



**PAN AFRICA SKILLS
& CONSULTING LTD**

International Diploma in

International Business & Trade

A practical and accessible introduction to successful international business, importing and exporting; the Program also identifies and explains the factors which need to be addressed in order to develop an effective export marketing plan.



To succeed globally business owners, staff, employees and managers must be trained to understand international trade - this Program will produce managers and personnel who have a good understanding of international trade, are equipped with knowledge and skill to help a business to succeed internationally. Exporting is not an activity for untrained sales managers; exporting can be rewarding and profitable if it is conducted in a professional manner and if an effective international marketing strategy is developed; so this Program teaches how to assess potential export and 'product fit' and the importance of products meeting the standards and cultural requirements of target countries. It deals with marketing concepts and tools, and explains effective marketing concepts and strategies to use to enter target markets. It examines pricing, transport and logistics, currency, documentation and insurance, and international law regarding contracts; and it gives a practical, helpful and comprehensive foundation into the requirements of successful import and export.

Course Outline

Module 1 - Domestic & International Trade

What trade involves

History and development of trade and trading:
trade routes

The meaning of "markets" in business and trade

Domestic, home or internal trade

International, foreign, overseas or external trade:

how it differs from domestic trade

why countries import and export

examples of physical products traded between countries

examples of services provided between countries

The economies of countries:

planned, free-market and mixed economies

Economic conditions and factors which influence them

Need for importing and exporting:

contribution to gross domestic product (GDP)

countries with surpluses of resources

visible imports and exports

balance of trade

invisible imports and exports

Balance of payments:

total earnings, total expenditure

favourable balances

unfavourable balances or deficits:

consequences for countries with sizeable deficits

trade imbalances

Manufacturing sector

Service sector:

examples of services imported and exported

Creative industry sector:

examples of activities involved

Money as a medium of exchange:
its evolution and development
need for general recognition and acceptance of money
monetary value
Role of commercial banks in business and trade:
letters of credit, foreign exchange, corporate finance
Modern trends in international and global trade:
technological advances in communication
globalisation and “going global”
networking: joint ventures, strategic alliances and partnerships
value chains and supply chains

Module 2 - Reasons for Importing and Exporting

Manufacturing activities:
need for raw materials and components
finished or end products
Major reasons for importing into countries
Reasons for exporting:
by developing countries and industrialised countries
different reasons why enterprises become involved:
exporting to increase sales
exporting to spread risks
production-led exporting:
economies of scale
exporting to improve image
Exporting in practice
Methods of exporting:
direct exporting:
enterprises for which it is suitable
possible advantages and disadvantages
indirect exporting:
enterprises for which it is suitable
possible advantages and disadvantages
Make or buy-in decisions:
possible advantages of in-house production
why enterprises buy-in or outsource
factors influencing managements' decisions
on when to make and when to buy-in
identifying suitable suppliers domestically or overseas:
quality, cost, reliability of delivery, packaging
Selling through the Internet

Module 3 - Selecting Overseas Markets

Viewing each country as a different or unique market:
summary of common differences between overseas markets
Avoiding common mistakes in selecting overseas markets:
the importance of obtaining and analysing
full information about possible markets
The meaning of marketing:
pillars of the marketing concept
the marketing mix:
the 4Ps: product, price, promotion, place
how enterprises use different “mixes”
Researching overseas markets and customers:
definition of market research
objectives of market research:
which markets to consider
- and which to avoid
determining environmental factors
desk-research:
what it involves
sources of information
in-market or field research:
what it involves
fact-finding visits by executives to potential markets
attending trade shows, fairs or exhibitions
Country versus market selection:
criteria for customer segmentation
demographic segmentation
psychographic segmentation
behavioural segmentation
geographic segmentation
Formulating a marketing strategy
Marketing research:
how it differs from market research
reaching a better understanding of overseas customers
what information it seeks to gather
taking advantage of “marketing opportunities”

Module 4 - Variations in Overseas Markets

Tariffs and trade barriers:
reasons why national governments impose tariffs:
protection of domestic employment
consumer health and safety
protection for “infant” industries
national security
retaliation against another nation

Types of tariffs:

specific tariffs

ad valorem tariffs

Non-tariff trade barriers:

licensing

import quotas

voluntary export restraints

local content requirements

Advantages and disadvantages of tariffs

Tariffs and modern international trade:

preferential trade agreements:

unilateral and multilateral

free trade areas

free trade zones

customs unions

Trade bans, embargoes and sanctions

Cultural and social factors

ways of life, beliefs, traditions, values, behaviour

social norms

avoiding giving unintentional offence

Languages and communication:

same languages, different dialects and nuances

same words, different meanings

translations between languages:

marketing materials, advertisements and websites

local and cultural preferences

operating instructions:

written and pictorial

safety standards

Body language

Product labelling:

different labelling for different markets

information labels might need to contain

cultural and social considerations

Product packaging:

preferences in different countries

national or cultural preferences

The political environment or "climate"

types of political systems

changes of governments and policies

attitudes towards business and trade

political risk and instability

Product modification or adaptation:

common reasons:

quality and safety standards

costs involved in modifying or adapting products:

costs of after-sales service, repair, warranties

determining the viability

Module 5 - Entry Routes to Export Markets

Factors to consider in formulating an export strategy

Major approaches to exporting

Distribution considerations:

channels of distribution:

using wholesalers and retailers

using only retailers

selling direct to consumers

Types of intermediaries in exporting:

buying agents or confirming houses

export management companies

export trading companies

export agents, export merchants and remarketers

piggyback marketing

Advantages and disadvantages of direct exporting:

organisational changes

separating domestic and international sales activities

Overseas sales representatives:

why they are appointed

sources of possible representatives

meeting applicants when possible

assessing applicants:

knowledge, experience and reputation

business and financial standing

other imported products sold

size and calibre of staff

matters to be covered in representation agreements

guiding, assisting and controlling representatives:

advertising and sales promotion support

training - face to face or using DVDs

printed instructions and guidelines

motivation and sales targets

feedback and reports

Foreign distributors:

their functions

Sales to foreign retailers:

sourcing and advantages of the method

contacts through retail chains on the home market

Direct sales to end-users:

sourcing customers

additional work and costs involved:

building costs into selling prices

Licensing agreements:

what they permit licensees to do

advantages to the licensor - royalties

Franchising agreements:
how the franchisor benefits:
expansion without heavy investment
additional income from fees and royalties
what franchisees receive for the royalty paid:
value of a "known" brand name
advantages over competitors
help and support provided to franchisees
Joint ventures:
pooling resources
creation of a new enterprise
responsibilities of the parties
Strategic alliances:
partnering with existing businesses
distinguishing characteristics
Advantages and disadvantages of joint ventures and strategic alliances

Module 6 - Payments for Imports and Exports

Meanings of credit:
credit policy, credit period, credit terms
Risks to enterprises which extend credit
Other risks to exporters from allowing credit
Cash flow - inflows and outflows:
positive and negative cash flow
working capital
Importance of liquidity:
main sources of liquidity
liquidity management
Interest charged by banks:
effects of rates of interest
Exchange control:
why governments impose restrictions
on the expenditure of foreign currency
Rates of exchange:
fluctuations, devaluation and revaluation
The Foreign Exchange (FOREX) Market
World or global trading currencies:
why the US dollar is a major currency
countries which use US dollars as legal tender
currency pegs to the US dollar
Effects of inflation on costs and prices;
causes of inflation
Methods of payment for imports and exports:
the need for credit control
special factors to consider in exporting
why exporters prefer advance payments or prepayments
why importers dislike advance payments or prepayments
uses of proforma invoices
acknowledgements of orders

escrow services:
when and how they can help importers and exporters
letters of credit:
how they are used
conditions imposed
revocable, irrevocable and confirmed irrevocable
documentary bills of exchange:
how they are used
the drawer, drawee and payee
discounting bills
open account:
increasing risks
consignment:
what is involved
reduction of costs, increase in risk
Choosing a payment method:
factors to be considered
Assessing a customer for credit:
initial information needed
credit checks:
bank references
trade references
credit circles
trade enquiry and credit reference agencies
credit ratings
credit reports
Protecting export business

Module 7 - Costing, Pricing and Contracts for International Business

Differences between cost and price:
profit margins
Factors in export pricing
The costing worksheet
Costs associated with export documentation, transport and insurance
Setting the price:
market variations
the importance of setting the right price
bottom-up and top-down pricing
cost-plus export costing
price-setters, market leaders, price-followers:
step to be taken in pricing
differential or marginal pricing
fixed costs, direct costs and indirect costs
market demand, culture, positioning
competitiveness
legal considerations

Incoterms:

- how they aid international trade
- providing a common set of rules
- descriptions and abbreviations of the 11 terms
- those which apply to sea and inland waterway transport
- those which apply to any mode of transport
- limitations of Incoterms used alone

Quotations:

- what they are and why they are issued
- information commonly contained
- quotation forms and proforma invoices
- terms and conditions of sale

Sales contracts:

- agreement between seller and buyer
- international contracts governed by UNCITRAL
- standard terms and conditions (T&C)
- the offer

- acceptance and consideration
- counteroffers

Breach of contract

- Summary of the export order process



Module 8 - International Trade Documents

Importance of the correct documentation or paperwork

Definitions of shipping, consignments, carrier, cargo, freight, groupage

Major documents, descriptions, contents and uses:

general terms and conditions of international sale

international purchase order

international commercial invoice

packing list

letters of credit

CMR document

bills of lading - types:

received, groupage, claused, common, short form,

combined or multimodal, transshipment

consignment note

air waybill

certificate of origin

illustrations of the documents

Customs:

customs duty

customs clearance

example of customs clearance procedure

e-import systems

customs value

tariff classification

origins of products or components

customs brokers or clearance agents:

duties and responsibilities

bonded warehouses

Module 9 - Transport and Logistics

Transport and the distribution of products

Features of a transport system:

efficiency, economy, speed, convenience, regularity

Rail transport:

advantages and disadvantages:

travelling speed, transport time, time-tabling, operating costs

developments in rail transport:

containerisation

special transporters

Road transport

advantages:

door-to-door services, flexibility, economy

disadvantages:

dis-economies, travelling time

own-vehicle transportation

road haulage operators and organizations

Inland waterways

Pipelines

Air transport:

advantages in terms of speed and delivery times,
damages reduction, security

disadvantages in terms of cost, limited carrying capacity
differences between passenger and cargo aircraft

Sea transport:

cargo-carrying ships

coastal shipping

container ships

bulk carriers

roll-on-roll-off ferries

requirements for efficient sea transportation

Courier services

Factors in choosing the mode of transport:

the true cost, speed, security, reliability

intermodal and multimodal transport

Freight forwarders:

their functions in the distribution process

why businesses make use of their services

Unit load and palletisation

Containerisation:

types, sizes and uses of containers

Bulk freight

Groupage: what it involves

export cargo shipping instructions

Freight handling:

bulk, general cargo, container terminals

Shipping marks:

what they are and why they are used

written particulars

pictorial markings (with examples)

Export packaging:

importance of adequate packaging

main types or layers of packaging

packing materials, dunnage

Insurance

Hazards, probability and risks

Variety of possible losses in international trade

Descriptions of premiums, cover and indemnity

Common "exemptions" which exclude liability

Cargo insurance:

types of policy and cover afforded

insuring direct or through intermediaries

Managing the risks

Who pays for the insurance:

shipper, customer or jointly

CIF and CIP terms and minimal cover

Open policies

Voyage policies

Claiming on a policy for loss sustained

Module 10 - Finance for International Trade

The meaning of “financing”

Forecasting:

its relationship with planning

Budgets and budgeting:

what is involved and benefits in business

limiting factors

Production or stock budgets:

control over stock or inventory holding

setting stock or inventory levels

practical example

Cash budgets:

why it is essential to budget for cash

practical example

Budgetary control:

preparing budget review statements

investigation of variances

flexibility in budgetary control

International ‘Trade’ Finance

What “trade” finance involves

Reasons exporters make use of finance options

Managerial considerations in selecting between options

Short-term finance:

cash in advance, letters of credit,

sight drafts, bills of exchange,

open account terms

negotiating credit and payment terms with buyers

operating line of credit

overdraft facility

discounting or forfaiting

factoring: recourse and non-recourse terms

Export credit agencies:

trade finance for domestic exporters

reducing risks for exporters

Medium-term and long-term finance

Buyer credit:

benefits for both exporters and importers

typical buyer credit process

Bank loans:

principal sum, collateral, guarantors, term,

interest payable: fixed and variable

loan agreement

leasing, contract hire, renting

Supplier credit

Export Credit Insurance

Protection for exporters against non-payment

Organizations which might offer ECI

Typical "cover" given by policies

additional cover for risks

Premiums payable:

on what they may be computed

Advantages of ECI to exporters

Module 11 - Sales and Promotion

The promotional mix

Marketing communication

The communication "devices"

Factors in choosing the mix of devices:

effects, customer contacts, and response times

Personal selling:

interaction with customers

methods which might be used by exporters/importers

Advertising:

primary aims

features, accuracy of contents

types of media employed

indirect advertising

direct advertising

assistance to sales personnel

Public Relations (PR):

aims, functions and activities

changing opinions and perceptions

creating understanding and goodwill

publics and opinion formers

image and reputation

relationship or PR with advertising:

market education

Direct marketing:

important characteristics

unsolicited literature and spam emails

direct response advertising

Point of sale and packaging:

design and positioning

influencing purchasing decisions

impulse buying

relationship with advertising

Sales promotion:

how it differs from normal advertising

boosting sales of products during limited periods

creating and mounting campaigns

special offers and added value

competitions and sponsorships

relationship with advertising

Publicity materials:

displays, literature, calendars, pens, headwear, garments

Sales promotion in direct exporting:

examples of uses in different circumstances

E-commerce:

what it comprises and what is involved

business-to-business

business-to-consumer

consumer to consumer

business-to-government

making use of modern technology

different types of businesses which trade by e-commerce

Advertising on websites:

banners, videos, interstitials, pop-ups, pop-under,

wallpaper, expanding, floating, polite

Web-based sales promotions:

e-coupons and vouchers

sampling

gift certificates and "wishlists"

Sales promotion in indirect exporting:

variations in circumstances and involvement

sales support for overseas agents or representatives

Exhibiting at trade fairs and shows:

constructing and manning stands

differing aims:

immediate sales

distributing information and literature

follow-ups of visitors

Social media

differences from "traditional" marketing communication

consumer-generated media

` blogs, chat rooms, discussion boards, forums, etc

Community building and social media

Viral marketing:

what is involved

the "pass along" rate, seeding

networking sites

Marketing opportunities using online communities:

business-to-consumer

business-to-business

Module 12 - The Import Business

Types, sizes and ownerships of import businesses

Importing for resale and for own use

Types of products imported:

industrial products:

raw materials, capital products, components,

accessories, consumables

consumer products:

convenience goods

shopping goods

speciality goods

intangible products:

intellectual property

trade marks, copyrights and patents

Factors to consider in importing:

assessment of the local market

import controls: bans and quotas

import permits or licences

currency/foreign exchange regulations

the "true" cost of importing

whether importing is cost-effective

whether the business can afford to import

sources of funding for imports

risks in importing:

distances between the parties

quality control issues:

difficulty in returning sub-standard or damaged goods

counterfeits, fakes or imitations

exchange rate fluctuations:

possible solutions

Finding reliable overseas suppliers:

sources of contact details

direct approaches

the importance of reliability:

checks on potential new suppliers and their products

Problems in dealing with overseas suppliers:

differences in languages, cultures, currencies used,

business practices, commercial law

Negotiating with overseas suppliers about:

prices quoted

trade discount and quantity discount

credit terms and payment terms

warranties or guarantees

Understanding and using Incoterms

transport:

who is to pay

insurance:

ensuring adequate cover

Customs requirements:

clearance procedures

Sales and promotion:
different involvements according to business relationships
assisting principals with media information,
advertisement wording, language(s), cultural influences,
packaging and labelling
manning stands at trade shows or fairs

