

# Global Growth Workshop



**Monday, 12 November 2012 Brussels,  
Belgium**

# THE BIG PICTURE

WHAT DOES IT MEAN TO “GO INTERNATIONAL”?



# Your workshop Facilitator



**Chief Strategist | Business Architect**  
**GLOBALSTRAT**

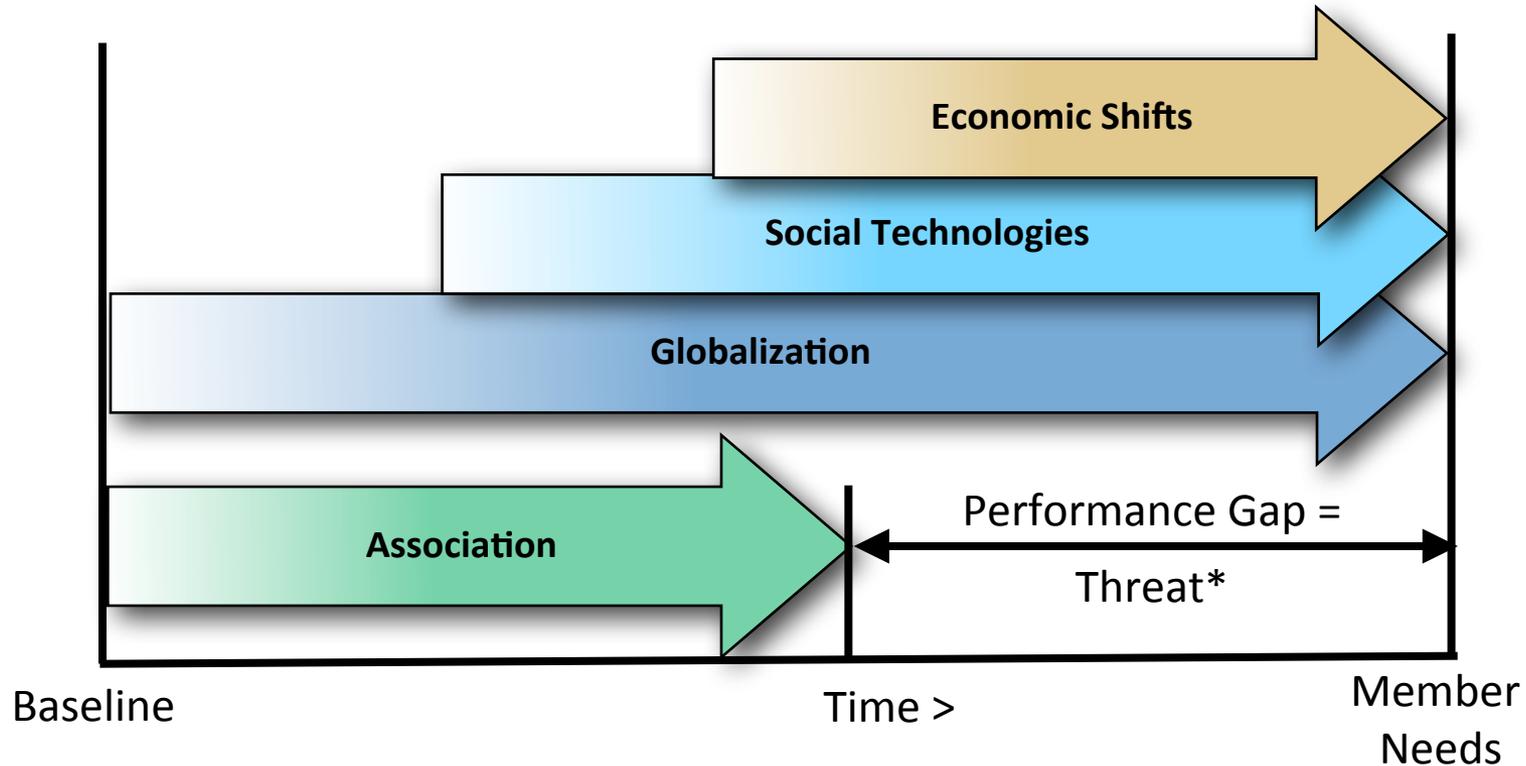
**Terrance Barkan CAE** is a global thought leader on international association management. He is the author of numerous articles and white papers on global growth strategies that have been used by hundreds of organizations.

He has been published by the American Society of Association Executives, the European Society of Association Executives and is a former Chair of the ASAE International Section Council.

His international business experience has taken him to more than 60 countries around the world, working with over 200 international associations on development projects over more than 20 years.

[www.globalstrat.org](http://www.globalstrat.org)

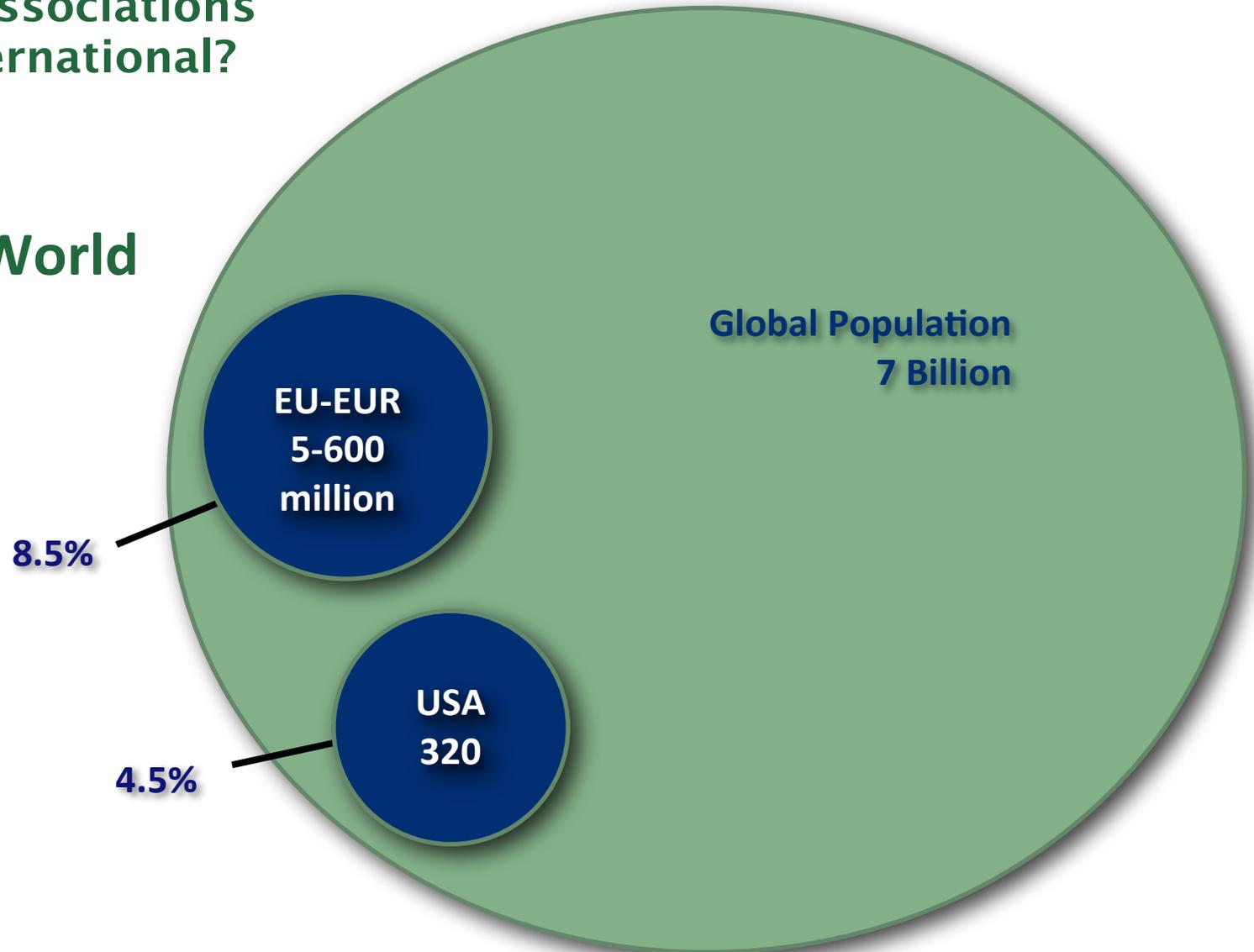
# Economic Physics



“Nature abhors a vacuum” - Francois Rabelas (French monk and satirist 1494-1553)

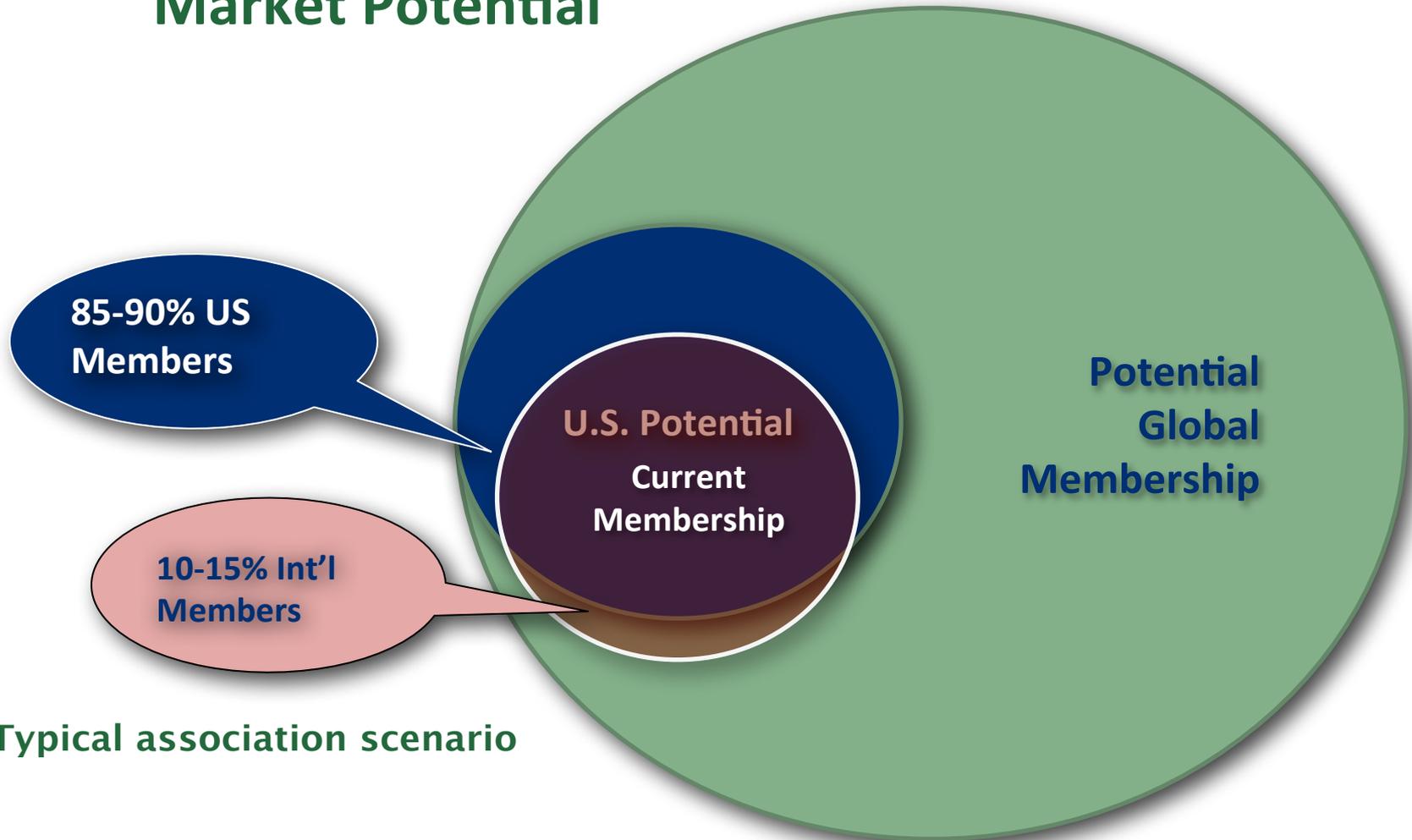
## Why are associations going international?

### The World



## Why are U.S. organizations going international?

### Market Potential



Typical association scenario

## Global balance

Economies' share of world GDP, %  
At market exchange rates



Sources: AT Kearney; Bloomberg; BP; dotMobi; Fortune; IMF; UBS; UN; World Bank; World Steel Association; WTO

Emerging economies' world share  
2010, %

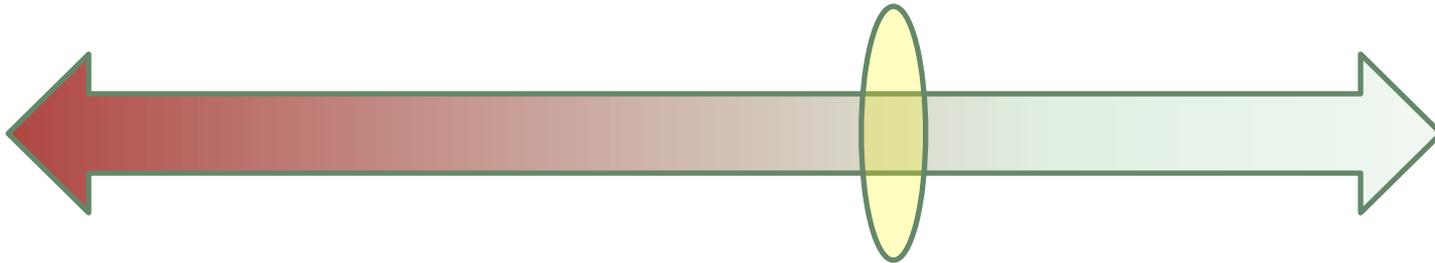


\*Purchasing-power parity  
†Foreign direct investment

# How to define and Measure “Success”

- One of the most difficult parts of international strategy, especially for the Board
- Combination of “Hard” (easily measured) and “Soft” (vague or subjective) objectives
- Defining “success” is the most critical and is one of the very first steps to defining your strategy.

# What does “success” look like?



## Altruistic

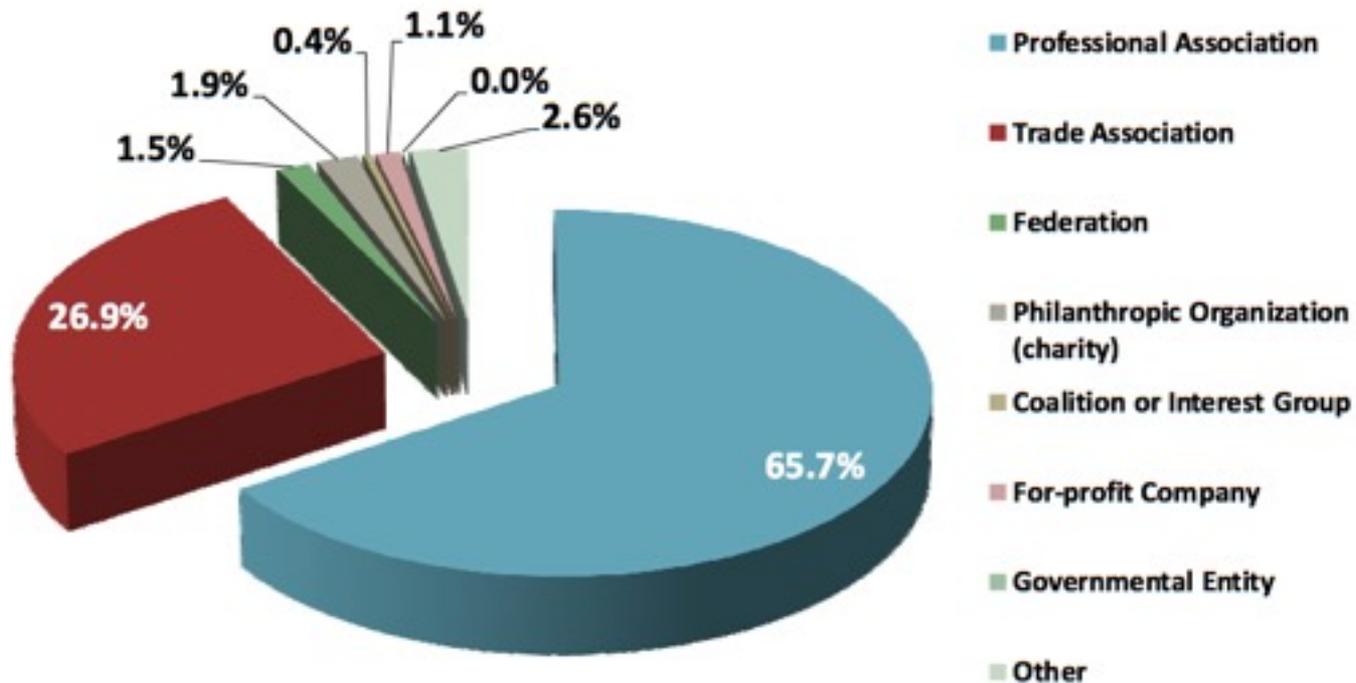
- Outreach & Impact
- Support & Collaboration
- Resource Consuming
- Difficult to measure

## ROI

- Members & Products
- Services
- Resource Generating
- Easy to measure

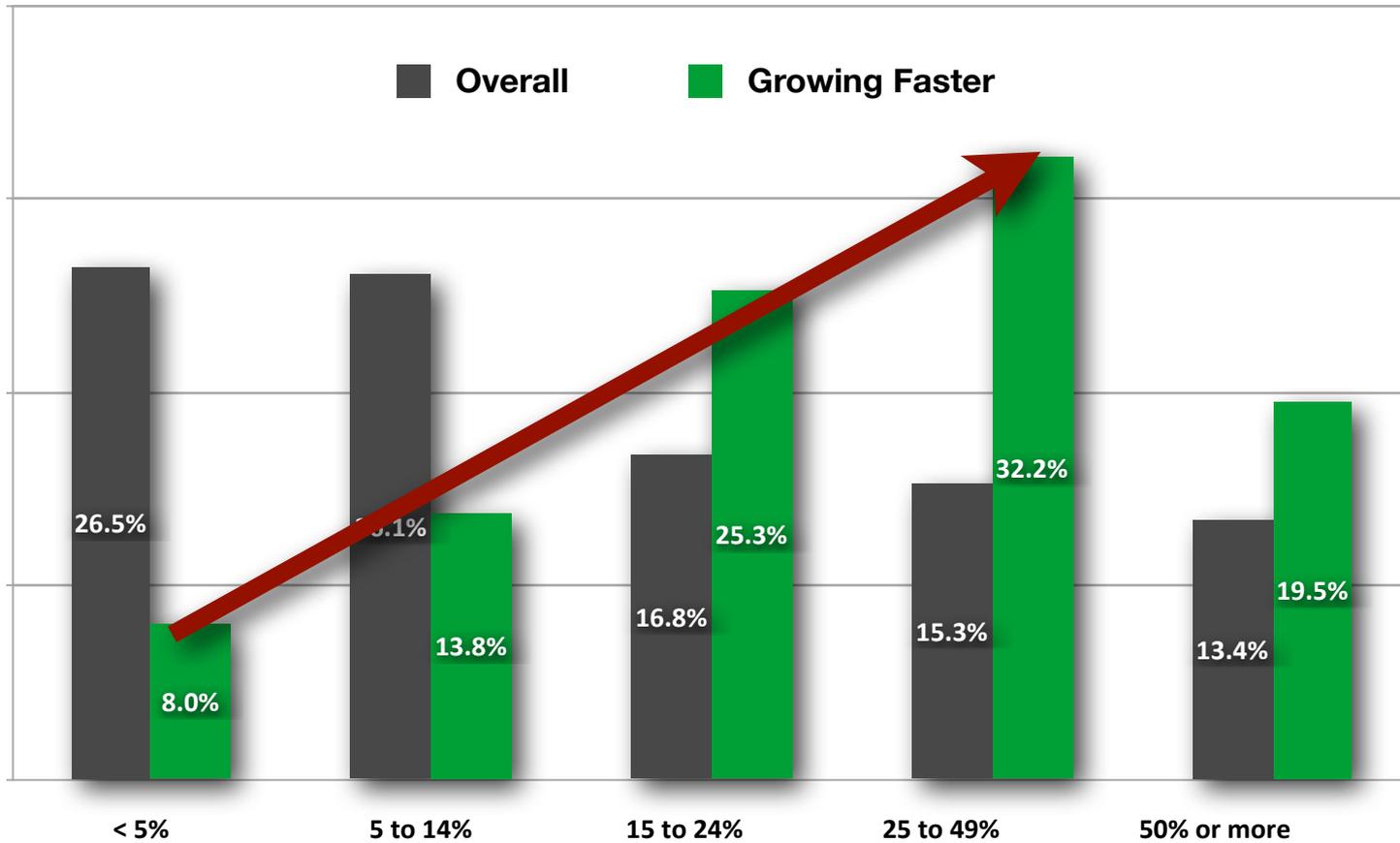
## Association Survey Results\*

\*268 responses



# How International?

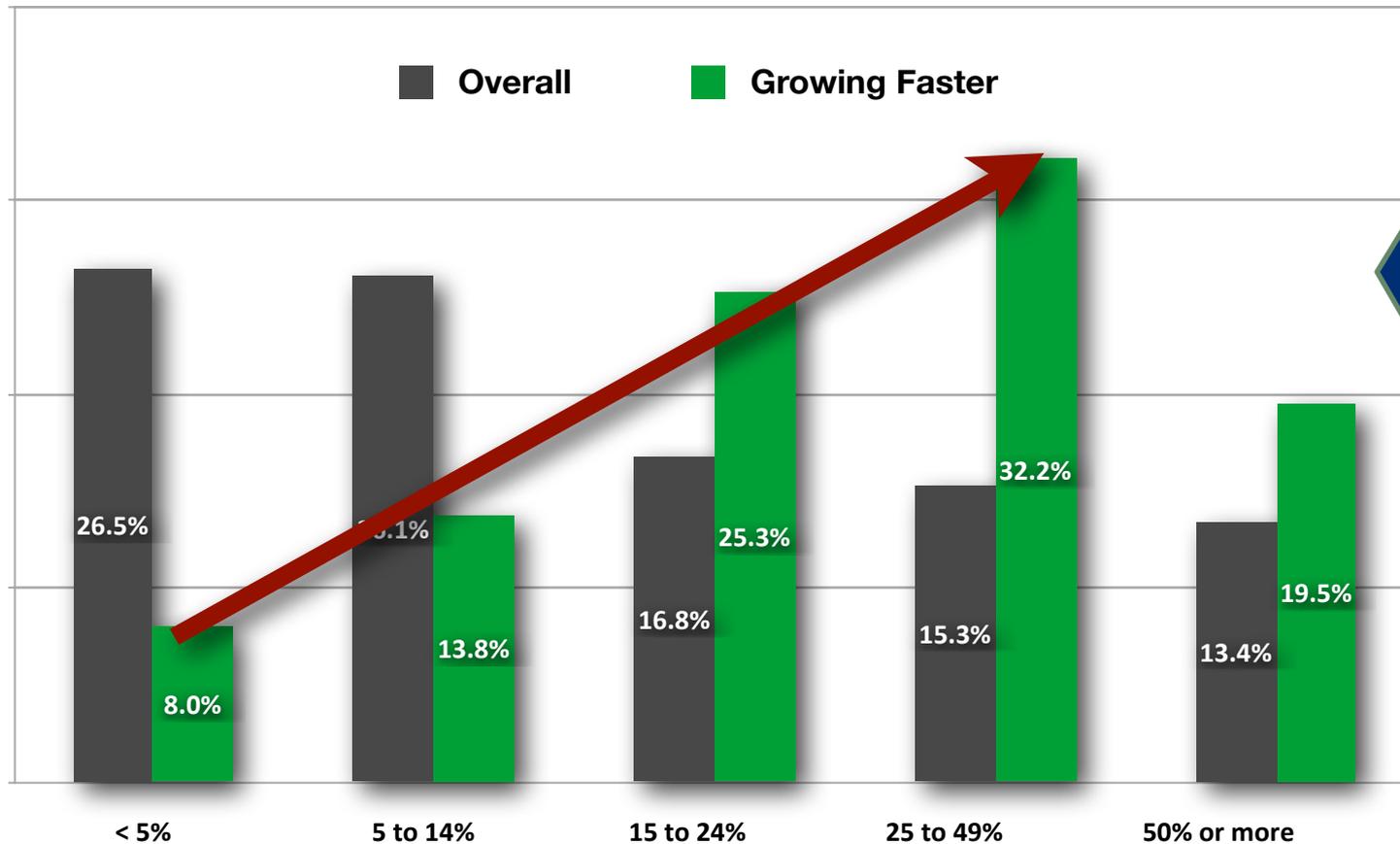
## International associations grow Faster!



Source:  
GLOBALSTRAT 2012 Study of more than 250  
associations from 10 different countries

# How International?

## International associations grow Faster!

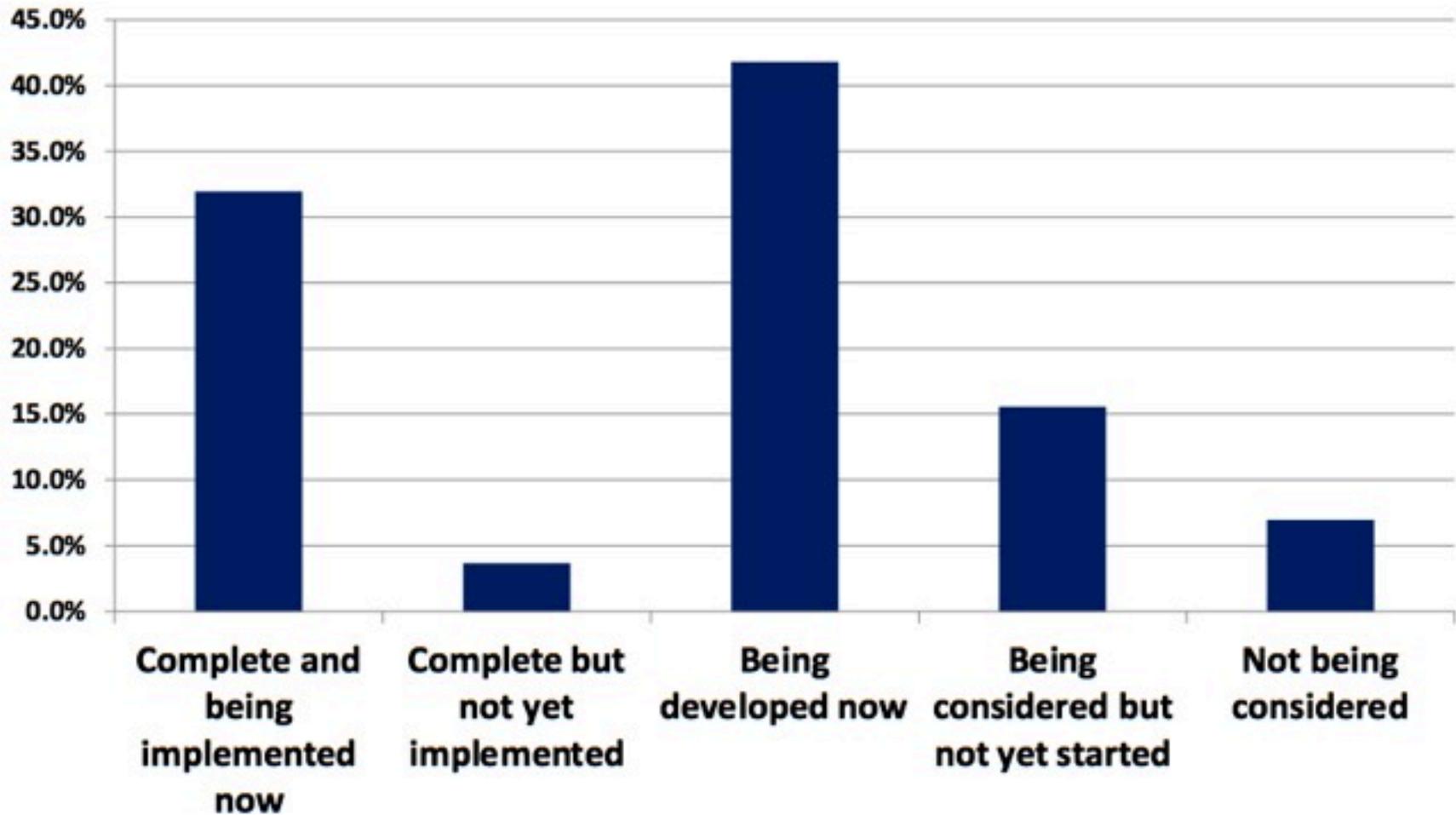


75% of the fastest growing associations have at least 15% or more international members.

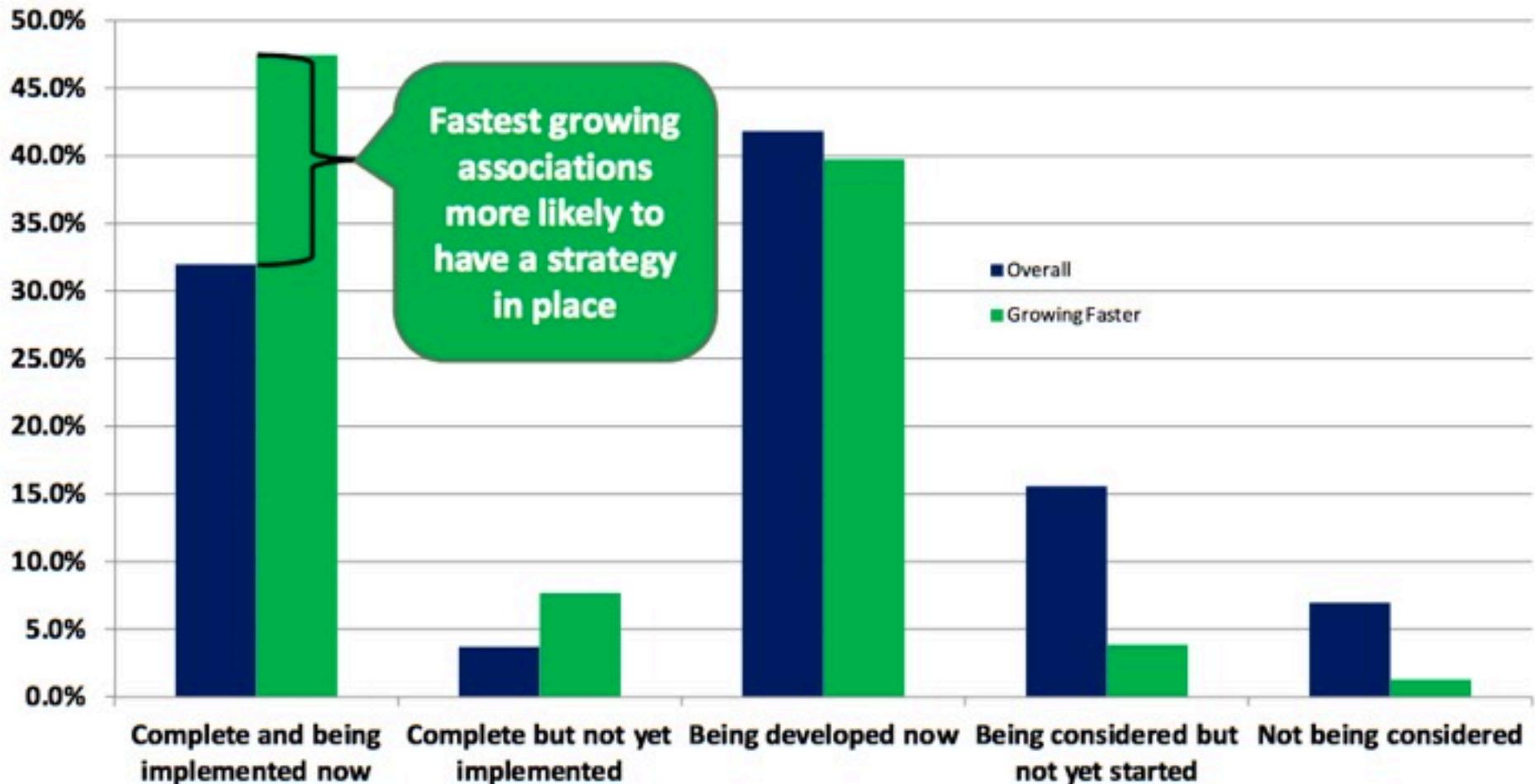
More than 50% have at least 25% international members.

Source:  
GLOBALSTRAT 2012 Study of more than 250  
associations from 10 different countries

## Our international strategy is...



## 50% more likely to have a strategy in place...



## How to develop a global growth strategy for your organization

1. Understand if your association should be international?
  - Is your profession or industry sector globalized?
2. Get your Board support
3. Define how you are going to measure success, over what period?
4. Anticipate the two most common objections:
  - “International” costs us money
  - There is nothing ‘we’ are going to learn from international members, we are already the world leaders in this area. . .

# Emerging Markets – Much more than just BRICS\*

## Advanced Emerging Economy Countries\*\*:

**Brazil, the Czech Republic, Hungary, Malaysia, Mexico, Poland, South Africa, Taiwan, Turkey**

## Secondary Emerging Economy Countries\*\*:

**Chile, China, Colombia, Egypt, India, Indonesia, Morocco, Pakistan, Peru, Philippines, Russia, Thailand, the UAE.**

\* Brazil, Russia, India, China and South Africa

\*\* As of late 2011, the “Advanced Emerging Markets” and “Secondary Emerging Markets” as listed by the FTSE a financial markets firm jointly owned by The Financial Times and the London Stock Exchange

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## Key Questions for Emerging Markets

### **Replicate or Adapt?**

Should you replicate your domestic business model and approach or do you need to adapt your business model for a given market?

### **Avoid or Attack Market Voids?**

For example, in an area where there is a lack of information and transparency, can your association exploit this by providing the platform to address this need?

### **Should I Stay or Should I go?**

Many markets are simply not ready to be exploited in a sustainable or profitable manner. Associations should consider if the time is right or if it is premature to enter certain markets given the current conditions.

## Key Questions for Emerging Markets

### **Leading with Membership?**

Membership is often one of the most difficult and least profitable offerings for associations to deliver. Is it the right product to lead with?

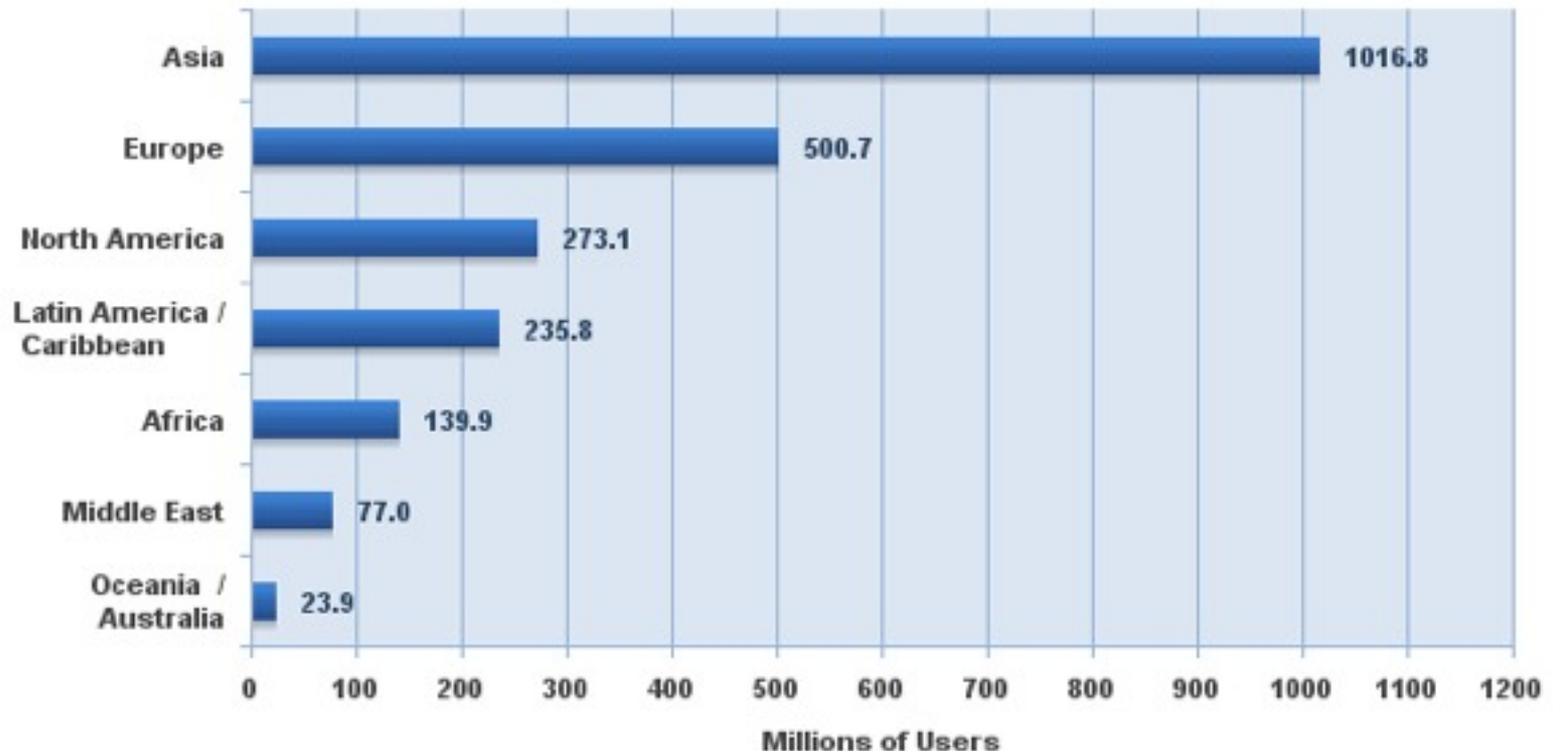
### **Compete or Collaborate?**

Associations quite often opt to partner with a local association or institution when entering a new market but does it make more sense to enter as a more direct competitor?

### **How can we leverage social media?**

Social media gives you unprecedented access to emerging markets in an extremely targeted and cost effective manner.

## Internet Users in the World by Geographic Regions - 2011



Source: Internet World Stats - [www.internetworldstats.com/stats.htm](http://www.internetworldstats.com/stats.htm)  
Estimated Internet users are 2,267,233,742 on December 31, 2011  
Copyright © 2012, Miniwatts Marketing Group

# LinkedIn Today

- 175+ Million Users
- 1+ Million Groups
- 200 Countries

*175m+ professionals around the world  
as of August 2, 2012*



# LinkedIn Today

- 175+ Million Users

17  
as

- 9m+ members in Brazil as of August 2, 2012
- 5m+ members in Canada as of January 19, 2012
- *44m+ members in the EMEA region (Europe, Middle East and Africa) as of February 17, 2012*
- *34m+ members in Europe as of February 17, 2012*
- 10m+ members in the UK as of September 17, 2012
- 4m+ members in France as of September 5, 2012
- 3m+ members in the Netherlands as of December 6, 2011
- 3m+ members in Spain as of March 27, 2012
- 2m+ members in Italy
- 2m+ members in the DACH region (Germany, Austria and Switzerland)
- 1m+ members in Belgium as of September 22, 2011
- 1m+ members in Sweden as of June 20, 2012
- 1m+ members in Turkey as of February 10, 2012
- *25m+ members in Asia and the Pacific as of January 29, 2012*
- 16m+ members in India as of August 1, 2012
- 3m+ members in Australia as of March 12, 2012
- *4m+ members in Southeast Asia as of January 29, 2012*
- 1m+ members in Indonesia as of February 21, 2012
- 1m+ members in the Philippines as of March 12, 2012
- **As of the school year ending May 2012, there are over 20 million students and recent college graduates on LinkedIn. They are LinkedIn's fastest-growing demographic.**

# Business Models

Model	Description	Pro's	Con's
<b>Global HQ</b>	Single global HQ with staff in one primary location serving a global membership base.	All staff and resources are concentrating in one location providing ease of management coordination, communication and collaboration.	Lack of feedback "from the field" and appearance that the organization is disconnected from the membership and its local issues.
<b>Chapters</b>	Chapters are semi-autonomous units of the organization based on geographic territories and minimum member counts.	Pushes accountability and relevance closer to the member, allows for some customization for local needs.	Common disputes between large and small chapters versus "headquarters" include: resource allocation, delegation of authority and brand management.
<b>Federation</b>	Organization whose members are completely autonomous associations, usually at the National level around a common industry or profession.	Requires minimal financial and human resource contribution. Represents a broad geographical base and therefore usually has some political weight at the international level.	Typically underfunded, overly bureaucratic and more focused on political issues over technical or professional issues. Can be very slow to make or implement decisions as major issues must also be decided at the Board level of the individual members.

# Business Models

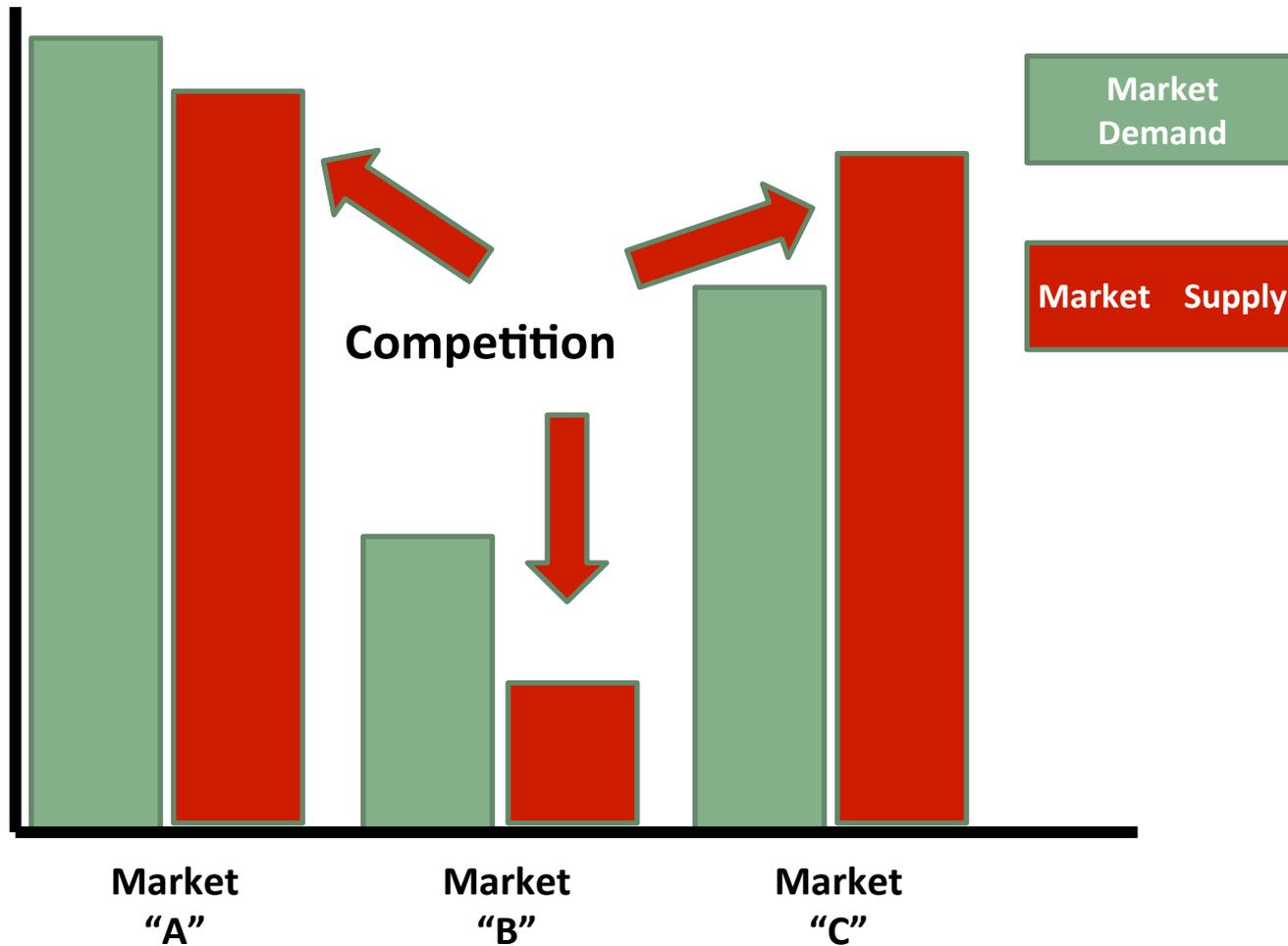
Model	Description	Pro's	Con's
<b>Affiliation</b>	Similar to a Chapter but based on a signed agreement where the parties retain independent identities.	Allows closer collaboration and appearance of a larger network without necessarily incurring large investment or liability issues.	Lack of complete control over brand management issues. Requires a high level of trust or auditing to ensure parties are staying compliant with the affiliation agreement.
<b>Franchise</b>	The licensing of a brand and intellectual property to a third party for use in a specific manner and within a defined territory. Governed by a franchise agreement.	Can be a very useful way to tap into entrepreneurial organizations to sell specific products for the association with limited investment and market risk.	Requires careful selection of the franchise partner, a well written franchise agreement including specific description on the ownership and handling of all intellectual property and brand management. Also requires a strong management and audit component to ensure the franchise agreement is honored properly.
<b>For-Profit</b>	The association establishes a wholly owned for-profit subsidiary for a specific territory (such as a country or a region)	The association maintains 100% control over the entity and therefore reaps the full benefit of its activities. Can be very useful for countries where the establishment of a not-for-profit association is very difficult such as the Russian Federation or mainland China.	Requires significant investment in human resources, infrastructure and management time. Will have an impact on the associations Unrelated Business Income Tax (UBIT) and exposes the association to liabilities in the target jurisdiction (employment law, local tax issues, business registration and reporting requirements).

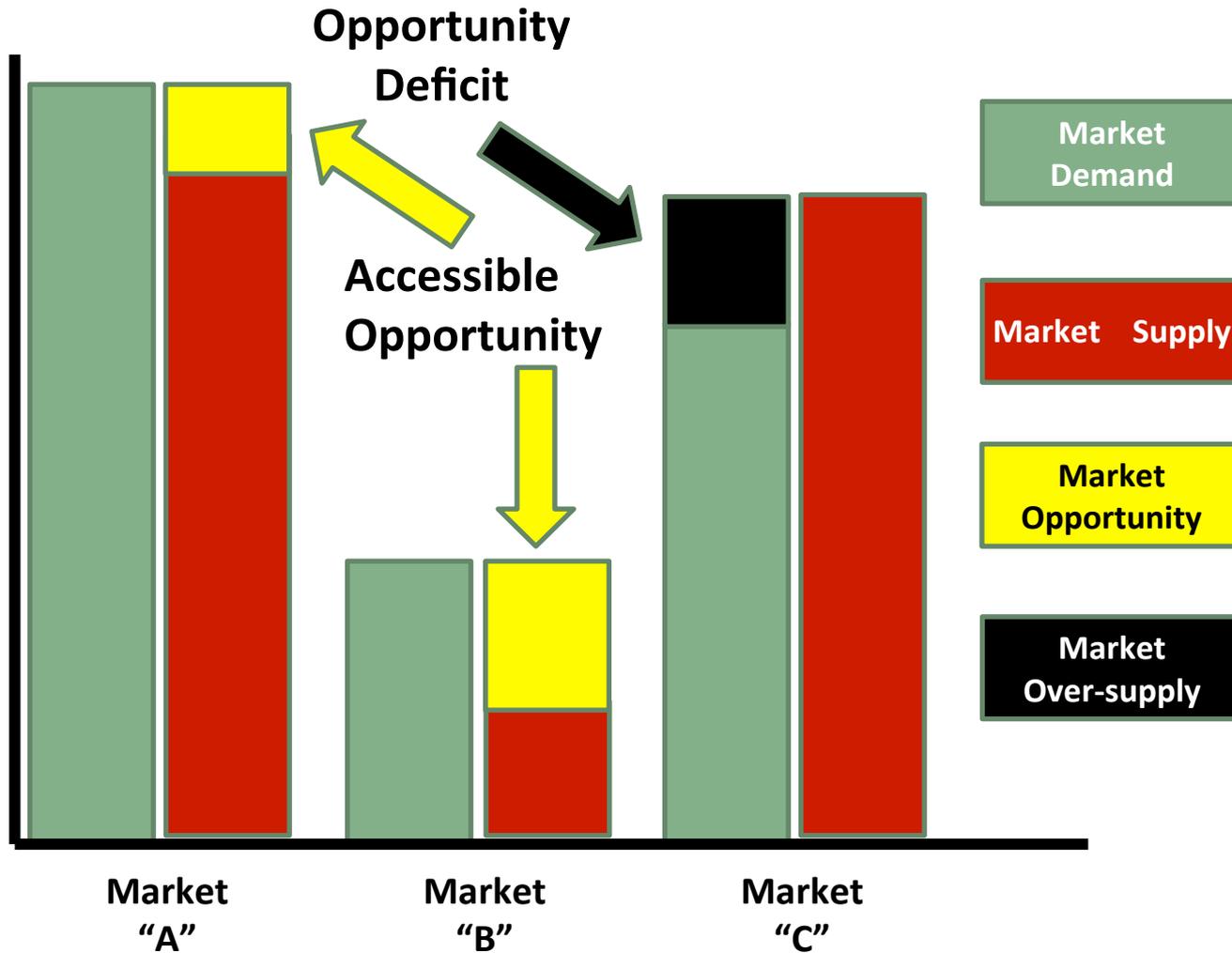
# Business Models

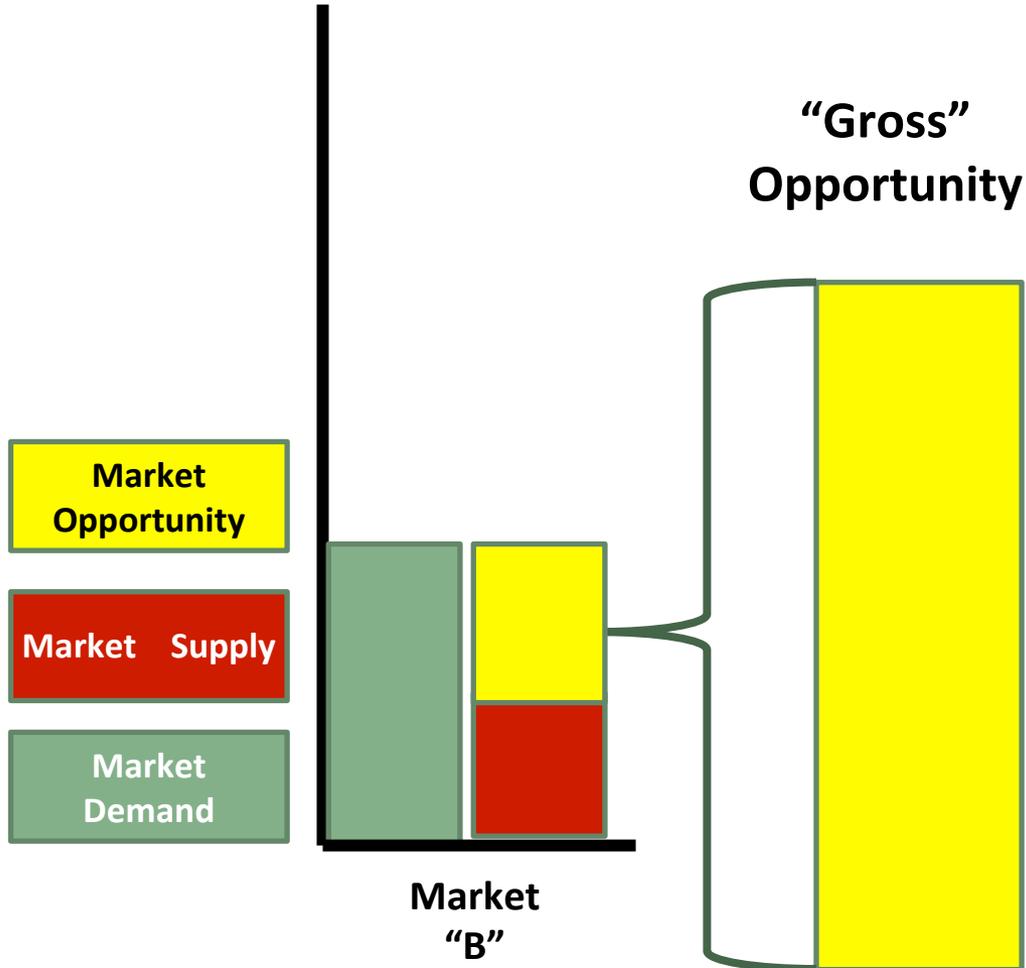
Model	Description	Pro's	Con's
<b>Regional Offices</b>	The association establishes regional service centers to deliver membership and other services for a specific geography, either nationally or regionally (such as for "Europe" or "Asia Pacific"). May be own staff or outsourced.	Establishes the association as an international organization, provides local members with a contact point in a local time zone and usually local language. Provides "on-the-ground" feedback and intelligence to the association to better serve its international membership.	Requires a significant investment and a commitment to manage the remote offices. Difficulties arise from challenge of managing staff at a distance including time and language differences. Other issues include financial risks due to currency differences, local laws and requirement to tailor product and services to local needs.
<b>Outsourced Services</b>	Delegating the delivery of services internationally to third party providers including PCO's (professional conference organizers), AMC's (association management companies) or specialist consultants.	Services are provided for as per a professional services contract by a local supplier that assumes the majority of the risk and liability. A well placed supplier can provide quality services more effectively and efficiently in a given market or geography.	There can be a lack of control or limited recourse if the services provided are not at a required level. There is a limited number of qualified suppliers of professional services for associations internationally.

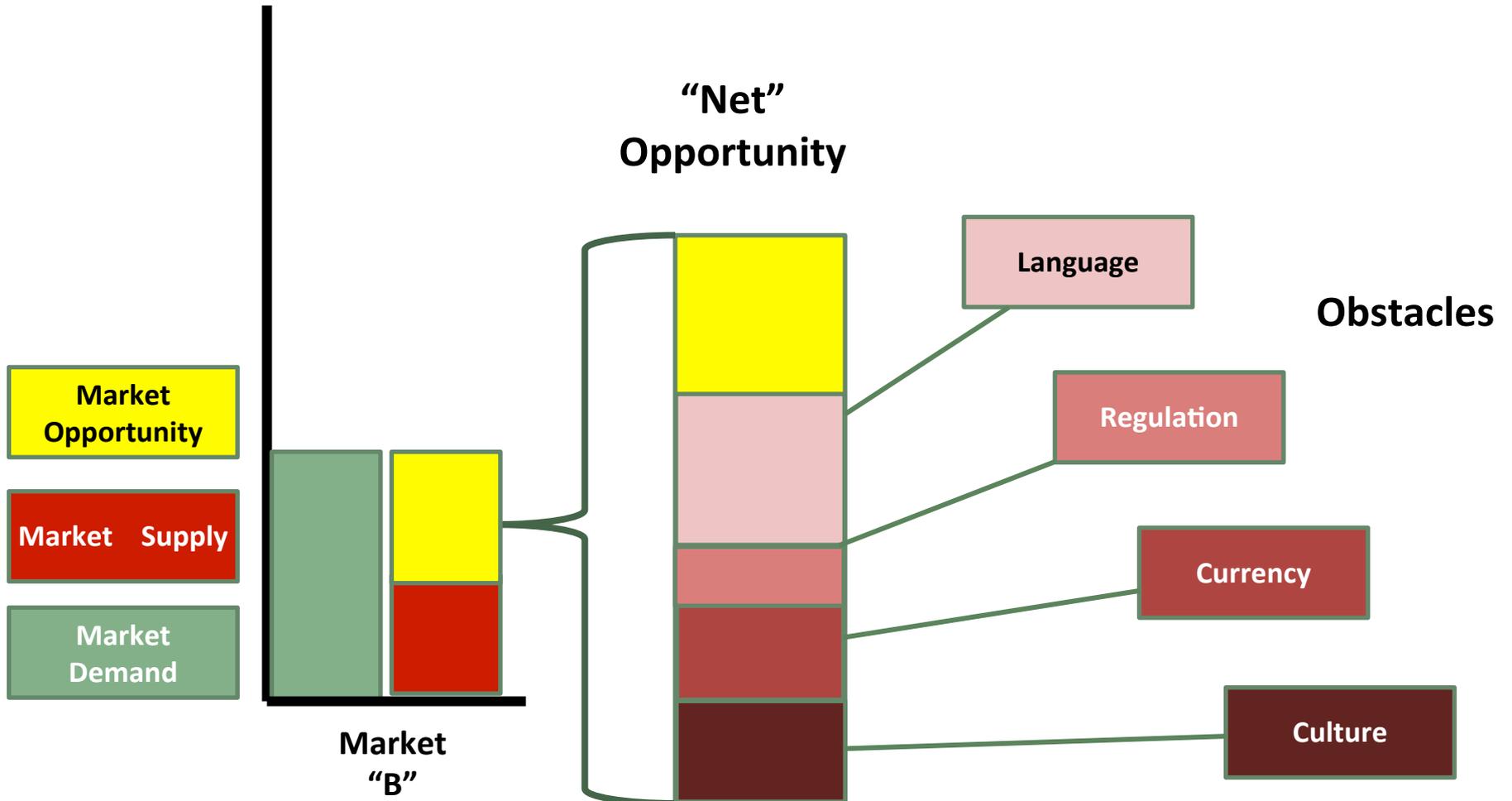
## How to determine market opportunities

- Market sizing - it is not just about the numbers
- Compete or Collaborate?
- Which products and services should you lead with?







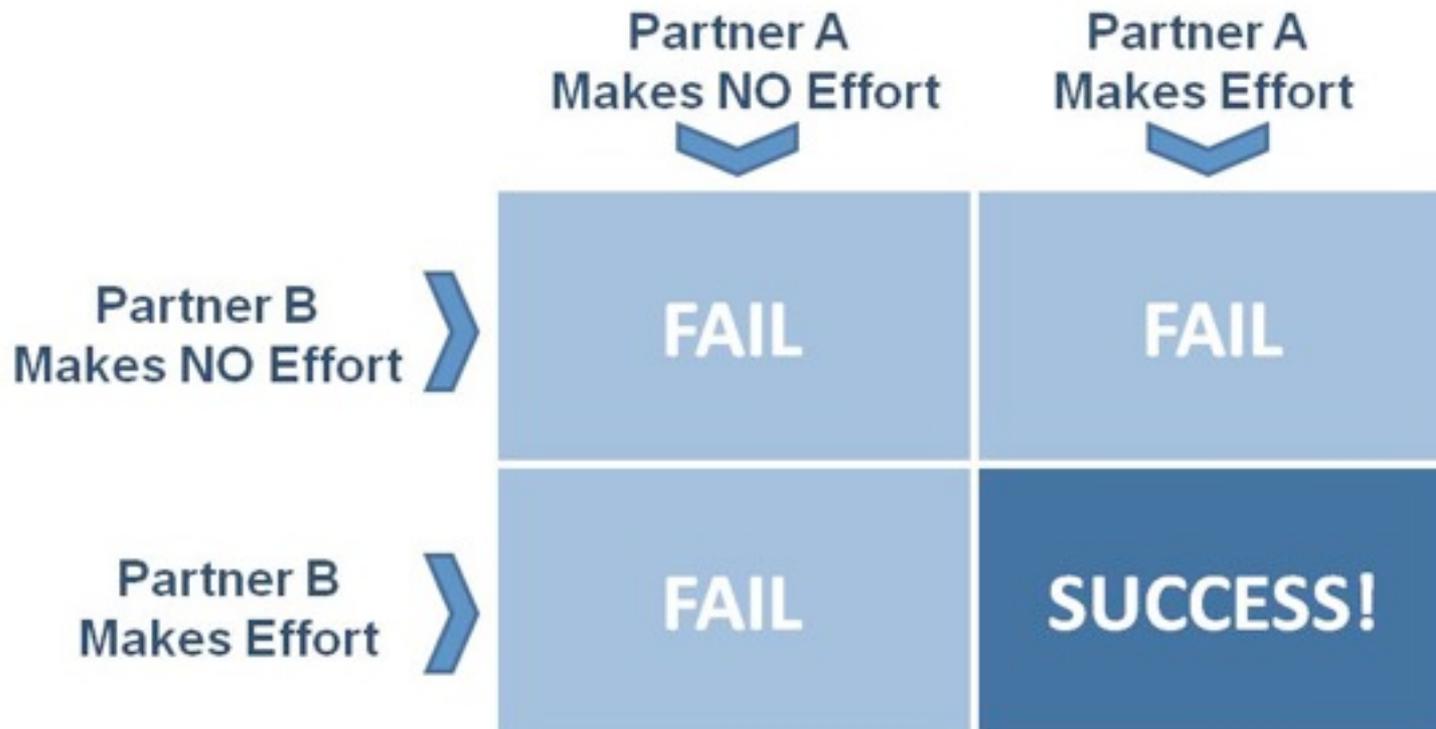


## To Compete or Collaborate?

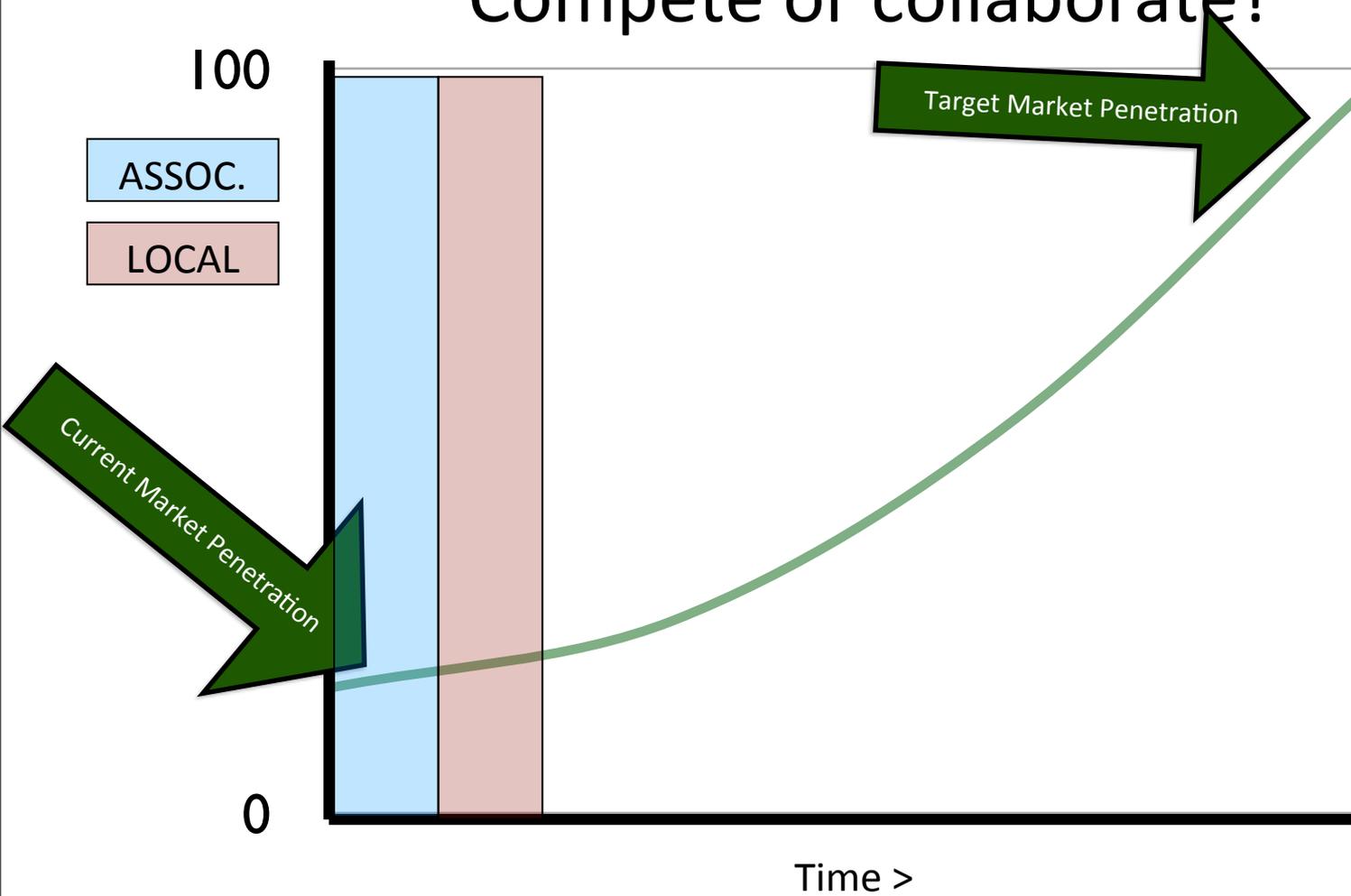
- How to decide?
- What makes a successful partnership?
- When should you compete directly?
- Can you do both, compete and collaborate?



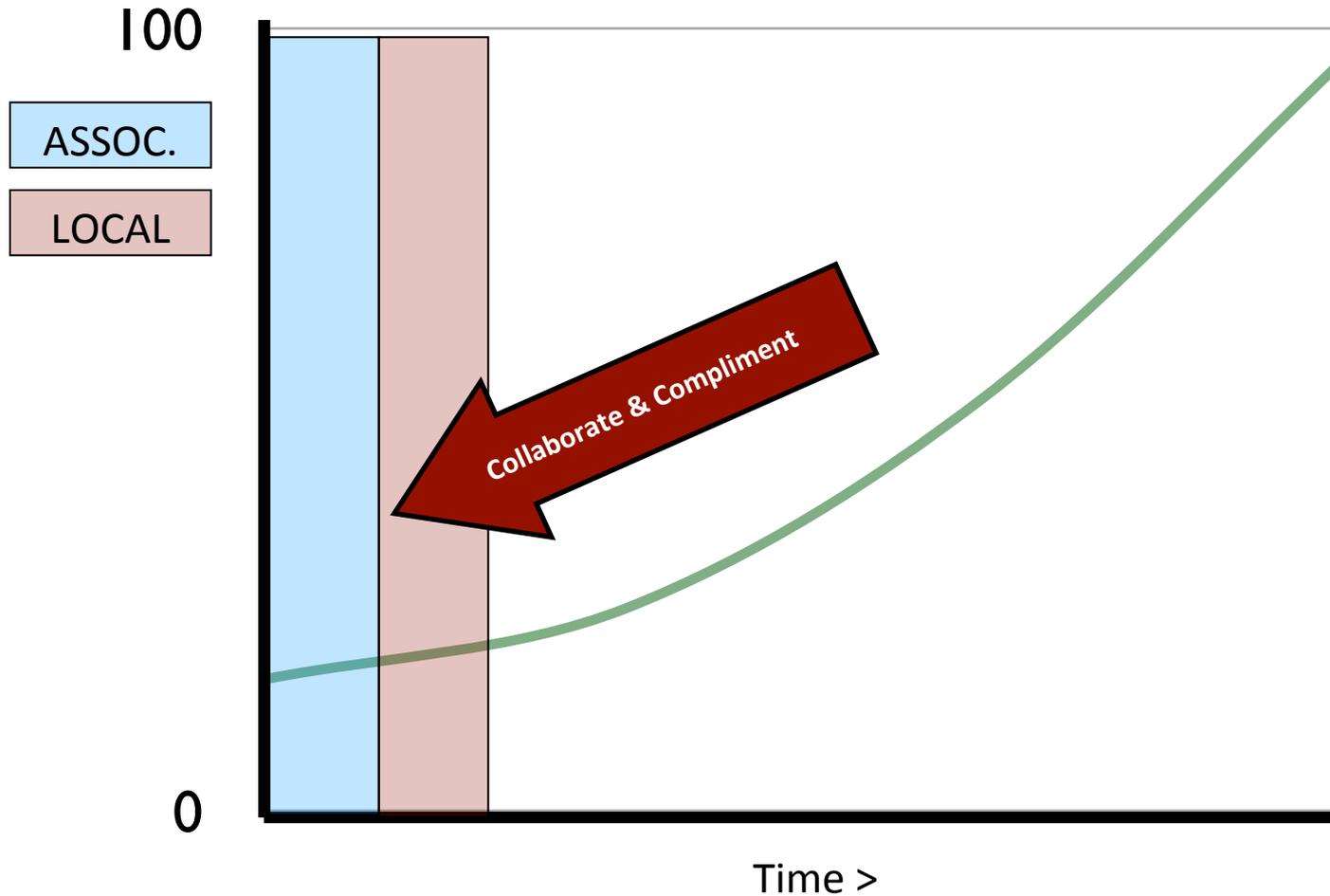
# A Partnering Strategy



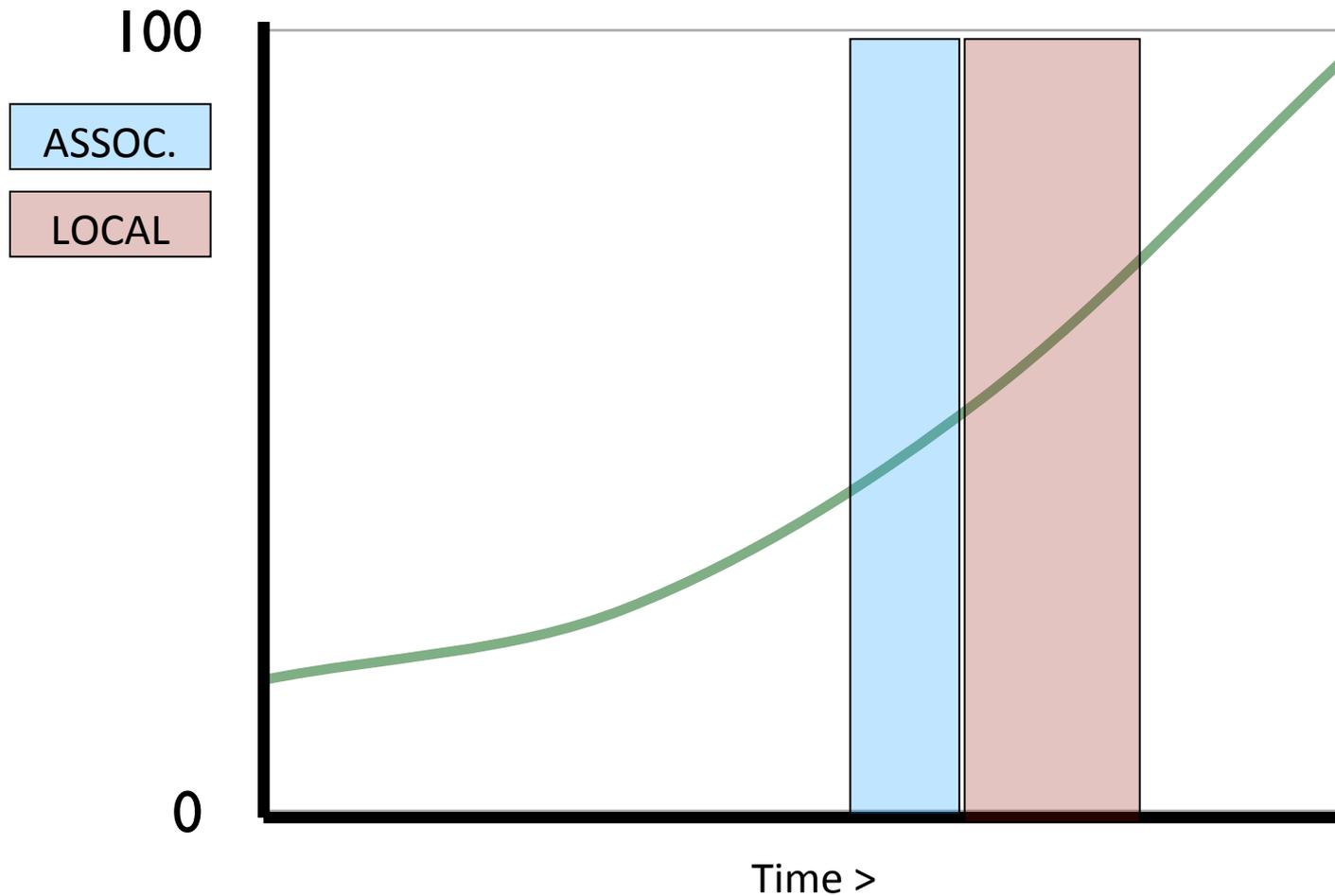
# Compete or collaborate?



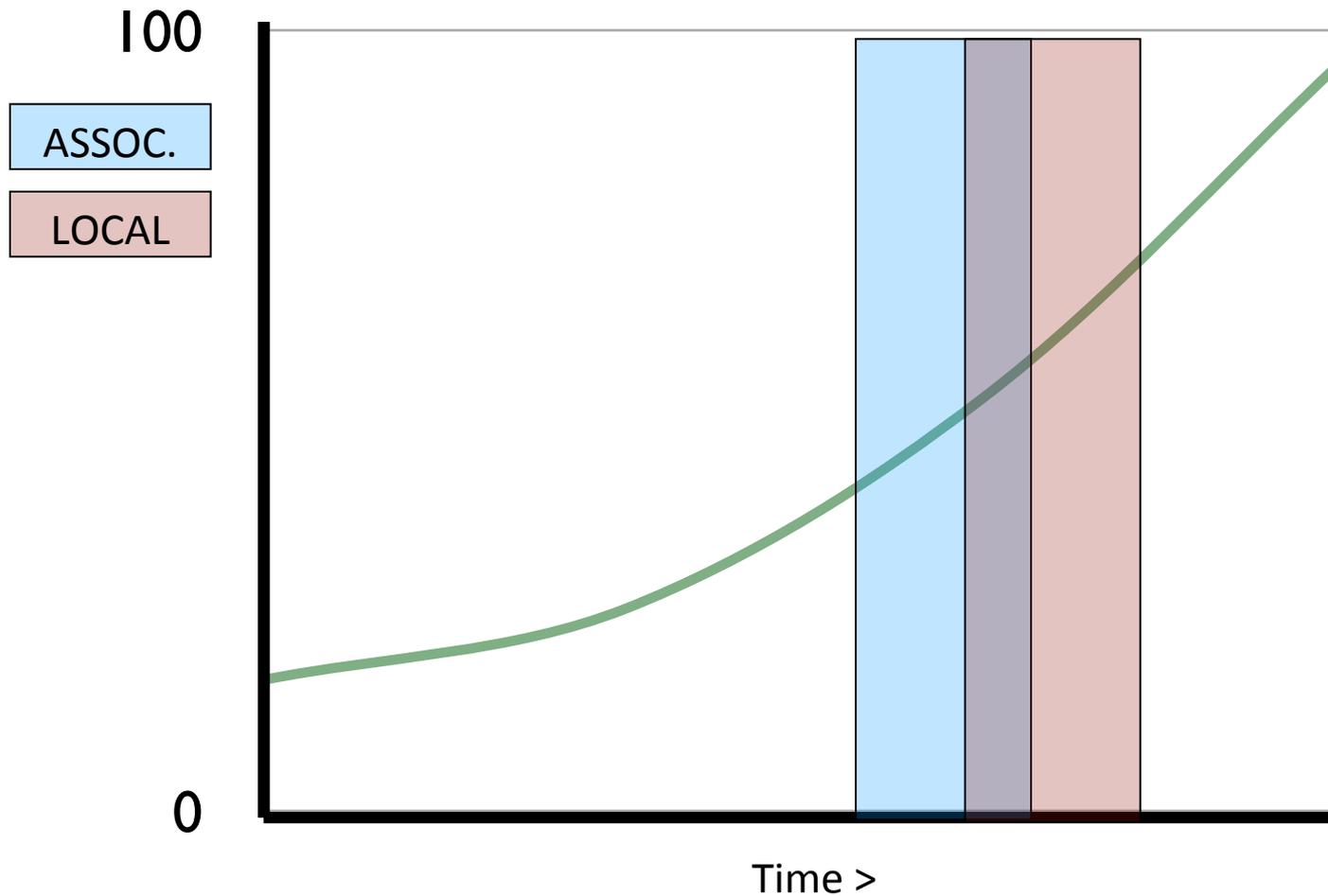
# Compete or collaborate?



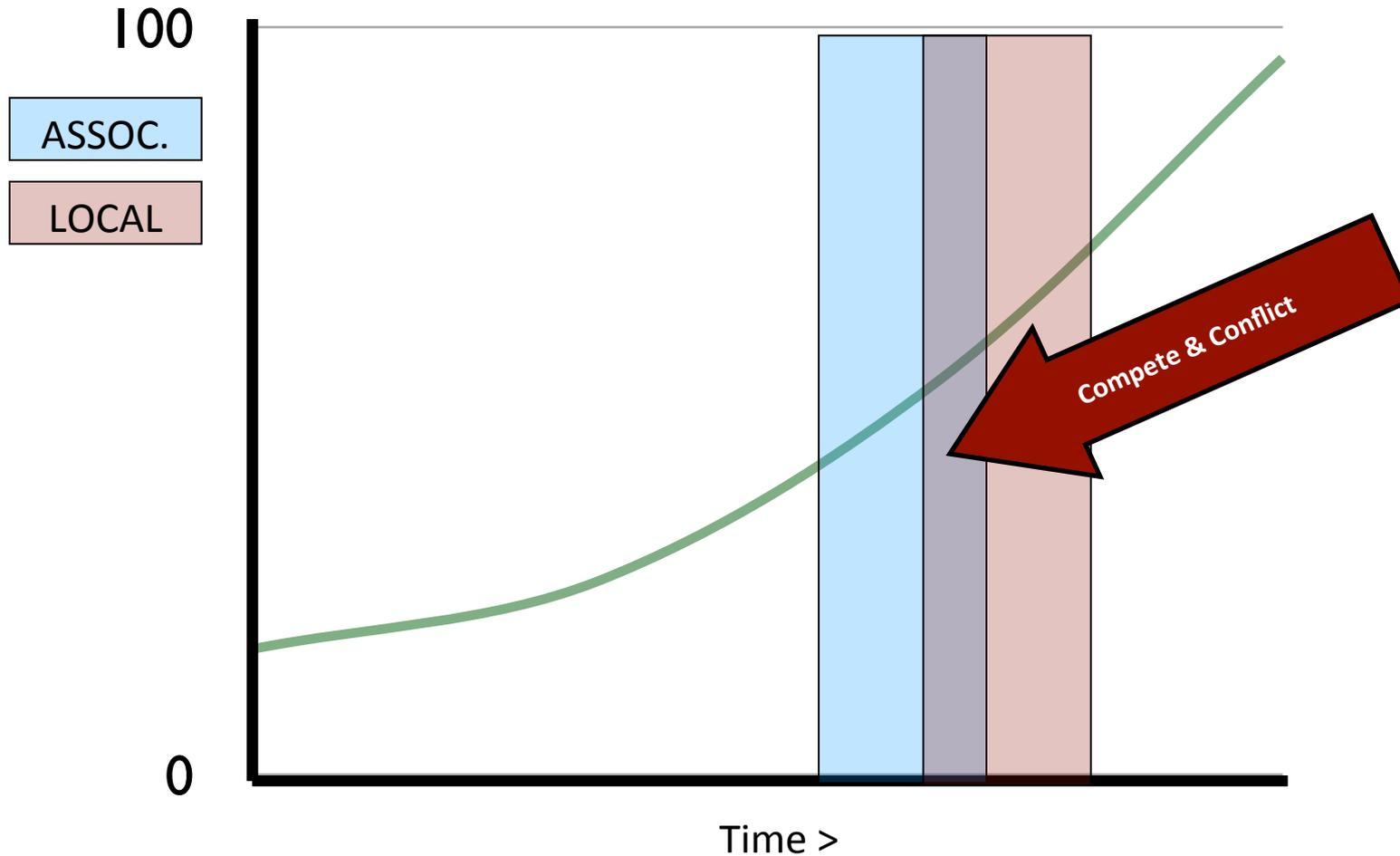
# Compete or collaborate?



# Compete or collaborate?



# Compete or collaborate?



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# Collaboration examples

- **Joint publications – published in two languages**
- **Joint conferences – each partner brings specific strengths to the conference**
- **Exchange programs for visiting professionals, students**
- **Co-marketing arrangements**
- **Cross recognition of credentials / qualifications**
- **Joint Membership**
- **Discounts and special offers**
- **Sharing of content / intellectual property**

# When should you Compete

- In a fragmented market where there is no strong local society
- Where the local partner lacks critical attributes (weak management, poor reputation, lack of resources etc.)
- Where it is critical that you maintain control over your processes, content, products and services (i.e. it is a quality issue you cannot afford to delegate)
- To take advantage of unique opportunities (the local entity stumbles, members looking for alternatives, etc.)

# Can you Compete and Collaborate?

## Example:

- Compete on webinars and distance learning
- Collaborate on a joint event
- Support local membership\*

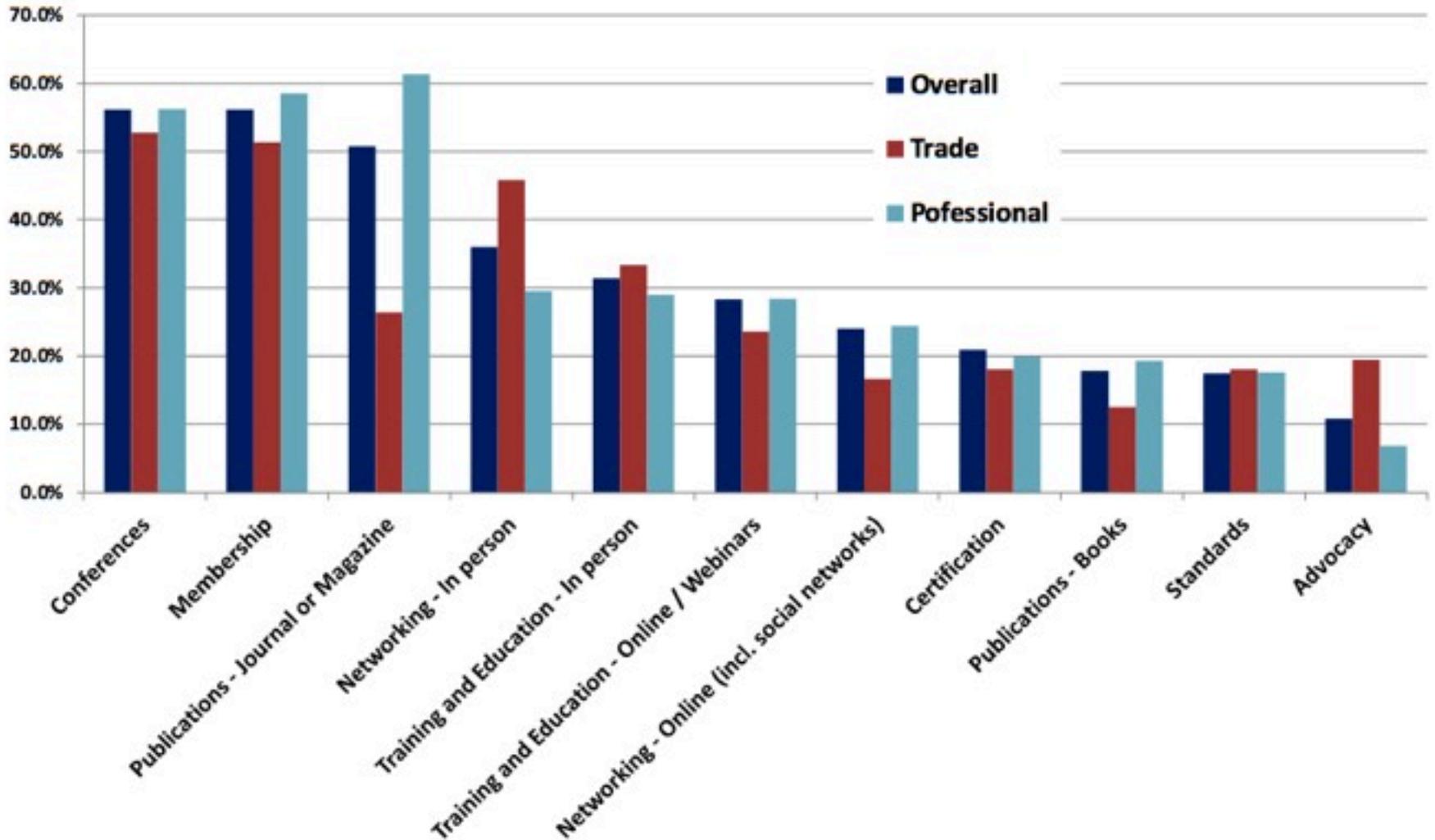
\* You accept members but do not promote or lead with membership drives in the target country. The stronger the local association, the stronger a partner they can be.

## Leading with which products and services?

### Key considerations:

- **What is your cost to deliver?**
- **What is your highest margin product or service?**
- **Fixed versus variable costs (Example: Conference vs Webinar)**
- **Ability to exit a market if needed?**
- **Are you looking for members or customers? (or both?)**

## Leading with which products and services?



## **How to develop a global growth strategy for your organization**

### **Opportunities that are unique to associations:**

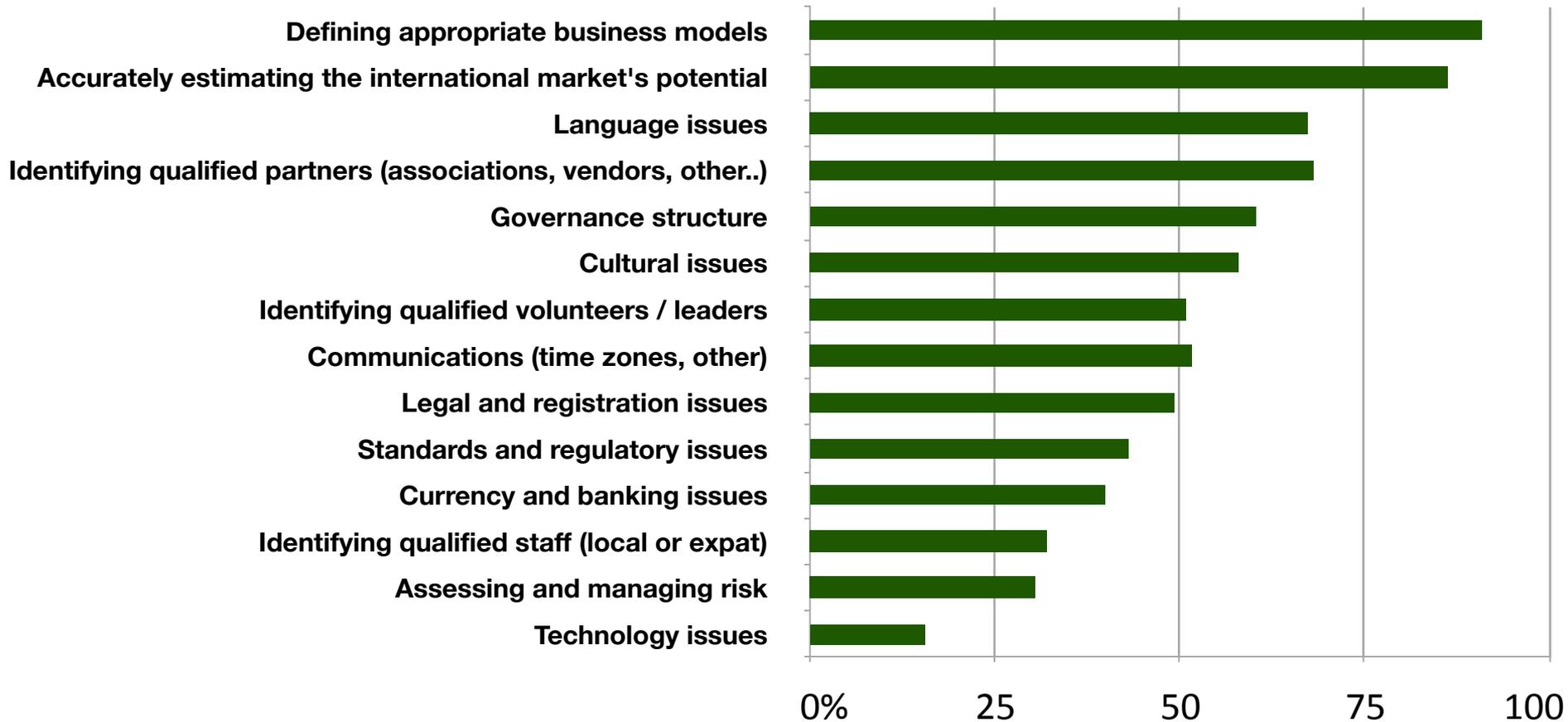
- **Standards – Industry / professional BOK**
- **Education – High demand for information**
- **Training – Professional development**
- **Certification – Career advancement / recognition**
- **Accreditation – Academic excellence**
- **Government Affairs – Global regulatory environment**
- **Social Networks – Threat / opportunity**

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## How to develop a global growth strategy for your organization

1. **Get your Board support**
2. **Define how you are going to measure success, over what period?**
3. **Pull together a team of volunteers and staff, include international members and stakeholders**
4. **Step by step strategy process (objectives, target audience, market research and sizing, business model, plan & budget)**
5. **Communicate the benefits to your core/domestic membership:**
  - **“International” generates more money than expected**
  - **Share innovation insights from other parts of the world**

# Global Challenges



**What did you learn today?**

## Terrance Barkan CAE, Chief Strategist & CEO



**GLOBAL STRAT**  
building tomorrow's organizations today

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### GLOBAL GROWTH STRATEGIES

GLOBALSTRAT helps organizations to take advantage of globalization and to turn it into measurable growth; new members, greater international event attendance, more successful certification and education programs.

We help you to answer the tough questions:

- How do we grow our organization internationally?
- What is the right business model?
- How do we deliver membership services and international programs?
- What is the right governance structure and what are the implications?
- What are the mistakes that others have made that we need to avoid?

GLOBALSTRAT helps organizations to grow by developing well thought out strategic business plans. We apply our collective experience, knowledge, skill, judgment, creativity, intellect and collaborative approach to solve complex client problems. Our deliverable is advice and guidance that organizations need today to succeed and grow tomorrow.

**Globalization**  
Global Growth Strategies

**Articles**  
World Economic Forum (WEF) 2012-13 Global Competitiveness Report  
2012 Association Global Trends Survey  
Associations and Emerging Markets  
What does it mean for an association to be "Global"?  
The Arab Spring - New Opportunities for Associations in the Middle East and North Africa  
Health Volunteers Overseas - A model for international capacity building and outreach  
Managing Globalization: If it's here to stay, what do we do now?  
What is "GLOBALIZATION"?

**Global Growth Strategies**  
[www.globalstrat.org](http://www.globalstrat.org)  
[tbarkan@globalstrat.org](mailto:tbarkan@globalstrat.org)



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Your Audience Your Social Media Strategy Business Results, ROI and Measurement

Social Media Network Effect

Point "A" → ? → Point "B"

SOCIALSTRAT works with you to efficiently and quickly develop a professional social media strategy in as little as 90 days, that delivers MEASURABLE RESULTS:

- Increase engagement and build a stronger "brand"
- Grow membership, attract more attendees and increase sales
- Deliver real member and customer value through your community
- Create a vibrant community of members / users / customers / fans

**Events & Training**  
Featured:  
Social Media Webinar - How to define, measure and drive social media ROI!

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