



## **A New Perspective on State Trade Services: “Economic Growth Through Trade and Innovation”**

Prepared by: Kansas World Trade Center, Inc. – Revised September 2010

### **Overview:**

- *The Kansas economy is strongly influenced by international business.*
- *Kansas companies compete in a global economy and need globally sophisticated leadership and resources.*
- *Kansas has strong industry clusters sustained through innovation (Aviation & aerospace, animal health & bio-sciences, clean energy).*
- *Kansas can help its companies reach their global potential by providing strong public sector support.*
- *The private sector will use its business-to-business expertise to create most efficient outcomes.*

### **5 Steps to Enhanced Trade Services:**

1. Survey current trade resources available and determine business needs.
2. Develop a statewide strategic trade plan.
  - a. Leadership, guidance, resources, support, and performance monitoring provided by State
  - b. Plan implemented in the private sector, using business-to-business expertise
3. Appoint a trade advisory board, including:
  - a. Kansas trade stakeholders to provide guidance, ensure accountability and monitor progress
  - b. State leadership and private sector trade resource providers to attend and listen
4. Develop a public/private partnership for enhanced delivery of trade services and more efficient allocation of resources.
  - a. *Public responsibilities (serve many)* are direct from the State government and visibly championed by the Governor’s office
  - b. *Private responsibilities (customized & individualized)* are delivered through contracts with the private sector and universities and must provide value to companies and thus should be fee-based
5. Establish performance measures & hold responsible parties accountable

### **Examples of public responsibilities by the State of Kansas:**

- Leadership in developing relationships and promoting trade as an economic development strategy
- Marketing the State’s industries and core competencies to the world
- Informing Kansas companies of available trade resources
- Facilitating trade by offering grants which assist and encourage exports
- Advocating to national and foreign governments to benefit the State’s industries

### **Examples of private sector responsibilities:**

- Research of international business opportunities
- Counseling and consultation for conducting international business
- Training for trade compliance, processes, culture and language
- Development of industry specific and special trade programs (e.g. inbound and outbound trade missions, Global Agri-Business Center, International Trade Conference)



## White Paper

### ***What could we achieve if we worked together to develop and implement a statewide trade plan?***

**The Kansas economy is strongly influenced by international business. Kansas companies compete in a global economy and need globally astute leadership and resources. By providing strong support and access to meaningful resources, Kansas and its companies will be able to reach their global potential.**

A statewide strategic trade plan should be developed by private sector contractors. The State's role is to provide guidance, resources, support, and performance monitoring. Private sector implementation will ensure continuity with the benefits of business-to-business expertise.

A statewide strategic trade plan should begin with a survey of current trade resources in the public and private sectors. Strengths and weaknesses should be identified. Once the plan is in place, the market should be surveyed regularly to identify new resources, changes in the global environment and demand fluctuations.

A trade advisory board of Kansas stakeholders should be formed to provide guidance, ensure accountability, and monitor progress. Trade advisory board members should be representative of the customer base, including a variety of industries.

The State should develop a public/private partnership for enhanced delivery of trade services to Kansas. Services that provide benefit to many should be supported and facilitated by the public sector. Customized or individualized services involving greater industry or business expertise should be delivered by the private sector and should be fee-based.

For example, an effective outbound trade mission involves identification of Kansas company and foreign country needs, marketing and promotion, and comprehensive communication and coordination between mission participants and the foreign hosts. The Governor's office must provide the leadership to open doors and build relations with foreign nations and provide official endorsement and assist with marketing. The private sector would provide trade mission support, including host country needs assessments, agenda development and host country support

Services should be distributed on the basis of customer needs and locations, taking into consideration how the customer currently conducts business and where they desire to do business. Areas with greater need for trade services due to higher trade volumes or greater quantities of businesses should have access to more personnel resources. Use of technology for delivery of services and communication is imperative.

As a general rule, services provided by the *private sector* should be fee-based. The State should provide cost-effective assistance to Kansas companies by supporting the infrastructure needed to deliver world-class services such as technology, trade resources and personnel training.

Careful consideration should be given to performance measurement. Accountability metrics must be performance-based and sensitive to the realities of international trade transactions. Suggested metrics include the State's overall export performance, number of trade shows and missions, number of satisfied customers and number of new markets entered.



### **5 Steps to Enhanced Trade Services:**

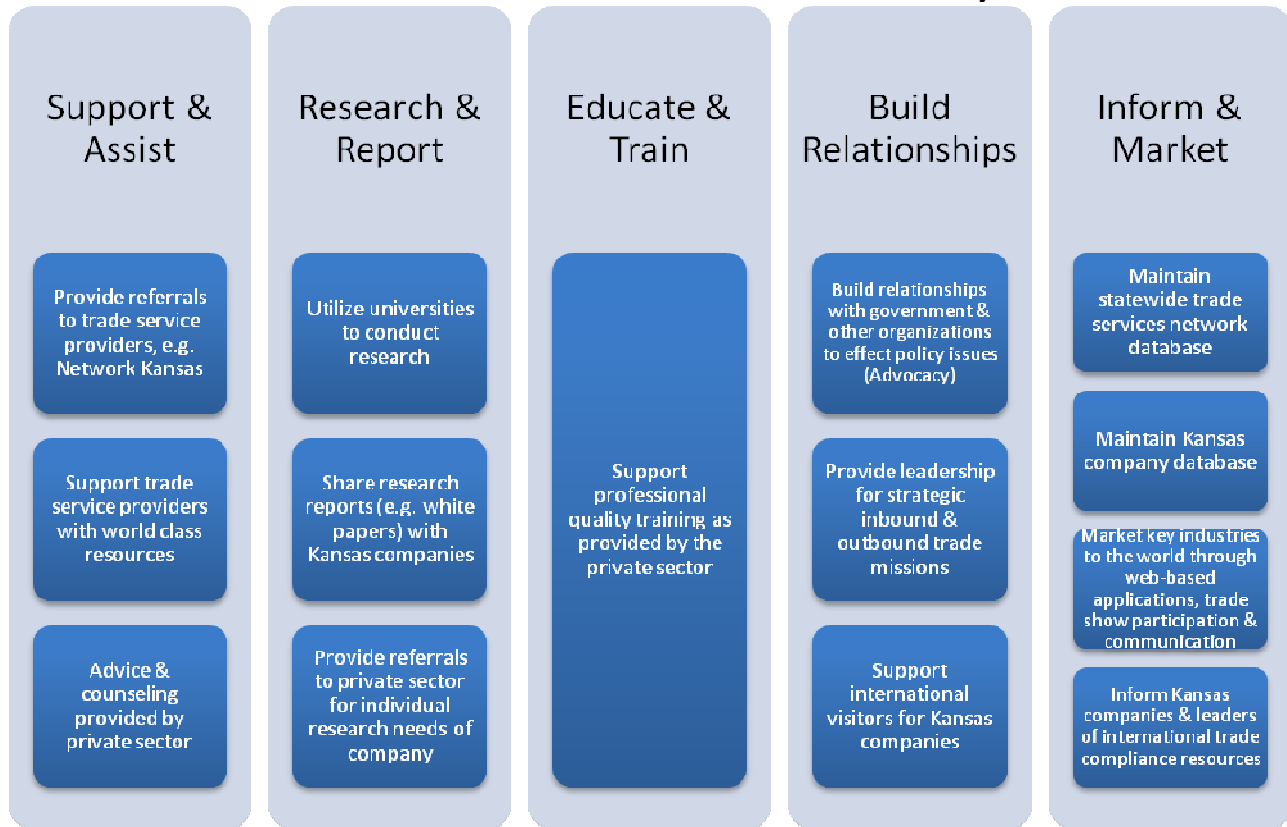
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### **Final Considerations:**

- ❖ Lead with trade for economic growth. Companies that export are better equipped for survival and success
- ❖ Market, nurture, and fund innovation clusters and leading sectors
- ❖ Key component is partnership with the private sector



### State's Role in Trade Services Delivery



Graphic representation of trade services to be delivered from the perspective of the State's role in overall delivery.