow 2 to 3 times faster when they embrace information technologies. More widespread ICT skills are in everybody's interest – 90% of jobs will need digital competencies by 2015.

“It is an illusion to think that jobs can be created by expanding already bloated civil services or providing incentives to big companies to hire,” added Tajani. “Most of the new jobs will come from successful micro companies or small and medium-sized firms. Many of them will be launched by young people.”

The Commission is urging EU countries to include entrepreneurial experiences in their compulsory education curricula to help change European mindsets and increasing their appetite to start a business.

Personally, I am convinced that to make the process of convergence between countries more effective, we must strengthen coordination with the Member States – not only in terms of macro measures for tax consolidation, but also at the micro level, which is more closely connected to industrial competitiveness. Besides the Fiscal Compact we need an Industrial Compact to balance and integrate action for growth and to attract investments and industrial manufacturing. The European Council of March – February 2014, must define this pact as a premise for a return to growth.

Antonio Tajani
Commissioner for Industry and Entrepreneurship/Vice-President
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Capacity building boost export in SMEs

As the world becomes a global marketplace, small and medium sized companies are growing increasingly dependent on their ability to conduct business internationally. The growth of small and medium-sized companies is an issue of common concern worldwide, and of strategic importance to small and developing countries whose economies are largely export-dependent.

The biggest obstacle for SMEs to grow internationally is lack of personnel with the right trade skills, "Strategy 2000", Oxford Reserch.

The ITM Worldwide Concept has been developed by trade councils and SME organisations sponsored by the EU to meet this need and give small and medium-sized companies access to world markets.

The ITM Worldwide Concept

The ITM Worldwide Concept is a vocational training program in trade, which is designed to build export competences within SMEs, providing the expertise, knowledge and networks needed to help business grow internationally.

Our hallmark is standardized training modules developed by some of Europe's and China's most renowned and distinguished professors and trade experts. We are able to offer a unique blend of academic and practical training. A total of 14 days in 6 months.

Our export coaches, all of whom are experienced business people, turn theoretical knowledge into a practical export business plan, and prepare participants for meeting with potential customers.

We give small and medium-sized companies access to world markets

A blended program

The ITM Worldwide Concept is a blend of trade training seminars, export coaching, networking and business meetings abroad.

The program has three steps: preparing for export, preparing for the market and business meetings.

The first step comprises seminars in trade regulations, international market research followed by export coaching to implement an export business plan.

The second step consists of export sales training and joint international seminars abroad, together with participants from other countries to enlarge the international network of colleagues and trade experts. Seminars in cross-culture, managing change and international trade marketing are delivered in order to implement a strategy.

The third and final step encompasses business meetings with potential customers, resulting in exportation.

The ITM Worldwide Concept





The ITM Worldwide Alumni Network

The international network comprises international colleagues, experts in international trade and customers. Network building is a precondition for international trade, and demands a high level of language skills, cultural understanding and social skills.

In the course of time, the network becomes the totally dominant source of competence. The important thing to know is: who can do what on every given occasion and where to obtain the latest information. The Internet and social media used as a source of information and a channel of personal communication with experts and customers abroad will take on a decisive role in this respect.

Successful network building will lead to new business, and is a prerequisite for good customer relationships.

The ITM Worldwide Alumni Network for life-long-learning, career and business opportunities makes it possible to keep in touch with colleagues, trade experts and potential customers after the training.

The ITM Worldwide Concept boost export and create new jobs

We are not only measured by outstanding evaluations – 100% of our customers says that the program lived up to or exceeded their expectations – but by something that is more important – increased export.



"We have documented that one of the fastest paths to export growth is by building sales capabilities in SMEs."

Professor Per V. Jenster, Board Member of ITM Worldwide Foundation and also Chairman of Nordic International Management Institute, China.

"Being fully aware of how valuable training is when coupled with industry-specific practice, the Government of the Republic of Slovenia has included the ITM Programme in its Programme for Promotion of the Internationalisation of Slovenian Companies for the period 2010-2014. A high quality of the programme, exceptional satisfaction of the participants and the fact, that the ITM Worldwide Program is able to increase export and create new jobs in small and medium-sized companies have also helped ITM to qualify for the full-scope of our support".

Tanja Permozer, Head of Division for Internationalisation and Tourism, Ministry of Economic Development and Technology of the Republic of Slovenia.

Exports in Swedish SMEs rose by 500.000 euro and two to three new jobs were created by each trainee the first year after completion of the program. Corresponding results from Slovenia shows that the export rose by 800.000 euro and 3-4 new jobs were created and in Estonia export rose by 1 million euro and 3-4 new jobs were created

New career opportunities for university graduates in SMEs

ITM Worldwide Concept also create career opportunities for export managers with a university degree within companies and attract university graduates looking for an international career in SMEs.

We manage to bridge the “knowledge-doing gap” between universities and SMEs by turning knowledge into action. Practical toolboxes, coaches to implement the knowledge, lecturers with business experiences and access to an international network of colleagues, experts and potential customers is the key.



Company CASE Sweden

Learning point – dare to export, recruit talents to find a solution for generation shift

Jonas Kewenter, Managing Director and part owner of BS Elcontrol AB, Sweden

Jonas 48, participated in the Export Trainee programme for six months in 1997. After three months Jonas was appointed MD of the company BS Elcontrol AB in Sweden. Since then, the company has expanded from a turnover of 1,7 million euro – 6,5 million euro, the number of employees has increased from 12-40 and their exports have grown from 0-45 per cent. BS Elcontrol specialise in design and manufacturing of control cabinets and automation equipment for machines and processes. Today, we are one of the leading suppliers of automation equipment in Scandinavia.



Company Case Estonia

Learning point – the importance of entering new markets and tight quality control

Anneli Lainela Export Sales Manager, Printbest, Estonia

Anneli, participated in the Export Trainee program in 2011-2012. In 2011 she was recruited as Export Sales Manager by printing house Print Best, which is a printing house established in 1997 located in South-Estonia.

A year after the graduation her sales have increased by 1 million euros so far and the company has entered several new markets. New export markets include Germany, France, Belgium and UK. Export share has gone up 20 percent. Company has recruited 4 new people and increased export by 15%. A lot of effort has been put into tight quality control.



Company Case Slovenia

Learning point – change of mind, a new strategy and think big

Gregor Rebolj, Managing Director, Klika d.o.o., Slovenia

Gregor participated in the ITM Worldwide Program 2010. In the first year after ITM graduation Klika focused on strengthening the business with local clients and at the same time continued sales activities abroad. These activities took about a year to bear fruits and from then on export increased rapidly in 2012 to 22% of total revenue and is expected to reach 70% of total revenues or 1,95 million euro in 2013.

Klika is a leading Slovene software company developing web and mobile applications, with particular attention to innovation and user experience. In 2012 Klika joined the Sportradar group.

In 2013 Klika was recognized as one of the fastest growing companies in Slovenia being nominated for the Golden gazelle. In 2010 Klika employed 23 employees while in 2013 Klika family counts 69 employees.



ITM Worldwide in partnership with Trade Councils and Ministries boosting export and new jobs

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ITM Worldwide is accredited by IATTO

ITM Worldwide is accredited by IATTO – International Association of Trade Training Organisations and the ITM Worldwide Program qualify for the IATTO Diploma level and open the gate for our participants to apply for a global professional designation “World Trade Professional” if they commit to the IATTO Code of Conduct, have at least two years experience in international trade and agree to take part in continuing professional development.

A professional designation gives you a professional identity and recognition among colleagues and employers. A quality stamp.

A partnership model

Our concept is offered in partnership with ministries and trade councils worldwide. Our local partners recruit participants, arrange local seminars in trade regulations and ITM Worldwide deliver the trade training locally and abroad to enlarge the international network of colleagues, experts and potential customers.

ITM Worldwide has trained more than 1.500 export managers and export trainees in 27 countries in Europe, Africa and the Caribbean since 1994. A proven concept in both mature and emerging markets.

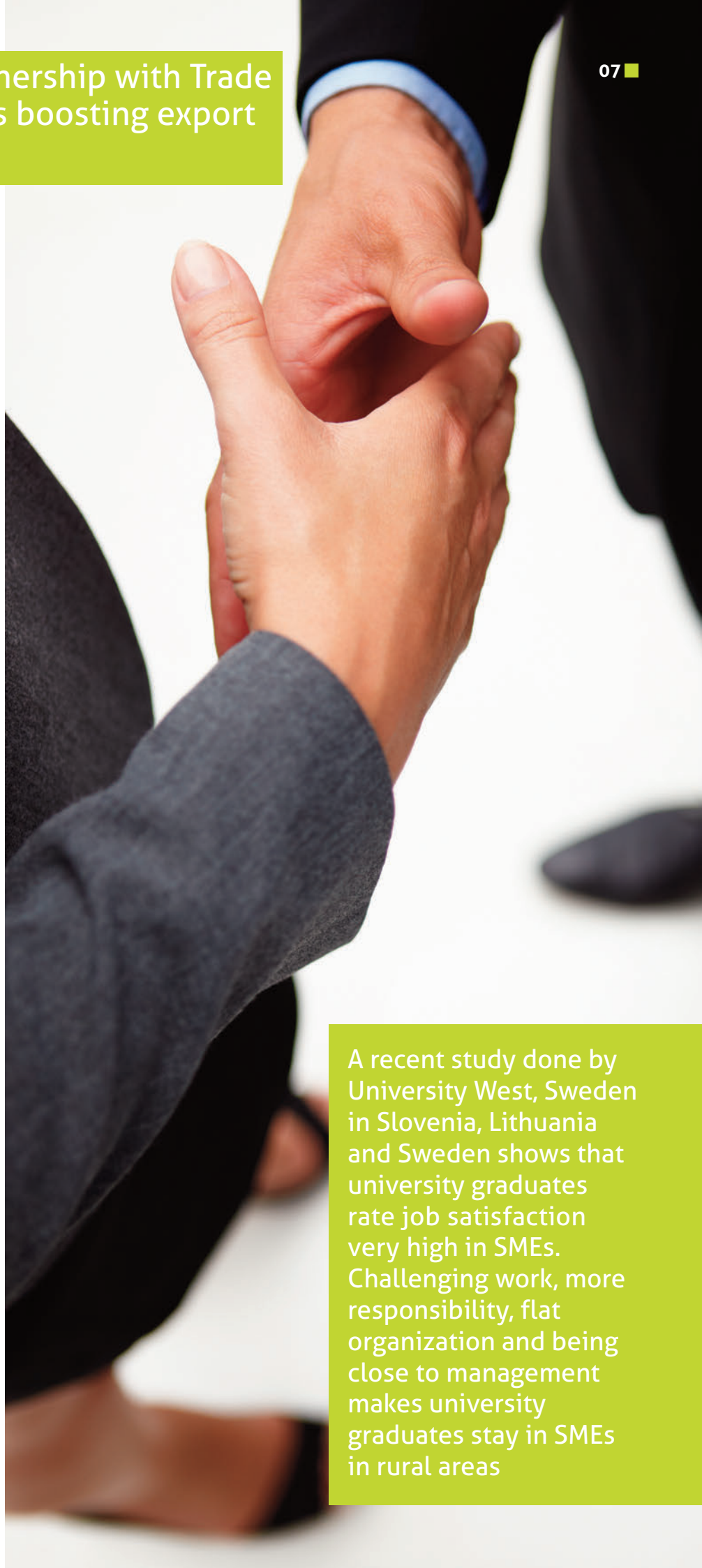


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A recent study done by University West, Sweden in Slovenia, Lithuania and Sweden shows that university graduates rate job satisfaction very high in SMEs. Challenging work, more responsibility, flat organization and being close to management makes university graduates stay in SMEs in rural areas





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