

Global Growth Strategies: The International Association

By Terrance Barkan CAE
GLOBALSTRAT



*Your guide to developing
a global strategy*

www.globalstrat.org

\$49.95 USA

UPDATED FOR 2012!

Global Growth Strategies: The International Association

By: Terrance Barkan CAE | Globalization Strategies IIc

Globalization and technology are impacting associations in profound ways; changing member expectations, increasing competition and opening new opportunities for growth.

This White Paper reveals the trends that are driving globalization, including information technologies, and how associations can develop strategies for successful international growth.

***GLOBALSTRAT** is the leading independent provider of professional consulting services for associations on the subjects of International Strategy Development and the application of Social Media. Terrance Barkan CAE is the Chief Strategist and Business Architect for **GLOBALSTRAT**, applying more than 20 years of business and international not-for-profit experience in crafting solutions to complex problems.*

For more information, please visit: www.globalstrat.org | tbarkan@globalstrat.org

Or call +1 202 294 5563

Table of Contents

EXECUTIVE SUMMARY	4
HOW INTERNATIONAL ARE YOU?	8
THE 5 FORCES OF GLOBALIZATION	14
UNIQUE OPPORTUNITIES FOR ASSOCIATIONS	35
GROWTH IN TRADITIONAL AND EMERGING MARKETS	37
A PROCESS APPROACH TO STRATEGY DEVELOPMENT	38
OBSTACLES AND CHALLENGES	46
ALTERNATIVE BUSINESS MODELS	48
GLOBAL GROWTH IS NOT A SPECTATOR SPORT	56
RECOMMENDED READING / REFERENCES	58
ABOUT THE AUTHOR & GLOBALSTRAT	59
COUNTRIES OF THE WORLD AND THEIR CAPITALS	61



COPYRIGHT 2009-12 GLOBALSTRAT

Printing in the United States of America 2012 – All rights reserved

ISBN-13: 978-0615278803

Published by GLOBALSTRAT – www.globalstrat.org

Executive Summary

Since 1945, the world has experienced consistent, increasing global integration, despite periods of heightened political tension and economic ups and downs over the years. From the establishment, growth and evolution of the European Union to the fall of the “Iron Curtain” in the 1990’s, and more recently, the democratic revolutions in the Middle East, these changes are all part of the same trend.

Democratization and economic advancement are the hallmarks of today’s world, both of which are hugely favorable to professional and trade associations. There is also no reason to believe that these long term trends will not continue.

Despite these extremely positive macro trends, many associations struggle to achieve significant growth. In some cases, this is because they have already attracted the majority of the readily available domestic membership and have hit a plateau. In other cases, they are not well prepared to take advantage of new, international markets.

In October 2011, the world reached a new milestone when the global population passed the 7 billion mark. With a population of approximately 320 million, the United States represents just 4.6% of the world’s total population. The European Union, with approx. 600 million citizens represents a larger economy than the US with a very similar, and in many cases higher, standard of living, even despite highly publicized financial challenges in some European countries. The economy of China is now the second largest on the planet and continues to grow at near 10% annual rates.

The emerging economies of the world collectively include over **3 billion** citizens that are hungry for information, education, training, professional development and community to better their personal lives. Emerging economies are expected to represent the majority of global Gross Domestic Product (GDP) by 2020. Because these economies are still evolving, most are not well served by a local or national association, representing opportunities for more established associations.

On the technology side, social media platforms represent a revolutionary new and disruptive factor for associations to deal with. On the one hand, social media represents powerful tools to reach and serve international markets in a cost effect manner. On the other hand, social media based online communities provide alternative (and competing) platforms for

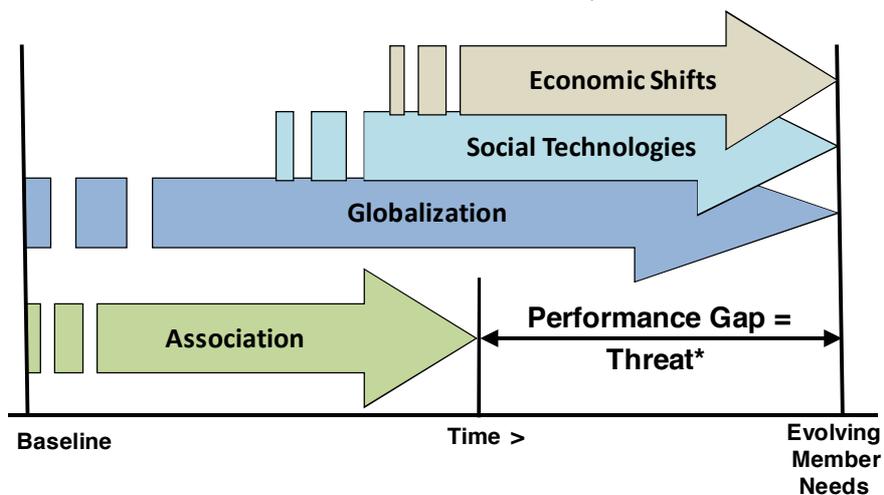
association members to network, communicate, share information. These ad hoc online communities are even organizing live events, posing a real and growing threat. Especially since membership is often for free or a very low cost.

World-wide economic swings, rapidly evolving social media and communications technologies, global supply-chains, a 24/7 business and news cycle, fluctuating currency rates and uncertain political developments are all shaping the environment in which associations operate.

Does your association have a plan to adapt to today’s environmental change?

The Pace of Change and Performance Gaps

The difference between the rate of change in the environment, and your organization’s capacity to anticipate and adapt = The Performance Gap*



When the rate of change in the external environment exceeds the ability of an association to react to that change, a gap develops. This disconnect between the rate of change in the environment and the capacity of an association to adapt poses a serious threat to the future of the organization.

Gaps created by natural changes in the association environment do not last; they eventually are filled by other associations, for-profit companies or free peer to peer online communities.

Leading associations have recognized that international expansion represents one of the few real opportunities for significant growth. However, trying to grow your organization internationally is fraught with obstacles and questions:

- How do we measure the real market potential?
- Which countries, with which products or services should we focus on?
- How do we build our internal capacity to manage these new markets?
- How do we identify and assess the competitive environment?
- How can we leverage social media to recruit and engage international members?
- How do we avoid the mistakes and pitfalls that other associations have fallen into when they went international?

Associations need expert reference information on how to develop and implement a global growth strategy. This requires a deep understanding of the underlying trends, a sharpened definition of your organization's value proposition internationally, together with a process based approach to strategy development that will result in a sound business plan.

—

GLOBALSTRAT has crafted this white paper for association leaders (volunteers and staff);

- to better understand the issues involved;
- to be able to ask themselves the right questions;
- to gain a better understanding of how to approach the subject.

There is no one “best” approach to international strategy development. Your organization will be guided by the trends specific to your industry or profession. It will also depend greatly on your organizational culture, tolerance for risk, management team capabilities, resources and the direct competitive environment you are operating in.

This paper contains data, examples, diagrams and tables, together with straight forward advice and explanations that are based on more than 20 years of hands-on international business and association management experience as well as original research.

The paper is designed to help you ask the right questions while providing you with the pro's and con's of available choices and options.

After reading this paper, your team will be able to answer these questions:

- 1) What are the factors driving global change?
- 2) What kind of change is taking place, and at what pace?
- 3) What are the implications of this change for my organization?
- 4) What strategies and tactics are available for my organization to succeed?
- 5) What process approach can be used to develop a global growth strategy for my association?

The paper is not a proscriptive “how to” or “one size fits all” answer to international development issues for a given association. Every organization operates within a unique environment with a distinct stakeholder community, with different objectives and measures of success, requiring a tailored strategy and approach.

The paper is best used as a reference document to stimulate discussion amongst the association leadership team, resulting in a clearer understanding of the issues and the options available.

For **association board members**, it helps to put international growth opportunities and issues into a strategic perspective and helps to inform discussions related to international governance topics.

For **association staff**, it helps to identify options and tactics that can be used to achieve your association's global growth objectives.

The objective is to develop an informed strategy and approach for those associations that want to successfully navigate the opportunities and the challenges of our globalized world.

GLOBALSTRAT is the leading independent provider of professional advisory services for the not-for-profit community on the subjects of International Strategy Development and the application of Social Media. Terrance Barkan CAE is the Chief Strategist and Business Architect for **GLOBALSTRAT**, applying more than 20 years of business and international not-for-profit experience in crafting solutions to complex problems.

For more information, please visit: www.globalstrat.org | tbarkan@globalstrat.org

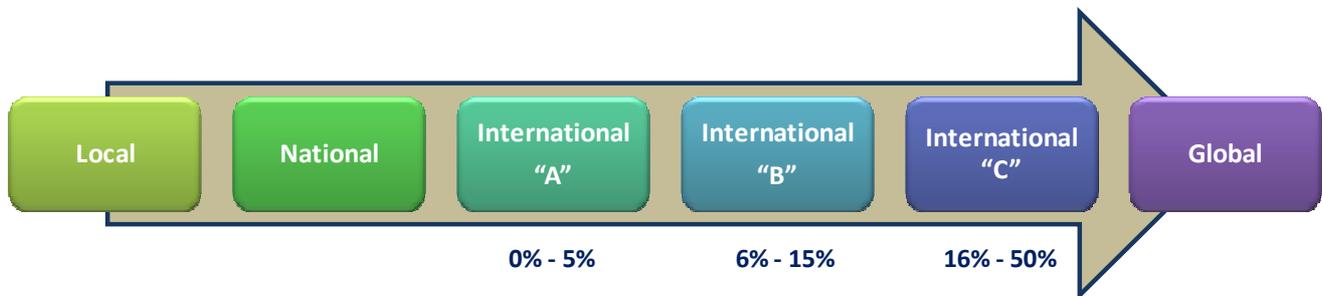
Or call +1 202 294 5563

How International Are You?

Many associations have “International” in their name but just how “international” are they? The descriptions below offer a definition for what constitutes an international versus a local, versus a global organization.

Local / State – Smallest subset of an association. Represents members within a local area up to the state level only. Primarily concerned with local issues, regulations and standards. Concerned about national issues only to the extent the association is affected locally.

National – Represents members at the nationwide level, often with multiple chapters at a State, Regional or City level. Primarily concerned with national issues, regulations and standards. Concerned about international issues only to the extent the association is affected nationally.



International “A” – This is a primarily National organization that has members from outside its National borders not exceeding 5% of the membership. This type of organization is international in name only with no dedicated service or representation of non-national members. Primarily concerned with national issues, regulations and standards. Concerned about international issues only to the extent they affect the members nationally. Makes gestures to serve non-national members but more intent than effort.

International “B” – This is a proactively international organization that has members from outside its National borders representing 6%-15% of the total membership. This type of organization will normally have established at least one non-national chapter or representative body and most likely has no more than 1 non-national representative on its Board, if any. Most often will have developed some dedicated service or representation of non-national members. Focus will include international issues but will be guided primarily by the majority of national member needs. Often aware that it needs / wants to do more for international development but is not certain how to serve national and non-national members simultaneously.

International “C” – This is a truly international organization that has members from outside its National borders representing 16%-50% of the total membership. This type of organization will normally have established several non-national chapter or representative bodies that deliver unique services or networking opportunities at a local / regional / national level outside the “home” territory. There will be at least 1 non-national representative on its Board, usually defined as an official representative of the non-national chapter or affiliate. There will be a dedicated service or representation of non-national members with an allocated budget and at least part time support staff. Focus is primarily on international issues with adaptation at the national / regional level. Multiple language versions of information may be implemented.

Global – This type of organization cannot easily be defined as having a “home” base or market (other than a historical one). No one country or region constitutes more than 50% of the total membership. Typical structures are multiple chapters, multi-country regions or a federation structure. The Board is constituted by representatives of many countries, elected based on regional as well as professional profiles. Focus will be almost exclusively on global / international issues. Chapters or affiliates will disseminate global decisions downwards and raise local / national issues to the Board level. Each region / chapter / affiliate will maintain at least a majority of its infrastructure needs locally. The Board and a global coordination center will oversee the global organizational management. Multiple language versions of information may be implemented.

What does it mean for an association to be Global?

Globalization is defined as the growing interdependence of commerce, science, knowledge, people, culture and government around the world, and is the over-riding characteristic of our modern society.

For an Association to be "Global", it means that;

1. The organization has some meaningful presence in each major region of the world, i.e. on each continent (except Antarctica) and the major sub regions such as the Middle East and the Indian sub-continent.
2. The organization appears to its customers and members to have a strong local identity more than being a “foreign” entity and it is not immediately obvious where the "Headquarters" office is. It is important that the organization has strong local or

regional relevance to its members/customers. (The food company Nestle is a great example. Most of its brands are assumed to be local but are actually part of this Swiss food giant's global portfolio).

3. The organization maintains universal core values and “Body of Knowledge” that is intelligently and appropriately modified as necessary to be highly relevant for regional or national requirements.

For example when credentialing, the credential should maintain global equivalence (based on a core “Body of Knowledge”) but still have real meaning nationally i.e. comply with local law and practice. This includes things like local language, law, currency, time formats, metric vs. imperial measures, etc.

4. The global organization does not derive more than 50% of its gross revenues from any one single country or market.
5. The Governance structure reflects the global footprint of the organization. There is a broad geographic spread in the leadership teams, volunteers and staff.
6. The leadership thinks constantly in terms of how decisions will affect the entire membership regardless of where they are located and anticipates the need to respect the complexity of being a global organization.
7. Communication systems and practices are put in place to support global collaboration including small details, like;
 - telephone formats (a "+" and then the Country Code followed by the number ex. +1 202 294 5563),
 - date formats (a format that leaves no guesswork: 11 JUN 2012 instead of 06/11/12 – In the US 6/11/12 is June 11, 2012 while in Europe 6/11/12 means it is the 6th of November 2012),
 - the use of military or 24 hour time (23:00 is 11pm) and including the relevant time zone that applies (UTC, EDT, EST)

Organizations must be careful to use shorter, less complicated sentences and remove jargon, political or sport references that may not be universally understood. Many non-English native speakers can more easily understand and express themselves in written form than orally but the communication must be clear and un-complicated.

8. Diversity is viewed in terms of global inclusion. For example, by having members that come from many different countries, with unique cultures and customs, and that speak different languages. The organization also recognizes that thought leadership and innovation can originate anywhere in the world and is not exclusive to U.S. or European associations.
9. The staff and leadership team must travel. Globalization is not a spectator sport. There is no substitute for putting oneself in a new environment where you do not understand the local language, do not recognize what is on the menu, cannot find an English language newspaper and attend dinners where you do not understand the jokes.

It is in situations such as these when it becomes personally clear just how important it is to be sensitive to local issues. Your international members are having these same experiences in reverse when they receive information, services and publications from your organization that have not been modified for a global audience.

These are the clear characteristics of a "Global" organization.

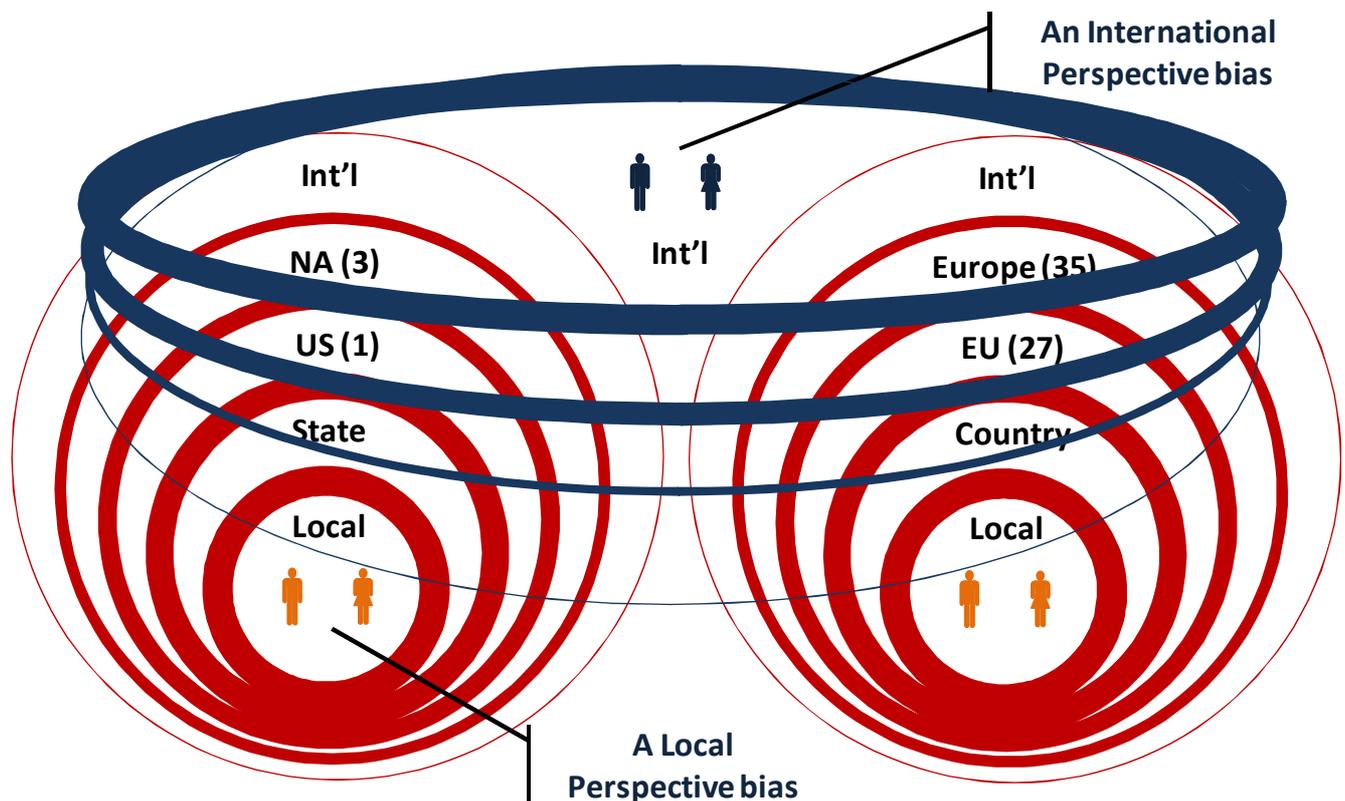
The reality is that most associations are at some stage of being “international”, occupying a position somewhere on a continuum from an exclusively “national” association to being truly “global”. The real question is, “how international” do you aspire to become?

International vs. Global, what's the difference?

Often there is confusion between the terms “International” versus “Global”. There are many “International” associations that have global ambitions, and then there are others that are really a national association that conducts business internationally.

The difference is one mainly of intent and how you see your organization in the bigger scope of the world. It also depends greatly on what your membership and customers are expecting from you as they will ultimately determine which type of organization you become. It helps to think about the world and your organization from two very different perspectives or paradigms:

- Locally focused looking outward ultimately to international issues and,
- Globally focused looking across regions and ultimately down to the local level.



**The closer to the individuals core interests, the thicker the line.
What is your perspective? Do you have a local or international perspective?**

It is human nature for each of us, based on our experiences, to view the world and our organizations from one of these two very different perspectives. These perspectives also influence how we make decisions for our associations when it comes to international issues and topics.

For example, in the diagram above, you may have members that deal with international issues every day as part of their job. They will most likely have a strong international bias with greater interest in international issues over local ones. They need information with a broad geographic reach and have less interest as topics grow more granular and local.

At the same time, you will have members that have a primarily local sphere of interest with less of an interest in broader regional or international issues. They often will not see the value of international engagement unless it can be related directly to their local perspective.

These two very different views represent one of the common reasons for tension within organizations as they become more international; “locally” focused members do not see the value in growing internationally and “internationally” focused members often do not get enough of the type of information they need at the early stages of international growth.

The same thing happens at the Board level. Board members that have personal international business experience understand both, the opportunities that exist and much of what it takes to succeed globally. Board members that have not travelled and that have only local job experience often resist globalization because they do not understand it and cannot see the value.

Understanding this dynamic can help you when designing your strategy – a Global Association has an international bias whereas an International Association may have a local bias with international activities as an extended market for their services.

Very different perspectives, requiring very different approaches.

REVIEW

1. Do you aspire to become a “Global” organization or is being an “International” association more appropriate?
2. Do your Board and Staff have an “International” world view or do they have a “Local” bias and perspective?
3. What do your members, industry and professional stakeholders expect; a national, international or a global association that will meet their needs?

The 5 Forces of Globalization

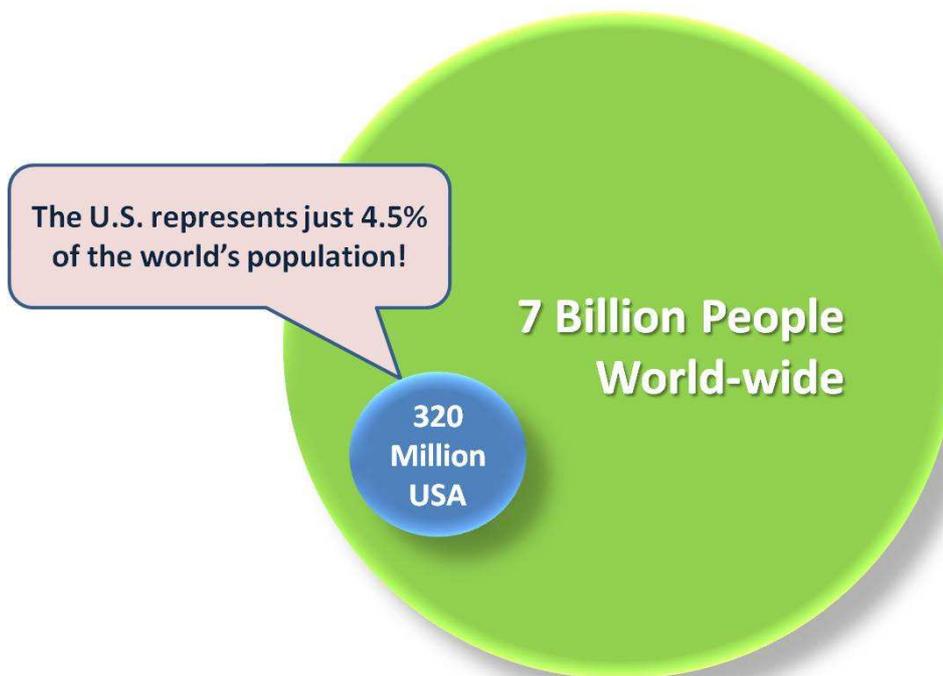
So what are the trends that are driving globalization? Which trends should we be concerned with, and how are they going to affect our association? Why is “Going Global” important?

The purpose of all trade or professional associations is to represent and support the interests of their members and key stakeholders: companies, individuals, an industry sector, or a profession.

Members everywhere need their association to either,

- a.) support greater integration in a globalized world, or
- b.) help the member to manage the impacts, positive and negative, of globalization.

We live in a “market driven” world today and no single association or interest group has the power to change the dynamics of the market. Rather, we must understand how best to maneuver within this dynamic global marketplace we live in by making informed, rational decisions.



Associations in North America have a very long history and in most cases have attracted the bulk of the membership that they are readily able to attract. This leaves relatively little scope for growth within the United States in most cases. Outside the US it is a different story as most non-US associations have not reached the same levels of penetration or development.

For European associations, the dynamic is slightly different. The evolution of the European Union has spawned the growth of pan-European associations who are often in direct competition with long established counterparts at the national level. Despite rapidly increasing integration, different languages and cultures remain a significant barrier to create critical mass across the continent. In addition, European associations often operate with smaller paid staff teams than their US counterparts which places some limits on their ability to grow outside of Europe.

Associations, with their democratic, consensus decision-making processes, tend to require a longer time for the implementation of new business practices, programs and services. In contrast, it is within associations that professional development issues; professional practices, sector trends, standards and benchmarks are debated, forged, agreed and communicated. This creates a tension between the need to move quickly to meet market forces versus taking the time needed for true peer to peer review in order to test and define standard practices.

Recently, Social Media and in particular Online Communities and Networks have become a powerful force, changing and drastically accelerating how people communicate, collaborate and associate.

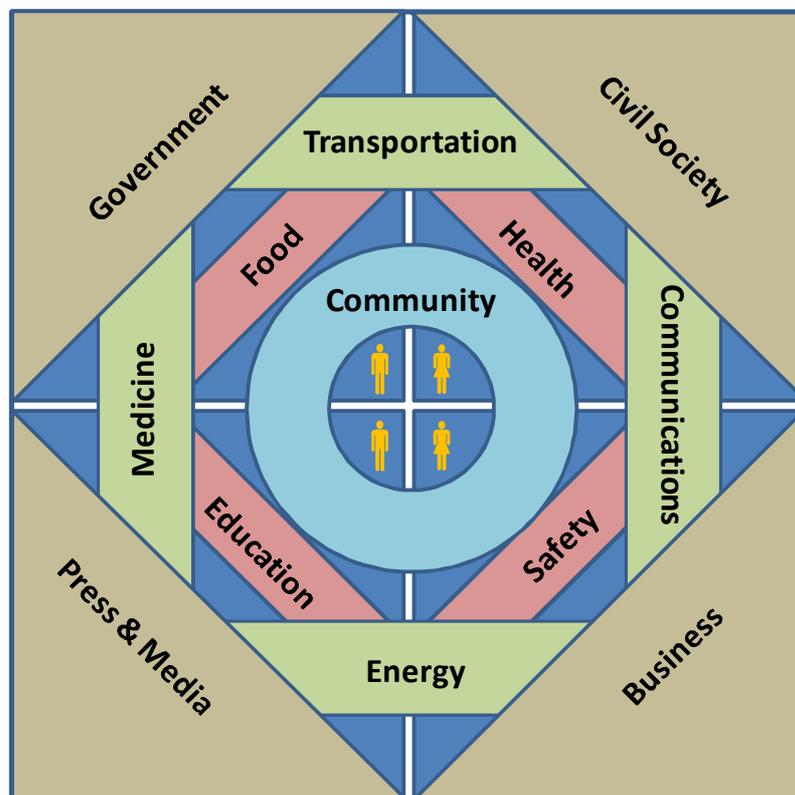
Social Networking platforms such as LinkedIn, Facebook, Twitter, YouTube, SlideShare and many others are increasingly being used to provide many of the services and benefits that association models have traditionally provided.

The need for associations to rapidly adapt and grow has never been greater.

Societal Drivers of Change

There are four key influences on our human day-to-day life at the macro level today. Those drivers are:

- The employer (a business, academia, government, associations, etc.),
- The media (which now includes all traditional news channels and an explosion of new online sources, both formal and informal),
- The government under which one lives (at a national and a local level),
- The network of professional associations, clubs, organizations, groups or other informal networks referred to collectively as “civil society”.



Each of these four sectors has a direct and profound effect on the type and pace of change each of us personally experiences individually and how we collectively evolve as society.

It is within these four macro structures that other systems in our society operate, some having a greater degree of impact than others depending on who we are, where we live and what we do for a living.

Business – Business is driven by the motive to create value and to harvest the reward of that creation in the form of a profit, wherever and whenever possible. Businesses are driven by people with strong initiative and high ambitions, that are creative and clever, and that like to succeed. As such, the business community as a whole constantly pushes forward boundaries in the ever increasing effort to gain market share, create efficiencies or to develop an expanding customer base. Businesses gain a competitive advantage, grow and succeed through innovation, by creating new products and services and by bringing these to new markets.

Businesses are therefore one of the most proactive and fastest moving drivers of change and are the main driver of globalization as they exploit any gaps and unmet needs in the market wherever they appear world-wide.

One of the greatest threats to associations is the blurring of the line between what is commercial and what is a not-for-profit. This change is occurring with the emergence of new, well funded online communities that are driven by commercial owners. Examples include scientific publishers that are creating peer to peer online communities for subscribers (and not charging a fee to belong) that now compete directly with traditional professional associations.

Companies like Facebook* and LinkedIn* are a direct threat for a certain component of the association member experience (networking and information exchange). Other examples include both free and paid subscription online communities that can be found in almost every area where traditional associations operate and are a new direct threat. *Facebook and LinkedIn are now both public companies, testament to the maturity of the social media company model.

Media (Traditional, formal and informal) – If there is one area that has changed the most in the last few years it is in the definition of what constitutes “media”. Traditionally, media referred collectively to organized news outlets and mass programming (think television, newspapers and radio). Today, the “media” must include the explosion of “citizen reporters”, blogs, social networks and a host of new, emerging channels for people to access and to consume information (think YouTube, Twitter and Facebook).

This massive increase in the number of sources of information and news poses a real and significant challenge to associations.

The impact is threefold:

- The multitude of information sources is making it difficult for consumers (our members and customers) to manage all of the information now available to them. How do they prioritize what to consume? Which sources are reliable and correct?
- Information is “free” – now that so much valuable information is available for free or nearly free, why should a member pay an association membership fee? It is no longer a “given” that members will pay a membership fee with so many free alternatives now available.
- Time is the real competitor – the explosive growth in sources of information means that individuals are more “time starved” than ever. The advent of mobile technologies and increased access to online connectivity means that consumers have 24/7 access. How does an association stand-out in this noisy environment?

Government – It has been said that “All politics is local”¹. However, the trend over the period starting after WWII and that has accelerated more recently is for an ever increasing inter-governmental collaboration and regulation between nations. The most striking example is the formation and growth of the European Union (EU), a legal construct composed of 27 independent countries representing more than 600 million citizens.

Inter-governmental collaboration extends to issues of anti-trust, safety, standards, financial regulation and many other areas where governments are coordinating actions that have a direct impact on businesses, private citizens and of course, associations.

There are numerous cases where a change in a regulatory regime affects businesses world-wide, such as the case with the International Financial Reporting Standards (IFRS). These financial reporting guidelines are changing the way businesses operate not just in non-US subsidiaries but it is having an impact on core operations as IFRS becomes a global standard and US based GAAP is phased out.

Other examples where US based organizations are directly impacted from a governmental and regulatory perspective are through trade agreements. The most well known example is the World Trade Organization or WTO (www.wto.org) to which 155 countries are members. In addition to the WTO treaties, there are more than **500** regional trade agreements that also directly affect international integration and trade.

Most governments or government departments could not be characterized as being particularly fast moving or decisive. When they are drivers of change, it is often a slow

process but one that has an important and significant impact for associations that we need to be aware of when working internationally.

Depending on your industry, professional sector and which country(ies) you are operating in, the government can play a significant role and influence the chance of success for your organization. If you are in a field that is regulated, requires some form of government approval or collaboration, or if you operate in a country where the government has direct influence or control over commerce, you will need to have a strategy for partnership and collaboration with political entities.

¹ Quote from former U.S. Speaker of the United States House of Representatives, Eugene 'Tip' O'Neill

Civil Society – The non-profit networks of people and organizations that are held together by common interests and needs, whether individuals (as in professional associations) or companies (as in trade associations) is a somewhat invisible force for change in our world.

The general public is often not aware of the important role that associations play in the setting of standards and qualifications, the provision of post graduate education and training, or the establishment of professional practices. It is often within associations that standards, processes and policies are developed that ultimately find their way into law or have some other equally profound effect on day to day life.

Associations are the primary source of post-graduate continuing professional education, either in a formal setting or through the sharing of best practices and evolving technological developments for people and organizations in nearly every conceivable area of human activity.

As consensus decision making organizations, civil society is often (but not always) slow to change. Associations by definition reflect the interests of their members, who are themselves reacting to changes in the environment. Associations therefore tend to follow and react, rather than to anticipate change.

Associations also tend to be very risk averse, resulting in a cautious approach to change. In an environment that itself is moving at a faster pace every day, associations must learn how to evolve in step with the overall environment or risk being left behind and no longer relevant.

Through an intelligent use of technology, especially social networks, civil society organizations that include professional and trade associations now have access to communication tools that support a more rapid democratic decision making processes.

The 5 Forces of Globalization

There are five major, macro trends that are evolving in parallel and that have a multiplier, catalyst-like effect on one another. These five trends have existed in one form or another for many years but have come to dominate the current environment and are shaping the path that globalization is taking. These five macro trends are:

- Communications and Information Technology
- Trade Agreements & Political Alliances
- Standards, Education, Qualifications and Certifications
- Emerging economies and a rising standard of living world-wide
- The global “supply-chain” effect on products, knowledge and services

Communications and Information Technology – The rapidly increasing growth in use of the Internet world-wide and falling barriers to global communication are having a massively dramatic effect on associations that is still accelerating. Associations once held an effective monopoly on the accumulation and dissemination of knowledge while serving as exclusive platforms for networking and professional recognition. No longer.

The advent of commonly available communication and collaboration tools, especially social media platforms, have changed that landscape. In fact, the dynamic has changed so significantly that an association is now in many cases, a slower and more expensive path to information and peer to peer networking than the use of the many freely available Internet based tools and information networks like Facebook, LinkedIn, Twitter, You Tube and SlideShare.

While associations remain important and effective sources of information within a specific trade or profession, this is no longer a strong enough value proposition on its own to convince modern stakeholders to join or to stay as a member. A growing number of associations are questioning if the traditional membership model has become outmoded.

Many for-profit entities, usually faster acting, well financed and more commercially adept than many associations, have seized on the profitable opportunity to provide networking and education opportunities through meetings, events and exhibitions.

There are many examples of for-profit special interest groups that look and act like a not-for-profit network but with a competitive commercial and business approach. One of the most successful of these, SERMO, a for-profit network for physicians, has grown to over 125,000 members within just a few years of its founding. Membership in SERMO is free for physicians. The owners of SERMO earn revenue from selling the aggregated information culled from the many peer to peer communications within the community, effectively a live and ongoing market research data pool.

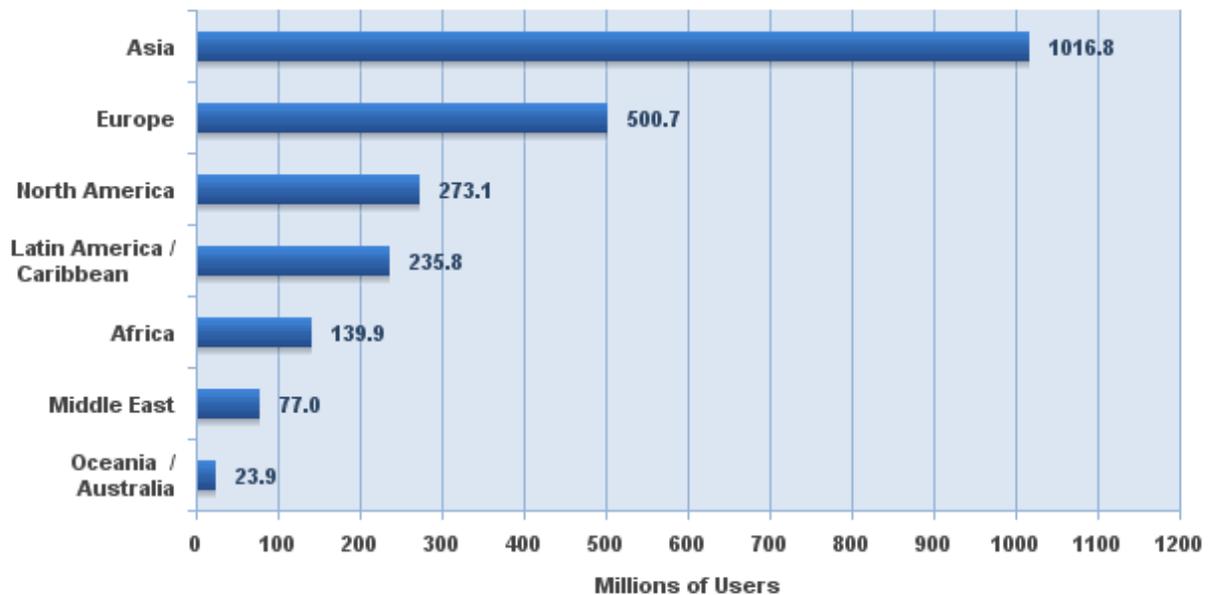
Today, the barriers to entry for a new association or networking group, for profit or not-for-profit, have never been lower. At the same time, the phenomenal growth of the Internet means that it is easier than ever for new groups to reach a vast potential membership, world-wide, that used to be shielded from competition in the pre-Internet days. This is probably the biggest single threat to associations that continue to do “business as usual”.

Internet Growth – In January 2006, the world had reached the threshold of more than 1 Billion Internet users according to information provided by Miniwatts International, LLC. By the end of calendar 2011, just 5 years later, that number was 2.27 billion people or almost 1 in 3 of the world’s entire population!

WORLD INTERNET USAGE AND POPULATION STATISTICS						
December 31, 2011						
World Regions	Population (2011 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% Population)	Growth 2000-2011	Users % of Table
Africa	1,037,524,058	4,514,400	139,875,242	13.5 %	2,988.4 %	6.2 %
Asia	3,879,740,877	114,304,000	1,016,799,076	26.2 %	789.6 %	44.8 %
Europe	816,426,346	105,096,093	500,723,686	61.3 %	376.4 %	22.1 %
Middle East	216,258,843	3,284,800	77,020,995	35.6 %	2,244.8 %	3.4 %
North America	347,394,870	108,096,800	273,067,546	78.6 %	152.6 %	12.0 %
Latin America / Carib.	597,283,165	18,068,919	235,819,740	39.5 %	1,205.1 %	10.4 %
Oceania / Australia	35,426,995	7,620,480	23,927,457	67.5 %	214.0 %	1.1 %
WORLD TOTAL	6,930,055,154	360,985,492	2,267,233,742	32.7 %	528.1 %	100.0 %

If we look at these numbers as a percentage of penetration of the underlying population, we see that we can expect even greater numbers from those regions that have a lower penetration rate today, especially Africa, the Middle East and Asia. Already, the number of people that have access and that are communicating online, by a vast margin, are located outside of the United States which represents just 12% of global Internet users.

Internet Users in the World by Geographic Regions - 2011



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

Asia continues to be responsible for a majority of new Internet users and has exceeded the impressive milestone of 1 billion users in that region alone. As other regions of the world continue a rate of growth that exceeds North America, they are either extending the gap (Europe now has almost twice as many Internet users as North America), or are quickly catching up (Latin America now has nearly as many users as North America).

Internet usage is just one measure of global development, but it is a critical one as it is the most commonly used method by which international members find and join North American based associations and not-for-profit organizations. Today it is the case of the international member finding you, rather than the other way round.

It is also a critical factor because more and more of the value of association membership is moving online; electronic journals and newsletters, webinars and podcasts, online community networks, the use of mobile devices to access content, etc.

It has never been easier or cheaper for associations to reach, attract and serve global members as it is today!

Social Networks – “Social Networks” and “Social Media” have matured to the point that they are a de facto requirement for all associations in order to serve the needs and expectations of your membership. The widespread use of social media is demonstrably changing how associations need to communicate with their members, and how associations must support the ability of members to communicate with one another.

Most of the attention has been focused on the technological aspects of social technologies; which platforms should we use, should we build it internally or find an existing platform or application, etc. What is missing is a framework for association leaders and managers to craft an integrated Professional Social Media Strategy*.

*Refer to **SOCIALSTRAT**'s Social Media Strategy White Paper for more detailed information on this subject.

Social Networks are a very attractive approach to build community and membership, especially international membership, because of its extremely cost effective profile and the rapid adoption and acceptance of on-line information on a fee for service basis.

While many US based associations have saturated the majority of their potential membership base in the US, the rest of the world represents an enormous potential for growth. The challenge in the past has been that the international market was both hard to identify and hard to reach. The Internet and community sites have gone a long way to reducing these barriers.

These are samples of just a few popular Social Networks used by the association community:

Facebook – (<http://facebook.com>) Founded in 2005, Facebook now has more than 900 million users who share information, photos, post messages on each other's "walls", play games, chat, etc. The demographic tends to be for younger people and students although due to its extremely widespread use it includes all age groups. Much more of a "social" oriented site, it also offers the ability to form groups and to network to a very wide audience.

Because it has been plagued by constantly changing privacy policies and frequent updates to its user interface, Facebook is a challenging platform for associations to use to build community. Compared to other platforms, including private social networks, Facebook is also very difficult to monetize and drive measurable ROI.

Since Facebook became a public company in May 2012, it will be interesting to see how this influences the platform as pressure rises for greater revenue/



LinkedIn (www.linkedin.com), also a publicly listed company, is a network of more than 170 million professionals from 200 countries world-wide representing more than 170 industry sectors (including not-for-profit management!). Membership is free to join and you can create your own special interest group using this platform. There are more than 1 million special interest groups now registered on LinkedIn.

Many associations are creating their own official “Groups” within the Linked-In platform, some of which are open to the public and others that are just for their association members.

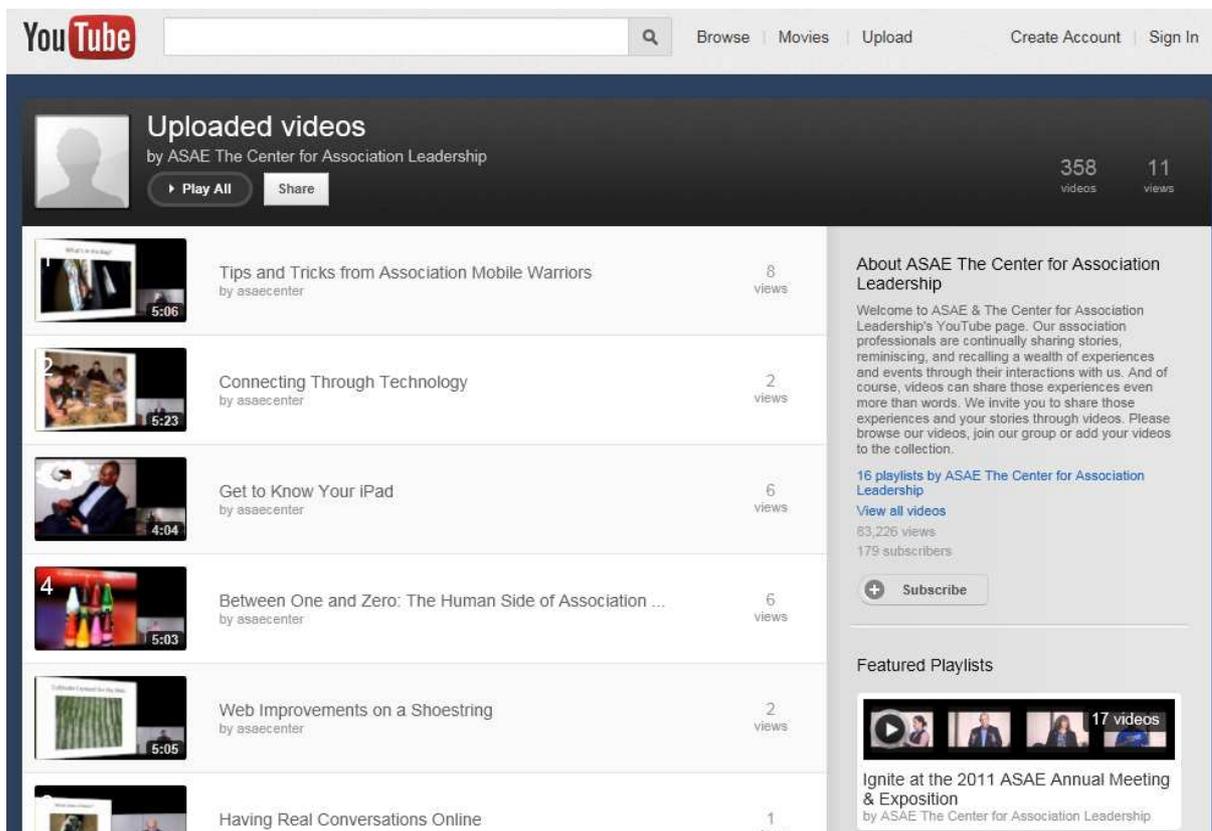
Many associations will also find their members have formed “un-authorized” groups using the association’s name, acronym and brand.

Connections in LinkedIn are made to other members through a formal invitation and acceptance process that protects access to private information and the network. Because it is a more “vetted” system, it maintains a relatively high quality experience for participants and is used primarily by business and white collar professionals.

The ability to use highly specific search functions makes LinkedIn an ideal tool for associations to target and recruit potential members. For professional and trade associations, LinkedIn is a superior platform to drive results that have a positive impact on ROI.

Private Social Networks – For years, associations have maintained “members only” areas on their websites that provided paying members exclusive access to premium resources and features. Many associations are augmenting this concept with the introduction of “Private Social Networks”. These are social media applications that provide much of the same features and functionality of the public social networks like Facebook and LinkedIn but that are 100% branded and controlled by the association. Initial research by companies like Marketing General Inc. indicates that associations that are using private social networks also enjoy a higher member renewal rate.

Associations have a number of vendors to choose from to obtain “off the shelf” private social network applications or they may choose to use a custom program. The American Society of Association Executives (ASAE) and the Chicagoland Forum are just two notable examples of associations that are using private social networks to enable peer to peer networking and information sharing amongst their members.



Today, social media must be a part of any international strategy as a tool for member recruitment, retention, engagement and the delivery of services. Social media provides one of the most cost effective ways to reach a widely dispersed global audience with relevant content leading to increased international member recruitment and retention.

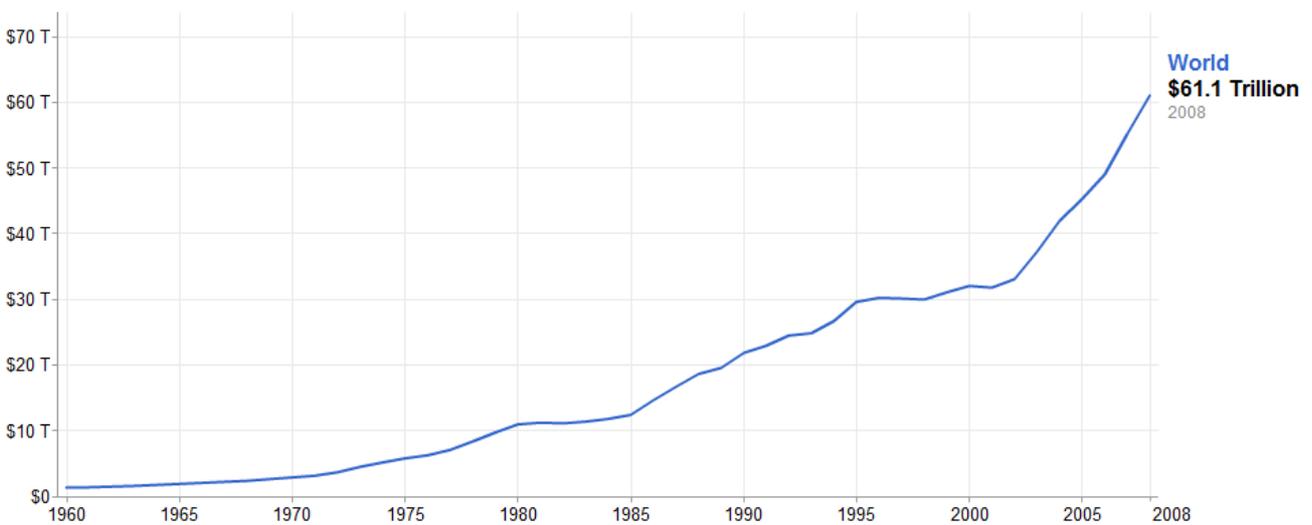
Trade Agreements and International Economic Development

Starting in 1990 with the reunification of Europe and the end of the Soviet Union, the world has experienced a period of economic development, international trade and integration on a scale that has not been seen since the early 1900's. Although many of the developed countries have experienced negative growth during the recent recession, most developing countries continued almost unaffected and continued to grow at significant rates.

As recently as early 2008, "The Economist" magazine reported financial performance figures for 56 world economies. Not one of the 56 economies reported had a GDP growth rate that was negative, and only four (4) had a rate of growth less than 2% per annum. At the same time, only four (4) countries had unemployment rates in double digits (South Africa 25.5%, Belgium 10.9%, Poland 11.7% and Turkey 10.1%.) The remaining 52 countries were in the single digits and in many cases around the generally accepted "full employment" rate of 5%.

Gross Domestic Product

GDP in current U.S. dollars. Not adjusted for inflation.



Data source: [World Bank, World Development Indicators](#) - Last updated July 26, 2010

Less than a year later, the global economy was thrown into turmoil as the financial system shocks froze the credit markets, companies shed a record number of jobs, and the world's stock markets declined an average of 35% from year earlier figures.

This was followed by record low world-wide interest rates and an absence of any significant inflation. In the US, Europe, China and Japan, governments provided significant fiscal stimulus that has since reversed the global recession. With world-wide demand slowly but surely resuming, global economic macro conditions remain poised for a rebound.

The WTO, Global / Regional trade agreements – The World Trade Organization (WTO www.wto.org), based in Geneva, Switzerland, was formed in 1995 as a direct successor to the General Agreement on Tariffs and Trade (GATT). The WTO is a leading driver of change by requiring governments and companies to comply with agreements on the sales of services and goods between WTO member countries.

Today, the WTO consists of 153 member countries, out of a total of approximately 195 countries that are recognized in the world.*

The primary purpose of the WTO is to administer trade agreements, facilitate trade negotiations and mediate disputes, influence trade policy and provide technical assistance and support for developing countries. The WTO agreements cover the trade in goods, services, creations and design (Intellectual Property).



Examples of regional trade agreements

- The European Union, (EU)
- The European Free Trade Association (EFTA)
- The North American Free Trade Agreement (NAFTA),
- The Southern Common Market (MERCOSUR), South America
- The Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA)
- The Common Market of Eastern and Southern Africa (COMESA).

Regional Trade Agreements (RTA's) exist in parallel to, and in some cases, in contradiction to, WTO agreements. Associations should make themselves aware of RTA's to better understand the relationships between countries and within regions of the world. There are opportunities within regional trade groups that are not evident when just looking at US trade patterns.

* A list of world countries and capital cities can be found in appendix.

According to the WTO, most member countries are party to one or more regional trade agreements or RTAs. The surge in RTAs has continued unabated since the early 1990s. There are now more than 500 RTAs, the vast majority of which are free trade agreements between two or more countries.

Regional Trade Agreements are important because regional trade represents a significantly higher percentage of total trade and business volumes than the more often reported international trade figures between North America (the US specifically) and the rest of the world. Regional trade and business practices represent opportunities for professional and trade associations to become more active within various regions of the world, rather than the traditional approach of acting from a distance.

The growth of regional trade agreements is also a direct reflection of the world's changing political landscape. As the post WWII bi-polar world has evolved over the past twenty-five years into a multi-lateral, free-trade based setting, people are interconnected more and more through trade and common political platforms. The most visible contemporary and successful example is the European Union, expanding from 15 to 27 countries and over 600 million citizens. By historical standards it is a relatively young political body, the European Parliament having celebrated its 50th anniversary on 19 March 2008.

The European Union continues to play one of the most visible roles in world trade and development as a leading enforcer of anti-trust laws, as a strong advocate for environmental standards, and as a key player in the dialogue between East and West, North and South. Even on the global security front, Europe is taking a more proactive posture compared to previous years.

Standards, Education, Qualifications and Certifications – Multinational corporations are key drivers for change around the world because of the impact they have on local economies, especially because of the professional and ethical work practices they introduce. Most, if not all of these work practices are based on standards and accepted business practices that originate from or are part of trade and professional associations' bodies of knowledge.

Major corporations, whether they originate from North America, Europe, Japan, Australia or South Africa, operate in a 24/7/365, round the world environment with research, development, production, sales, marketing and distribution operations located in the most

efficient and effective places they can find, regardless of national borders. In order to run and operate a global enterprise, companies look for standards and benchmarks in order to drive efficiencies in all their operations. The objective is to reduce ‘friction’ and costs by maintaining a global workforce that has equivalent knowledge, skill and training world-wide. This in turn drives a demand for standards in product design and safety, as well as standardized education, training and qualifications for their staff.

One of the key tenets of the European Union is the free movement of goods, services and people within the EU’s 27 member states. This concept has had a direct impact on the need for equivalent qualifications of skilled individuals as well as for the development of products. It is also driving a major push for the harmonization of technical and safety standards, not just within the EU but world-wide.

There are many standards-setting bodies in the world and many more organizations that provide certifications and recognize professional qualifications, most of which are either associations or closely related organizations.

Standards organizations exist at the International level (such as ISO – The International Organization for Standardization), at the regional level (such as the European Committee for Standardization - CEN), or at a national level. Additional regional standards organizations include the MERCOSUR Standardization Association (AMN), the CARICOM Regional Organization for Standards and Quality (CROSQ), and the ASEAN Consultative Committee for Standards and Quality (ACCSQ) to reference just a few.

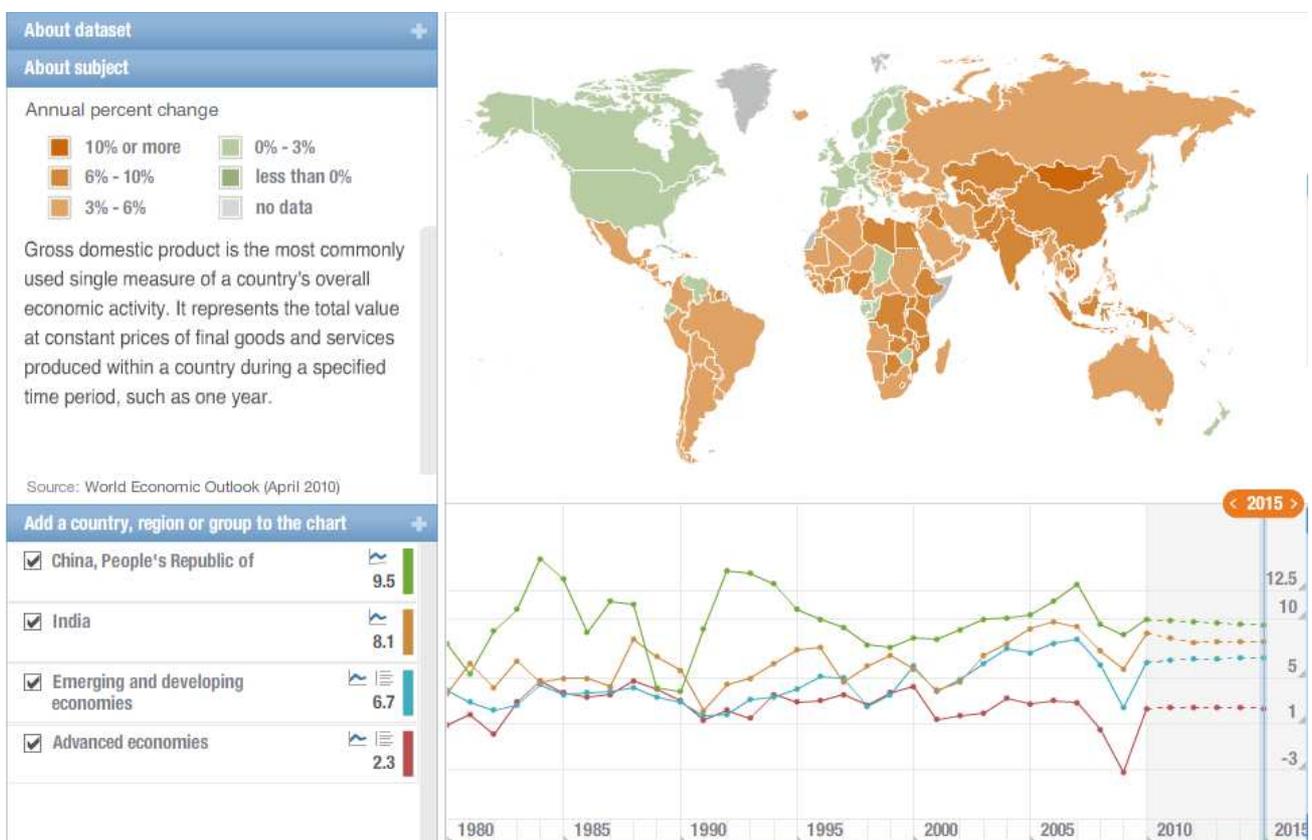
As the world continues to globalize, demand for professional recognition and qualifications continues to grow as well. The achievement of individual professional recognition or for a company to be compliant with industry standards is often a prerequisite for success.

Global Economic Development – The common convention has been to group the world into the “developed” and the “developing” countries, most often using Gross Domestic Product (GDP) or Purchase Price Parity (PPP) as the measurements to determine which country, as a whole, is in the most developed, developing or in the least developed category.

Today’s reality, however, is more complex. Many countries that in the recent past would have been categorized as “least developed” or as “developing” nations, now enjoy a significant rise in their standards of living. Many items that were once considered as luxuries are now

considered to be a minimum standard. For example, many rural communities in Africa that had no telephone service at all now have access to mobile phone technology, completely leapfrogging a more traditional and gradual development path.

Countries that have large populations with rapidly developing economies like those in Asia, especially China and India, have within them “developed” communities of upwardly mobile, modern knowledge workers of a significant size. The traditional, more simplistic view of categorizing an entire country as “least developed” can hide or mask opportunities where markets have matured on a localized basis (such as within major cities) or a regional basis (such as the East Coast of China or Central Europe).



Source: IMF August 2010

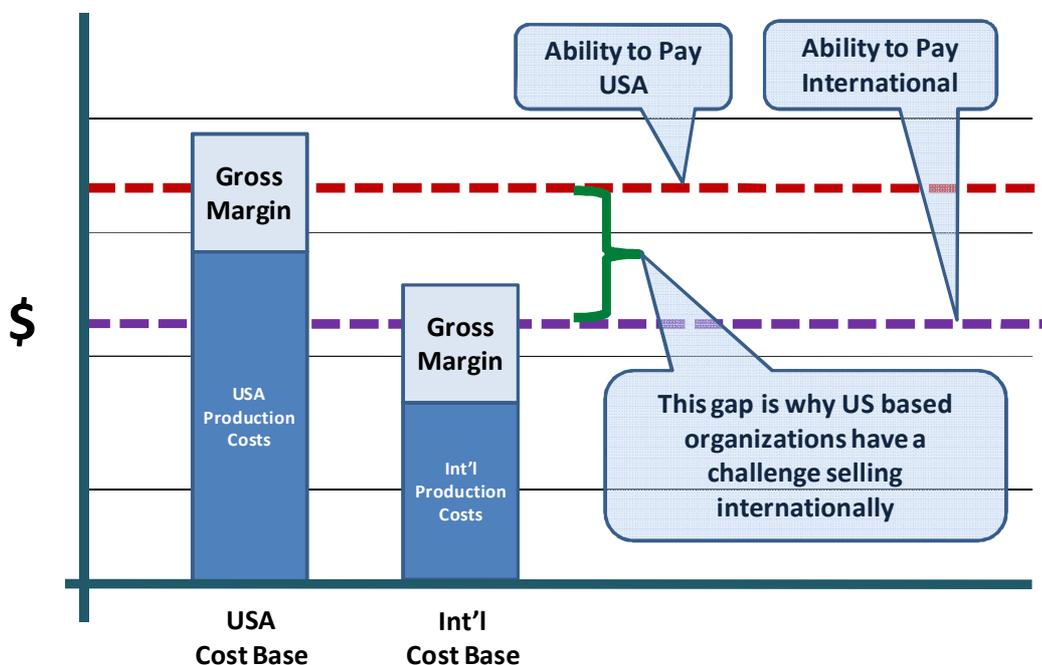
For example, both India and China are estimated to have “middle class” populations approaching at least 350 million citizens each. This middle class has developed the capacity to purchase a car, television, cell phone, invest in housing and continuing education and has discretionary income. This rapidly growing middle class population in the world shares all of the same aspirations and expectations of the “Western economies” that they have come to be so familiar with thanks to global communications systems.

India has been an independent democracy for only 65 years. Starting in 1980, the country embarked on a strong economic growth path, albeit from a very low level, and is now building on its successes. Companies like Reliance, InfoSys and Tata are not only national champions in India but are expanding their operations to be true global players. China likewise shifted to a market based economic model starting in the 1980's and has gained momentum ever since. The subtle shift in official Chinese policy to stimulate domestic consumer led demand provides new opportunities for international associations by; a.) driving up local prices making Western goods and services more competitive, b.) devaluing the Remimbi (the Chinese currency has depreciated by 24% since 2002 against the US Dollar) and c.) dramatically raising wages.

The size of a potential membership base outside your national market will depend on several factors, including the ability of your target audience to afford your services and products.

One common challenge that many US based associations face is the fact that they find it difficult for many international markets to pay for membership and other services. Often this is because the ability to pay (purchasing power) is lower in these countries but the cost of the service or goods has to be kept high if it is to be sold at a profit.

Market Pricing Strategies



Unless the US based association can reduce its cost of production (whether for a product or a service) it will be at a cost disadvantage compared to a local producer, in this case, a local association or similar service provider.

Few of us have the opportunity to personally see how fast and how extensive the world is changing but this change is happening and it is indeed rapid when viewed in a proper historical context.

The auto industry provides numerous stark examples of just how vast this change is. In the short span of just ten years, the Slovak Republic (a small, former iron curtain country) became a premiere maker of quality automobiles sold throughout Europe. Today, General Motors and Volkswagen sell more cars in China than in the US and Germany.

The global “Supply-Chain” effect – Many businesses are part of a vast, extended network of suppliers, producers, distributors and consumers that can include literally thousands of companies and tens of countries. Multi-national firms, and more commonly, virtual multi-national companies made up of partnering companies around the world, are the norm rather than the exception today.

A Global Supply-Chain



As companies have evolved from a local or national only based production and distribution network to a multinational product development, production, sales and distribution model, many US based associations have seen their members’ needs shift from a US only focus to an international or global focus. This change has not been smooth or universal, leading to competing interests within the association, raising significant questions.

For Trade associations in particular there is a seismic shift taking place. A significant percentage of trade association members are feeling the competitive pressure brought on by globalization and are turning to their national trade association for protection. At the same time, a good number of other members in the same trade association are embracing globalization as the inevitable way forward for their business interests, and they expect their association to support those interests.

Over the last 5 years however, the discussion within the Boards at trade associations has evolved. It used to be that a majority of trade association members were talking about how to stem the tide of globalization, taking a protectionist stance. Today, the majority view is rightly focused on how best to exploit the trend of globalization and to expand. For those members that remain focused domestically, the association serves as a resource to keep domestic members informed and therefore more competitive.

The realization that no one entity or association can change global trends has evolved into a discussion on how to make the best of these global business environmental trends.

The Forces of Globalization – How to make them work in your favor?

The economic slowdown that began in 2008 magnified the difference between those organizations that were able to expand and serve global markets versus those that remained nationally or locally based in a shrinking market. According to a survey conducted in February 2012 of more than 250 trade and professional associations, 66% of those organizations that had a high percentage of international members experienced more rapid membership growth than associations with few or small international member segments.

How can US based associations take advantage of the changes in the global environment to educate and prepare their US members to remain competitive? How does a US based association transition from a US stakeholder base to a global stakeholder base?

- Associations must remain relevant to their members, those that are threatened by globalization as well as those that are engaged in globalization.
- Associations that inform members on international developments (new knowledge, standards developments, changing professional practices, etc.) will help both categories of members make better informed decisions.
- No single association has any real power to forestall market forces; the successful approach is to understand your environment in order to make better decisions and work with global trends.

The first step is being aware of what is happening within your professional or industry sector from outside your comfort zone. Your association must monitor what is happening in other parts of the world that might have a significant impact on your organization or your members. This includes seeking out new sources of innovation, developing trends and the emergence of new markets, as well as new competitors.

—

***There are those that make things happen; those that watch things happen;
and then there are those that ask... “What happened?”***

Attributed to many, appreciated by all....

Unique opportunities for Associations

Associations no longer hold the exclusive keys to knowledge and networking. Newly emerging groups, for-profit entities, social networks, the media and government resources have all thrown open a world of easily accessible knowledge. The same tools that enable networking and information sharing for associations have removed that exclusive benefit from the control of associations at the same time.

What remains as a competitive advantage for associations are six areas of activity and services that are either very difficult or impossible for the for-profit world to replicate or to provide. These are the greatest sustainable product lines available to the association community going forward:

- **Standards** – Driven by the need to reduce barriers to trade, enable the diffusion of technology, and drive transparency in all facets of human activity, standards are in demand as never before. Associations, using a democratic, peer reviewed and transparent process, offer the most robust and tested methodology for developing common standards for products and services.
- **Education** – Directly linked to the understanding and use of global standards, associations are in the best position to provide professional education that supports or is compatible with the standards developed from within its community. Because associations draw on a vast pool of professionals, they should be in a superior position to attract the most qualified instructors.
- **Training** – Delivery of professional development opportunities and the use of best practices, identified through a peer reviewed collaborative process, are in high demand. Associations are uniquely positioned to collect information from a broad stakeholder group and to present it in the form of training programs.
- **Certification** – Demonstrated proof of training, development, skill and qualification is of very high value and keenly sought after, especially in many international markets. Commercial entities simply do not have the same level of credibility that associations do when issuing certifications and governments usually prefer a profession or industry to self monitor, maintaining the industry standards and accrediting their areas of expertise.

- **Accreditation** – There is an opportunity to leverage and extend your organization’s scope of influence through existing channels of education and training by accrediting education and training providers. Although it requires significant time and administration, this is a potentially successful option to reach and develop new markets abroad with less investment and risk, by working with partners*.
- **Government Affairs** – The rapidly changing trade environment is having an impact on governments around the world, driving them to draft and adopt legislation that is compatible with, or at least not obstructionist to, the international business community. Governments are looking for objective sources of information and expert opinion on which to base the new legislation they are tasked with drafting. In the case of the European Union as an example, where legislation at the “federal” level is relatively new, associations are not only welcomed but encouraged to get involved in the development of new regulations and laws.

It is important to recognize that the principles of government affairs and politics apply equally, wherever in the world you may be. Namely, that legislators will work only with groups that they feel represent their electorate or stakeholders. Therefore, when doing government affairs abroad, a wise strategy may be to establish a local chapter or subsidiary, partner with a local or nationally related organization, use an experienced specialist or consultant, or at least establish a local contact point in the major political capital where you wish to be of influence.

Meetings led strategy - In addition to the above six (6) specific areas where associations have a unique competitive advantage, organizations should consider how to leverage one of the most common and most effective tactics to grow internationally; through meetings. Meetings are highly effective because they function as a platform to facilitate multiple benefits: information exchange, networking, dissemination of new product or service information, promoting the association brand, etc.

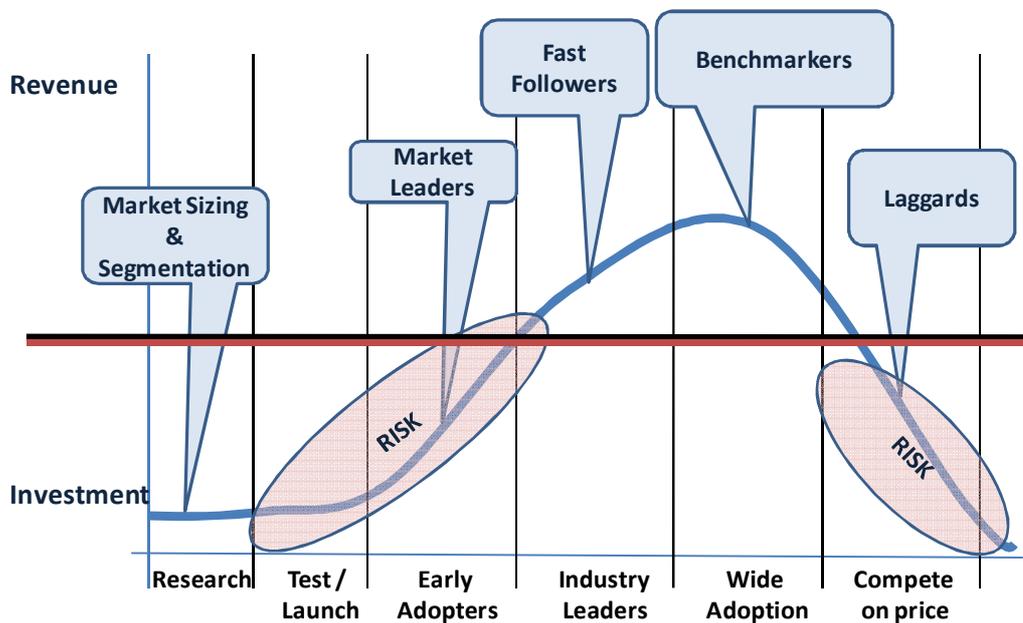
***Franchising** – One option that may be appropriate for some associations is to license association content. This may include the use of the association brand, publications, training materials or many other forms of intellectual property. The use of licensing in an international strategy can be a method to reduce risk and up-front investment while expanding into new markets. It is also a good approach when you want to disseminate information in different languages by licensing the rights to translate content.

Growth in Traditional and Emerging Markets

Why do so many associations “fail” at international development? And why are associations at risk if they do not grow their international business?

Developing a new market, regardless if it is an international or a national business, progresses through similar steps. Early phases, such as the research, testing/launch and early stage roll-out typically consume resources before they start generating significant revenue. Once the market becomes more established, the leading market entrants (association or for-profits) will win the majority of the profits in that market.

Market Development Phases



As more entrants enter (the “benchmarks”), attracted by the profits of the industry leaders, the market matures and eventually starts to commoditize the services or products. Eventually there is a competition based on price rather than service or quality and the profits drain from an over-supplied market. By this time however, leading organizations will have identified ways to innovate, and to have defined either a new market for their services, or have redefined their offering to the existing client base.

Just as there is risk when entering a market, as illustrated above, there is equal risk in staying in a mature market too long. Leading organizations start planning for tomorrow, before they feel the pressures of a declining market position.

Global markets offer the best opportunity for associations to innovate and grow while they are still in a mature market at home.

A Process Approach to Strategy Development

GLOBALSTRAT advocates using a process based approach to develop a successful growth strategy. This approach ensures that the strategy is developed in a sound manner and that critical issues are anticipated. The result is a strategic business plan that is tailored to the needs of the association and reflects its unique culture, environment and vision.

1. Discovery and Scoping

At the Discovery and Scoping stage, the focus is on developing a deep understanding of the organization's mission, vision and history as well as its culture, governance structure, staff and membership. These essential understandings help to define, categorize and prioritize a set of organizational goals.

Your Objectives



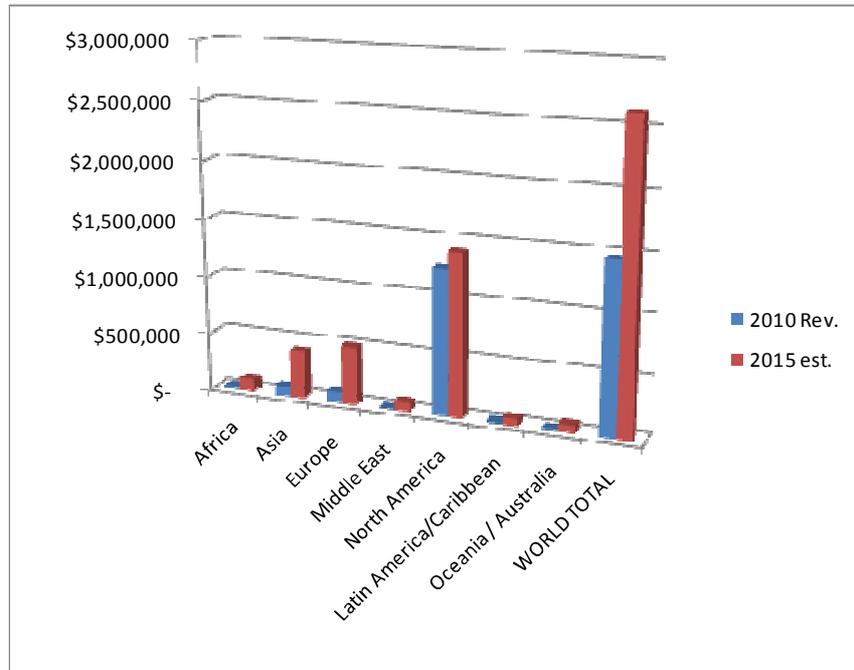
Part of the process approach is to identify, quantify and measure goals that are intangible or “soft” versus those goals that are easily quantifiable or “hard” objectives. The outcome of that process will have a strong influence the focus of the international business plan.

Most associations have a combination of “hard” ROI goals (revenue and margin, number of members, number of attendees) and “soft” goals (increase the profile of the profession and raise the standard of professional practices world-wide...). Few associations however explicitly identify the relationship between these two very different types of objectives and determine their relative priority to one another. Generally speaking it is the “hard” metrics that drive revenue and it is the “soft” metrics that consume resources.

Getting the mix right is a crucial part of setting your strategy.

2. Baseline Setting

At the Baseline Setting stage, your current level of actual international activities, initiatives and revenues are measured to assess the overall financial, operational and managerial impact these activities currently have. This will also allow you to measure future performance and judge the results once the strategic plan is implemented.



	2010 Rev.	2015 est.
Africa	\$ 25,000	\$ 110,000
Asia	\$ 76,500	\$ 410,000
Europe	\$ 87,250	\$ 500,000
Middle East	\$ 5,000	\$ 75,000
North America	\$ 1,253,700	\$ 1,400,000
Latin America/Caribbean	\$ 7,500	\$ 55,000
Oceania / Australia	\$ 12,000	\$ 65,000
WORLD TOTAL	\$ 1,466,950	\$ 2,615,000

In many cases, the amount of revenue generated from “international” sources is underestimated. When calculating your baseline measures, all sources of international funding and content should be taken into account, including: international participants, exhibitors and sponsors to your live events, non-US webinar participants, book sales, authors and speakers that contribute content and of course international members. In many cases, these figures have not been collected or reported before and only assumptions have been made about what the true amount of “international” revenue really is.

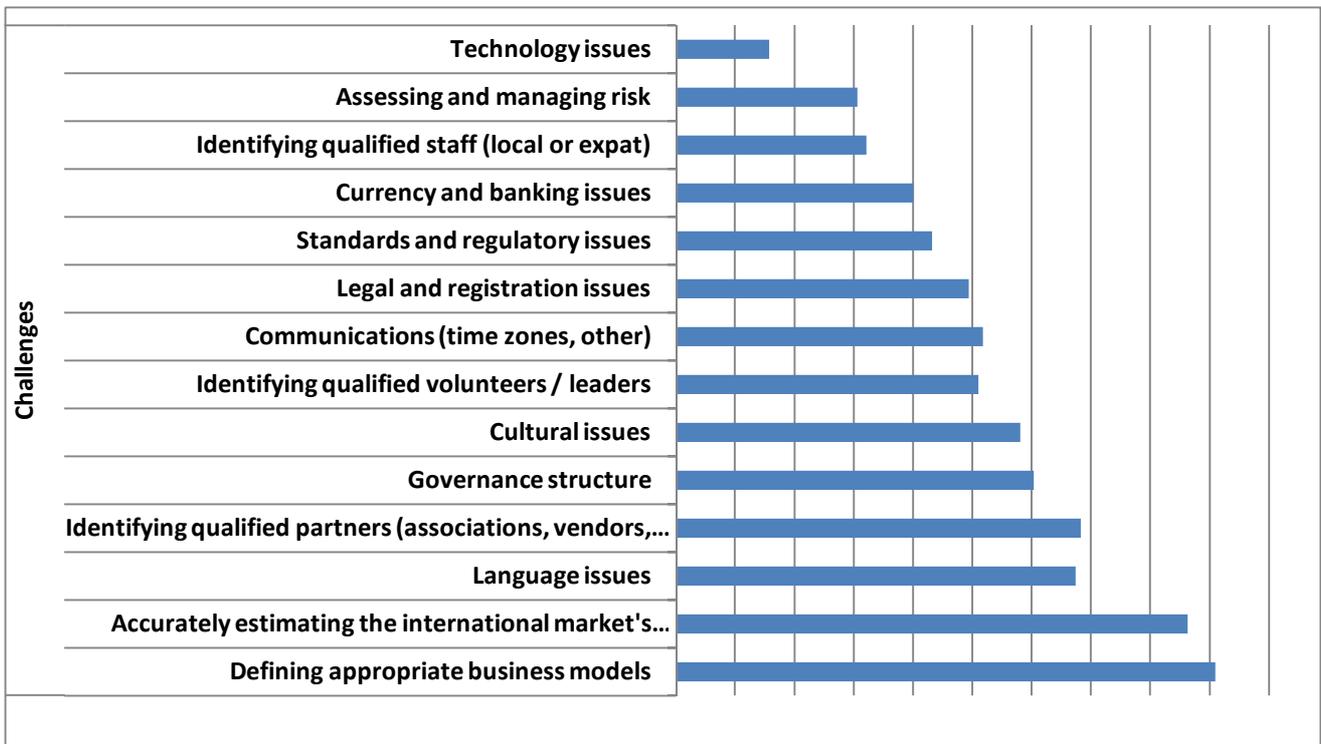
3. Environment and Market Research

When performing environment and market research, a set of techniques and tools* are used to create a profile for each target market and environment. These are then further interpreted and examined in the Analysis stage.

(*Interviews, surveys, SWOT analysis, competitor mapping, environment scan and utilizing focus groups are examples of some of the approaches that are used when conducting environment and market research.)

According to our recent survey of more than 250 organizations, the greatest challenges and most difficult obstacles to overcome included;

- Defining appropriate business models
- Accurately estimating international market potential
- Language issues
- Identifying qualified partners



It is important not only to estimate the overall potential demand of an international market but to also understand if there is a “gap” that your organization can fill. If the market demand is already being met by local, established associations and for-profit companies, there may not be enough unmet need to be sustainable for your organization.

China for example is often viewed as a market with enormous potential. However, it remains to be seen if the market is able to be exploited profitably. All of the top obstacles listed above come into play in China, for example;

1. How do you operate as a not-for-profit in China where it is difficult to register and difficult to remove funds as a not-for-profit?
2. Although there are more than 1.3 billion people, how many are true potential members for your association?
3. How do you cope with the language issues?
4. How do you go about identifying, contacting and vetting partners in a vast country like China, especially when the government is involved behind the scenes in almost every major sector?

Having a large potential market is just one-half of the story. Identifying the real potential is what matters most and is the most difficult challenge all organizations face.

4. Analysis

At the Analysis stage, all preliminary research will be examined and interpreted. The relationship between your association, including current international activities and offerings, and the markets that have been researched will be assessed to form the foundation of a realistic and achievable business plan.

It is important to craft and analyze alternative scenarios for your organization's market entry planning, including a review of alternative forms of establishment (chapter structure versus a federation, or a for-profit subsidiary, etc.) and what type of deployment approach might be most effective (establishing a local "Point of Presence", a regional Headquarters, services delivered from the Headquarters staff team, or partnership with a local affiliate as a few examples).

The analysis stage is an exciting phase in the development of your global strategy. It is normally at this stage, while working with staff and volunteer leaders, that creative insights are made. It is the analysis stage where alternative scenarios are explored and debated.

One of the greatest benefits of developing a global strategy is that your organization has the opportunity to introduce new business models, products or services in new untested markets that would be impossible or difficult to do at home.

5. Review Governance Implications

The form of your governance structure will have a major impact on your ability to deliver a successful international strategy. Your legal and policy frameworks should be aligned with your organization's mission, vision and strategy. Often, an association's governance structure must be adapted to support a more international posture.

When developing your global strategy, it is important to understand what is universally applied to your profession, industry or body of knowledge, and which aspects are governed by local conditions. Based on experience with many organizations over the years, typically 60-75% of what an association does applies equally well all over the world. The remaining 40-25% is highly influenced by local rules, regulation, culture and tradition.



- ❶ Market Research (Local / Regional / Global)
- ❷ Global Governance / Strategy / Business Plan Development
- ❸ Implementation , Customize for Regional / Local Needs

The first step (1) in the process is to conduct the necessary research and market studies to determine which concepts and information are applied universally. You will want to measure the true opportunity of international markets before going further.

Second (2), establish a global governance structure that will support the development of your international strategy and business plan. The right structure will ensure you get commitment from your global stakeholder group.

Thirdly (3), use your global structure to faithfully translate global core truths and your base Body of Knowledge (BOK) into regional or local programs that meet the needs of your members. Remember, the amount of customization required will differ greatly from association to association.

As democratic organizations, it is normal that some form of representation should be given to your different association membership segments. When crafting your international strategy, it is important not only to consider what is the right structure for today, but to anticipate what is the right structure for your future. This includes considering different business models for different parts of the world.

Not all options are appropriate and before making recommendations on a business model and implementation plan, the potential impact on the association's governance structure and potential legal implications should be reviewed. Some potential business approaches may simply be inappropriate or would meet strong resistance within the culture of the association from a governance perspective and therefore would not be recommended.

6. Business Strategy Development

The Business Strategy Development stage is where the association leadership defines and confirms specific organizational objectives that the business plan will be designed to deliver. This stage is also when the form of business structure and governance, as well as the products and services that will be deployed, are defined. This stage would identify which markets would be developed, in which order and how they would be approached.

Often, the world is categorized into tiers or groups at this stage according to key business characteristics. This can include things like the Gross Domestic Product (GDP) or Purchase Price Parity (PPP) as well as characteristics that are unique to your association's business or professional sector. What is important is that you have a common approach that can be applied to prioritize your efforts and to focus on those countries and regions that share similar characteristics.

It is also very important to have defined by this stage how you are going to measure "success". This is actually one of the areas that associations struggle with the most, especially volunteer board members. Everyone can agree that we want to be "successful" but what does that mean? How will you know when you have arrived?

As the saying goes "If you do not know where you are going, any road will get you there." Spending the time needed to define, in measurable terms, exactly what you mean when you are talking about achieving success as an organization is time well invested.

7. Business Plan Composition

Once the target markets have been defined, the business model has been selected and the products and services defined, it is time to craft a detailed business plan. Typically, the business plan will cover a period of three years, highlighting milestones and stressing financial performance (i.e. budgets, sales forecast, monthly cash flow and revenue projection) that would map to the business strategic approach.

SAMPLE Business Plan Cash Flow Forecast 2009/2010/2011										CASH FLOW (PERIOD FROM JAN TO DEC 2009)											
Description	Qty	Value	Membership	Events	Sponsors	Products	Programs	Certification	Allocated	Totals	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug			
Income			\$76,500	\$54,500																	
Membership																					
Membership "Regular"	250	\$210	\$52,500																		
Membership "Associate"	150	\$150	\$22,500																		
Sub-Totals	400																				
Events																					
Delegate "A" (Early)	100	\$150		\$15,000																	
Delegate "B" (Regular)	100	\$225		\$22,500																	
Delegate "C" (Onsite)	100	\$225		\$22,500																	
Delegate "D" (Discounted)	200	\$100		\$20,000																	
Sub-Totals	400																				
Sponsors																					
Sponsor Category "A"	2	\$10,000																			
Sponsor Category "B"	5	\$1,500																			
Sponsor Category "C"	10	\$1,500																			
Products																					
Publications	100	\$50																			
DVDs	100	\$50																			
Programs																					
Workshop	250	\$100																			
Training	50	\$200																			
Certification																					
Application Fee	20	\$50																			
Certification Member	0	\$245																			
Certification Non-Member	0	\$425																			
Renewal Fee	0	\$25																			
Expenses			\$0	\$95,000	\$25,000	\$0	\$0	\$0	\$193,800	\$313,800											
Variable Costs			\$0	\$95,000	\$25,000	\$0	\$0	\$0	\$20,000	\$140,000											
Event Direct Costs		\$55,000		\$55,000	\$25,000	\$0	\$0	\$0	\$20,000	\$140,000											
Event Management		\$40,000		\$40,000																	
Marketing		\$25,000			\$25,000																
Traffic		\$15,000							\$15,000	\$15,000											
Misc		\$5,000							\$5,000	\$5,000											
Fixed Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$173,800	\$173,800											

The business plan would include all of the information captured to date in summarized form, include the strategic approach, and then go further to identify specifically the resources required (financial and human) and revenue generated through the implementation of the plan over a period of three years with month by month financial projections.

8. Business Plan Execution

Your association will have several options on how to put the business plan into action. These implementation options each have relative advantages and disadvantages.

For example, for a meetings led strategy, you may want to manage your international events using your in-house meeting planning department, outsource a portion of the project to a "destination management company" (DMC), or outsource the majority of the events management to a "professional conference organizer" (PCO). The choice will depend on what resources are available internally, the difficulty of the task, the countries where the events will be held and the availability (or otherwise) of professional suppliers at a reasonable price.

One of the main objectives during the global strategy development process is to educate and train your staff and volunteer leaders to be more effective at delivering international programs. Whether you ultimately decide to use all in-house resources, or if you select external service providers, the skills required to manage and protect the interests of your organization are very similar.

What is critical in all cases is that your staff team and volunteers understand how to identify the right issues, how to ask the right questions and learn where to go to get the information needed to make the best decisions.

International development often requires the assistance of local suppliers and can be a significant factor regarding your success. You will need to plan and allow for sufficient time to identify, vet and select your international suppliers because it is more difficult and time consuming, especially for markets where you may have only limited experience.

Obstacles and Challenges

Although there are significant opportunities for associations globally, and there are more than a few different implementation options, significant barriers do exist as well. The barriers to growth and development outside a domestic national market often include most, if not all of the following elements:

- **Governance** – Expanding your organization’s activities internationally will impact your governance and management structures. You will want to strike a balance between control and empowerment, between brand identity and adapting to new cultures and perceptions, between engagement and risk management. The right governance structure cannot ensure success but the wrong governance structure can ensure failure.
- **Language** – Depending on your specific stakeholder group profile, language can be a significant barrier. For the sciences, white collar professionals, medicine or IT for example, English is commonly used and is therefore not a significant barrier. Many professional associations represent individuals who do not have a second language capability and for whom language is therefore a major barrier. It will depend on the profile of your member segment internationally.
- **Legal** – Operating in a foreign country exposes your organization to potential legal risks. In addition, the need to register your business in order to conduct operations in more than one country requires time, patience and knowledge. The process to become registered as a proper not-for-profit entity can be difficult, expensive and time consuming and requires ongoing administrative, legal and language skills that your association may not possess in-house.
- **Finance (Banking / Currency)** – International payment systems and the (in)ability to pay in a local currency, to a local institution are of great importance when trying to retain or attract association members. Your association’s ability to repatriate earnings may or may not be straight forward, or in some cases, not even allowed. Fortunately, internet banking, third party payments systems like PayPal and an integrated global financial system means it is easier than ever to maintain control and transparency over your international financial operations.

- **Culture** – Every culture is unique and special, requiring sensitivity and appreciation. The majority of the world’s cultures have histories that extend hundreds if not thousands of years and that are tied to specific locations and languages. People everywhere often feel that they have as much to contribute as to gain by joining and association and are sensitive to being “talked down to”. It is always good practice to exercise respect and to consider what can be learned from your international counterparts. Especially today, innovation is taking place in all corners of our planet and it is a wise organization that looks for thought leadership, regardless of its origin.
- **Competition (direct / indirect)** – The concept of a “not-for-profit” organization in different parts of the world is very different. Individuals and companies will often expect some direct benefit from their contribution as a “volunteer”. Different cultures also do not share the same concept of division between government, business and the not-for-profit sector. It is not unusual in certain countries for the government to play a very direct role in business and civic organizations, including associations. This can make it unclear who is a potential partner or a potential competitor. Invest time to understand who you are working with and their position within the local community.
- **Awareness** – Due to many issues, including those of language and culture noted earlier, there is a greater challenge to identify and reach your prospective stakeholder group. Job descriptions and organizational structures may be very different from what you expect, making it harder to identify your stakeholder group. Because your organization may be new to a region, the fact that your “brand” is well known at home does not necessarily guarantee immediate or universal awareness abroad.
- **Staff Capacity & “Bandwidth”** – International development, like any significant project, requires a long term approach with a sufficient quantity and quality of skilled resources. Your organization may simply not have the quantity of qualified resources and skill sets that a global strategy requires.

For staff that do not have personal experience living, working and managing internationally, it is typically a case of “not knowing what I do not know” and learning through trial and error.

Local knowledge and assets, an international management structure, together with training and coaching for US based staff that have international responsibilities are essential ingredients for success.

Alternative Business Models

Associations have the option to use different structures and approaches to the development and delivery of member services internationally. No single approach fits all organizations or is the only one most successful way of delivering membership services and products. As associations grow and develop, and the environment in which they operate evolves, the association must use the business models that best suit conditions.

The following table describes five different business models that are used by international associations, with a description of each structure and an evaluation of their relative pros and cons. The comments regarding the perceived pros and cons are based on experience and observations of hundreds of associations over the past twenty years. Any or all of the approaches described below “could” be implemented effectively, however, some are more likely to succeed in an international setting than others. Each organization should develop a map that fits their particular organization and environment.

Type of Structure	Features / Profile						
	Ease to implement	Admin	Liability	Control	Reward	Cost	Effective-ness
Single Site	↑	→	↓	↑	↑	→	↗
Chapters/Regions	↓	↓	↓	↗	↗	↓	↑
Franchise	→	↓	→	→	↗	↗	↗
Affiliate	→	→	→	↓	→	↗	→
Federation	↑	↗	↑	↓	↓	↑	↓

↑ = Best ↗ = Good → = Neutral ↓ = Negative

Definitions

The following definitions provide a generic description of how different structures typically function in the context of managing and serving members and volunteers in an association that has differing levels of membership outside its national home market.

Definition of Terms - Features / Profile

Ease to implement – refers to the barriers, or the lack of barriers to establish a certain type of structure. An upward pointing arrow indicates a high degree of ease to implement (few barriers).

Administration – refers to the degree of administrative burden (time and effort) to maintain on an ongoing basis a certain type of structure. A downward pointing arrow indicates a high degree of administration (high amount of oversight and management) is required.

Liability – refers to the degree of accountability for the organization using a particular structure. A downward pointing arrow indicates a high degree of liability (accountability). This includes legal and financial risks.

Control – refers to the degree of influence and unilateral decision making that an organization has over a certain type of structure. An upward pointing arrow indicates a high degree of control and discretion.

Reward – refers to the amount of benefit that attributes to the organization using this type of structure. An upward pointing arrow indicates a high degree of any benefit that is generated is returned to the organization.

Cost – refers to the amount of financial or capital investment required to establish a certain type of structure. A downward pointing arrow indicates a high amount of investment is required.

Effectiveness – refers to the relative effectiveness of a certain structure to provide a satisfactory return or achievement of objectives. Note: success objectives can include membership, sales, influence or other organizational objectives that can be either tangible or intangible.

Pro's and Con's by Type of Structure

Single Site – All membership services are delivered from one central office. Non-domestic membership administration and volunteer support may be assigned to one or more specific staff members in charge of the “international” desk. Challenges to servicing international members include: different time zones, non-familiarity with international addresses, titles, languages, shipping, payment methods etc. Central office staff assigned to international responsibilities may have little or no actual international experience personally.

The positive side is that the Headquarters retain complete control with little or no additional financial or infrastructure investment needed as existing staff and structures are used. It can, however, be one of the least effective means of growing international membership. Members and volunteers often feel distanced from the association and volunteers in particular have little incentive to invest time towards membership development when they do not have access to resources.

 **Pro** – Ease of establishment

 **Con** – Lack of effectiveness

Chapters / Regions – Chapters or Regions (or any other geographical designation, hereafter referred to simply as Chapters) are the most traditional form of international development. They stay within the control of the organization and are, at least initially, established and run by volunteers. Consequently, there is a new additional layer of volunteer leadership that must be managed. It is important that policies, reporting and financial controls are put in place. As chapters grow, you can expect that they will request / demand more autonomous control and resources.

Chapters, given the right balance of autonomy, resources and support, are one of the most effective ways to grow membership internationally. The local volunteers become the best advocates for your association and have many advantages: local knowledge, networks, language skills etc. Since chapters are fully integrated within the organization, you benefit directly from their successes.

Chapters require a good management structure in order to make sure that they comply with agreed policies and that the headquarters is aware of what is happening at the chapter level. The concept of what an association is and how it should function is very different outside the

US. The concepts of volunteerism and contributing to a profession are less common and can lead to misconceptions and differing expectations amongst volunteers and staff.

 **Pro** – Can be very effective in promoting growth and development

 **Con** – Requires a high degree of management and oversight, often leading to disputes over resource allocations as chapters become more successful.

Franchise – Several associations have taken the approach to offer a “franchise” to a local operator rather than to establish a chapter. This is particularly true for associations that are delivering training, education and certification services. The advantage of offering a franchise is that the franchisee has maximum incentive to drive growth because of the financial incentive to do so. The difficulty lies in identifying and qualifying an appropriate party to act as a franchisee and to structure a franchise agreement that satisfies both parties.

Franchising is an effective way to get a new market started but often ends up restricting growth as the initial franchisee strives to block competition (to maintain a monopoly position) while often not being able to further develop the market on his own. Franchises also require good management control to ensure that the franchisee is operating in the best interest of the association by respecting the business commitments and intellectual property rights. Success depends on constructing a well-balanced franchise agreement from the start and being able to actively manage the franchisee.

 **Pro** – Takes advantage of an entrepreneurial approach and shared costs

 **Con** – Requires a strong management approach to control the franchisees

Affiliate – Affiliate agreements are typically made with already existing national or regional associations that then become the official affiliate or representative of your organization. In many cases the relationship is nothing more than a co-marketing arrangement with no exchange of revenues or costs. In other cases a percentage of membership fees or an arrangement of co-membership benefits is agreed.

Affiliation agreements are one of the easiest structures to implement and are an effective way to raise the awareness of your organization quickly on a wide scale, requiring fewer resources. However, affiliation agreements bring fewer direct tangible benefits. The nature of affiliation agreements and common practices between associations make it difficult, if not

impossible, to directly enter the target market should you decide at a later date that your affiliate partner no longer meets your expectations. Affiliation agreements are often entered into as an alternative solution in order to avoid direct “conflict” or “competition” between associations. As a result, they often end up in a stalemate as the affiliate does not actively promote your association and you have effectively given up the target market.

 **Pro** – Ease of establishment and fast, wide ranging recognition

 **Con** – Lack of real benefit and inadequate long-term solution

Federation – A federation is a collection of autonomous and independent associations that share some common objective. By definition, federations are formed to bring together several or more already established and independently operated organizations with shared issues to gain a broad representative function.

Federations are traditionally fairly weak organizations, designed to be more political in structure than to deliver direct services. Federations can, however, be strong structures for government affairs or in the setting of standards because of the broader constituencies that they represent.

Federations often are poorly funded since they rely primarily on contributions from their member associations and normally do not have any direct members. There is constant tension between the “center” (federation headquarters) and the member organizations over resource allocation. This is because the individual members of the federation members (associations themselves) often are too removed from the benefits of federation membership and the member organizations prefer to allocate funds to direct member services rather than to federation administration.

 **Pro** – Broad representation, low financial requirement

 **Con** – Ineffective, low direct benefit to membership

Model	Description	Pro's	Con's
Global HQ	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.
Chapters	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.
Federation	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.
Affiliation	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.

Model	Description	Pro's	Con's
Franchise	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.
For-Profit	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).
Regional Offices	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.

Model	Description	Pro's	Con's
Outsourced Services	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.

GLOBAL GROWTH IS NOT A SPECTATOR SPORT

When starting your strategic planning considerations, consider the long term trends affecting your profession or industry sector. You might want to start with these key questions and ask, “What changes are expected over the next 5 – 10 – 15 years?”:

- What are the major trends affecting my profession or sector?
- What changes are taking place in other sectors or professions that may have an impact on my area?
- What is the pace of change in my environment? How fast are things changing?
- Am I aware of what is happening outside my immediate environment?
- Who is in our stakeholder group (and is it the same group internationally)?
- What are we trying to achieve and how will we measure success?
- What are the opportunities and how do we measure their true potential?
- What are the barriers to realize the opportunities? Do we have the knowledge, skill and resources to overcome those barriers, in an acceptable amount of time and at an acceptable cost?
- How do we prepare ourselves, our staff, our volunteers, our members and our partners to be able to successfully cope with the changes that are inevitable?
- Do we have the capacity and resources internally to realize our international ambitions or can we benefit from others who have the experience, skills and structure already established?

As associations confront the many issues posed by globalization they will be forced to ask themselves critical questions about their future. Staff and volunteers will need to work closely to define their future and to make the changes needed to succeed.

Associations are so diverse and operate under conditions and in environments that are so significantly different from one another that it is impossible to suggest a “one-size fits all” solution to international development. Yet, it is hard to identify an association or organization that is not affected, in some significant manner, by globalization.

The question for association leaders, managers, staff and their stakeholders is how will they interpret the changes taking place, correctly identify the potential implications and then decide a course of action that successfully navigates these changes?

The purpose of this paper is to capture the current state of affairs regarding international association management and to help associations ask the right questions, so that they may develop an informed and appropriate strategy.

It is based on research, case studies as well as the author's observations and extensive experience from 20 years in the management of trade and professional associations on an global basis. It is also shaped by the contributions of numerous professionals in the association community that have offered their views and insights.

Feel free to use this paper in your organization as a reference document that stimulates meaningful discussion, guiding both staff and volunteer leaders to ask the right questions.

Your comments and feedback are welcomed.



Terrance Barkan CAE
Chief Strategist & Business Architect
GLOBALSTRAT

tbarkan@globalstrat.org Direct: +1 202 294 5563

Recommended Reading / References

Publications and Books

- “Winning in Emerging Markets” by Tarun Khana and Khrishna Palepu 2011 (Harvard Business Press)
- "The Post-American World" by Fareed Zakaria, 2008, (Norton)
- “The Future of the Competitive Association” (US Chamber of Commerce)
- “Global Civil Society, An Overview”, (Johns Hopkins University)
- “The World is Flat V3”, Thomas L. Friedman, (Farr, Straus and Giroux)
- “The Next Global Stage”, Kenichei Ohmae, (Wharton School Pub.)
- “When Cultures Collide”, Richard D. Lewis, (Nicholas Brealey Pub.)
- “Franchising and Licensing”, Andrew J. Sherman (American Management Association)

NOTE: Visit the book review section of the website at www.globalstrat.org for an up-to-date list of books and reviews, surveys, instant polls and reports.

Periodicals

- The International Herald Tribune, www.iht.com
- The Financial Times, www.ft.com
- The Economist, Economist Publications, www.economist.com

Media

- BBC News Television
- CCTV Television (Chinese International News Channel)
- CNBC Business News

Government Agencies

- USAID – United States Department for International Aid
- US Department of Commerce

International Organizations

- Organization for Economic Co-operation and Development (OECD)
<http://www.oecd.org>
- World Trade Organization, www.wto.org
- United Nations Industrial Development Organization (UNIDO), www.unido.org
- World Economic Forum, www.weforum.org
- World Travel & Tourism Council, www.wttc.travel

Associations

- CSAE – Canadian Society of Association Executives
- ESAE – European Society of Association Executives
- ASAE – American Society of Association Executives
- UIA – Union of International Associations (Brussels)

About the Author & GLOBALSTRAT



Terrance Barkan CAE,
Founder, Chief Strategist & Business Architect
GLOBALSTRAT IIc

Terrance Barkan CAE has been a senior international association manager for more than 20 years. He has served as the Executive Director for international trade and professional societies while based in Europe. Later, he founded Association Global Services (AGS), the first truly global association management company which he grew to more than \$5.5 million in revenue, 50 staff and 11 offices around the world, selling the company in 2008.

In January 2009, Mr. Barkan founded Globalization Strategies (GLOBALSTRAT), a specialized consulting practice that uses a solid process management approach to developing tailored international strategic plans for associations, including the development of professional grade Social Networking Strategies. The company provides independent, expert advice to associations on how to develop their international business plans. This includes how to build internal staff capacity and capabilities to manage their global growth strategies.

Mr. Barkan has been recognized as a Global Thought Leader on association management, is the author of numerous articles on international association management issues including several White Papers and articles that have been published by the American Society of Association Executives and the European Society of Association Executives. He has also served as a special advisor to the Chinese Federation of Industrial Economics in Beijing, China, an umbrella group that includes major Chinese trade associations.

His international business experience has taken him to more than 60 countries around the world on association development projects on 6 continents. He brings an entrepreneurial approach to growing clients with a specialization on developing existing and new international markets.

GLOBALSTRAT helps organizations to grow internationally by developing well thought-out strategic business plans. We also help organizations to learn how to use and leverage emerging "Social Technologies".

We apply our collective experience, knowledge, skill, judgment, creativity, intellect and collaborative approach to solve complex client problems. GLOBALSTRAT provides the kind of advice organizations need today to succeed and grow tomorrow.

Want to learn more? Contact us for more information.

GLOBALSTRAT
Terrance Barkan CAE
66 Franklin Street, Suite 216
Annapolis, MD 21401

Tel. + 1 202 294 5563
tbarkan@globalstrat.org
www.globalstrat.org
<http://www.linkedin.com/in/terrancebarkan>
Skype: tbarkan

GLOBALSTRAT Europe
Graben 4
CH-6300 Zug
Switzerland

***GLOBALSTRAT** is the leading independent provider of professional advisory services for the not-for-profit community on the subjects of International Strategy Development and the application of Social Media. Terrance Barkan CAE is the Chief Strategist and Business Architect for **GLOBALSTRAT**, applying more than 20 years of business and international not-for-profit experience in crafting solutions to complex problems.*

For more information, please visit: www.globalstrat.org | tbarkan@globalstrat.org

Or call +1 202 294 5563

Countries of the World and their Capitals

The countries of the world and capital cities:

Afghanistan - Kabul	Congo, Republic of the – Brazzaville
Albania - Tirane	Congo, Democratic Republic of the - Kinshasa
Algeria - Algiers	Costa Rica - San Jose
Andorra - Andorra la Vella	Cote d'Ivoire - Yamoussoukro (official); Abidjan (de facto)
Angola - Luanda	Croatia - Zagreb
Antigua and Barbuda - Saint John's	Cuba - Havana
Argentina - Buenos Aires	Cyprus - Nicosia
Armenia - Yerevan	Czech Republic - Prague
Australia - Canberra	Denmark - Copenhagen
Austria - Vienna	Djibouti - Djibouti
Azerbaijan - Baku	Dominica - Roseau
The Bahamas - Nassau	Dominican Republic - Santo Domingo
Bahrain - Manama	East Timor (Timor-Leste) - Dili
Bangladesh - Dhaka	Ecuador - Quito
Barbados - Bridgetown	Egypt - Cairo
Belarus - Minsk	El Salvador - San Salvador
Belgium - Brussels	Equatorial Guinea - Malabo
Belize - Belmopan	Eritrea - Asmara
Benin - Porto-Novo	Estonia - Tallinn
Bhutan - Thimphu	Ethiopia - Addis Ababa
Bolivia - La Paz (administrative); Sucre (judicial)	Fiji - Suva
Bosnia and Herzegovina - Sarajevo	Finland - Helsinki
Botswana - Gaborone	France - Paris
Brazil - Brasilia	Gabon - Libreville
Brunei - Bandar Seri Begawan	The Gambia - Banjul
Bulgaria - Sofia	Georgia - Tbilisi
Burkina Faso - Ouagadougou	Germany - Berlin
Burundi - Bujumbura	Ghana - Accra
Cambodia - Phnom Penh	Greece - Athens
Cameroon - Yaounde	Grenada - Saint George's
Canada - Ottawa	Guatemala - Guatemala City
Cape Verde - Praia	Guinea - Conakry
Central African Republic - Bangui	Guinea-Bissau - Bissau
Chad - N'Djamena	Guyana - Georgetown
Chile - Santiago	Haiti - Port-au-Prince
China - Beijing	Honduras - Tegucigalpa
Colombia - Bogota	Hungary - Budapest
Comoros - Moroni	

Iceland - Reykjavik	Monaco - Monaco
India - New Delhi	Mongolia - Ulaanbaatar
Indonesia - Jakarta	Montenegro - Podgorica
Iran - Tehran	Morocco - Rabat
Iraq - Baghdad	Mozambique - Maputo
Ireland - Dublin	Myanmar (Burma) - Rangoon (Yangon)
Israel - Jerusalem	Namibia - Windhoek
Italy - Rome	Nauru - no official capital;
Jamaica - Kingston	Nepal - Kathmandu
Japan - Tokyo	Netherlands – Amsterdam
Jordan - Amman	New Zealand - Wellington
Kazakhstan - Astana	Nicaragua - Managua
Kenya - Nairobi	Niger - Niamey
Kiribati - Tarawa Atoll	Nigeria - Abuja
Korea, North - Pyongyang	Norway - Oslo
Korea, South - Seoul	Oman - Muscat
Kosovo - Pristina	Pakistan - Islamabad
Kuwait - Kuwait City	Palau - Melekeok
Kyrgyzstan - Bishkek	Panama - Panama City
Laos - Vientiane	Papua New Guinea - Port Moresby
Latvia - Riga	Paraguay - Asuncion
Lebanon - Beirut	Peru - Lima
Lesotho - Maseru	Philippines - Manila
Liberia - Monrovia	Poland - Warsaw
Libya - Tripoli	Portugal - Lisbon
Liechtenstein - Vaduz	Qatar - Doha
Lithuania - Vilnius	Romania - Bucharest
Luxembourg - Luxembourg	Russia - Moscow
Macedonia - Skopje	Rwanda - Kigali
Madagascar - Antananarivo	Saint Kitts and Nevis - Basseterre
Malawi - Lilongwe	Saint Lucia - Castries
Malaysia - Kuala Lumpur	Saint Vincent and the Grenadines - Kingstown
Maldives - Male	Samoa - Apia
Mali - Bamako	San Marino - San Marino
Malta - Valletta	Sao Tome and Principe - Sao Tome
Marshall Islands - Majuro	Saudi Arabia - Riyadh
Mauritania - Nouakchott	Senegal - Dakar
Mauritius - Port Louis	Serbia - Belgrade
Mexico - Mexico City	Seychelles - Victoria
Micronesia, Federated States of - Palikir	Sierra Leone - Freetown
Moldova - Chisinau	Singapore - Singapore

Slovakia - Bratislava	Trinidad and Tobago - Port-of-Spain
Slovenia - Ljubljana	Tunisia - Tunis
Solomon Islands - Honiara	Turkey - Ankara
Somalia - Mogadishu	Turkmenistan - Ashgabat
South Africa - Pretoria	Tuvalu - Vaiaku village, Funafuti province
South Sudan - Juba (Relocating to Ramciel)	Uganda - Kampala
Spain - Madrid	Ukraine - Kyiv
Sri Lanka - Colombo	United Arab Emirates - Abu Dhabi
Sudan - Khartoum	United Kingdom - London
Suriname - Paramaribo	United States of America - Washington D.C.
Swaziland - Mbabane	Uruguay - Montevideo
Sweden - Stockholm	Uzbekistan - Tashkent
Switzerland - Bern	Vanuatu - Port-Vila
Syria - Damascus	Vatican City (Holy See) - Vatican City
Taiwan - Taipei	Venezuela - Caracas
Tajikistan - Dushanbe	Vietnam - Hanoi
Tanzania - Dar es Salaam	Yemen - Sanaa
Thailand - Bangkok	Zambia - Lusaka
Togo - Lome	Zimbabwe – Harare
Tonga - Nuku'alofa	

In addition to the countries listed above, there are more than sixty (60) Territories, Colonies, and Dependencies of independent countries.