

With international trade playing a great role in economic life, **Hasse Karlsson**, of ITM Worldwide Foundation, writes about present challenges

Cutting the barriers

The growth of small and medium-sized companies is an issue of concern worldwide. In spite of the Single Market in Europe, and the free movement of people, goods, services and capital, there are still obstacles for SMEs to overcome in order to be able to increase their exports. This is of strategic importance to small and developing countries whose economies are largely export dependent.

Lack of trade skills

The biggest obstacle for SMEs to expand internationally is a lack of people with suitable international trade skills. Export offers, delivery terms, international market research, how to write a business plan, export sales training and trade strategies are examples of this (Strategy 2000, Oxford Research).

The 'knowledge-doing gap'

According to an article in *Harvard Business Review* (February 2012), the 'knowledge-doing gap' between universities and SMEs is another obstacle. Knowledge must be turned into action to be applicable in an SME. Simply *knowing* how to conduct international negotiations is not enough; you have to *do* it in real life when operating a company. To achieve this, SMEs can benefit from an export coach with business experience.

International trade training must take place in parallel with working in a company, to bridge the gap between universities and SMEs.

SMEs are situated in rural areas

Many SMEs are situated in rural areas, and have an unknown brand and unknown location, while universities are established in bigger cities. The challenge is clear. How do you attract the best talents to SMEs in competition with large multinational companies? In most cases the latter are situated in cities such as London, Paris and Stockholm.

Unemployed university graduates who are offered an export trainee programme, an export coach and a first job could be a solution.

Indeed, where such a programme for SMEs has been offered in a number of Swedish provincial towns, talented graduates have been attracted – and most of them have been retained.

Lack of international networks for trade

An international trade network of colleagues, experts and potential customers is as important as the trade knowledge required to be able to grow internationally – especially for SMEs interested in entering new markets. A multinational company offers this from day one.

Much of the trade training on offer today is within a single country, and such a national offering limits the possibility of creating an international network.



Lack of a global qualification system

The export profession is not yet recognised as such. A professional designation is needed to give an identity and recognition to colleagues and employers. A global certification of trade training programmes will create transparency and give a quality stamp to a new profession.

Many countries, such as the UK, Canada and the USA, have their own national certification and professional designation systems. There is a call for a global system.

Trade councils close down trade training

The need for international trade competence within SMEs has never been more pressing. In recent years, mature trade councils in Denmark, Norway, Sweden, Finland and Canada have closed down, outsourced operations, and reduced funding for international trade training.

A review in *Dagens Industri*, a Swedish daily business magazine, of one international trade training programme indicated that an investment of €10,000 actually gave a return on investment of €500,000 in increased exports. The message is clear: the EU needs to put international trade training on the agenda.



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