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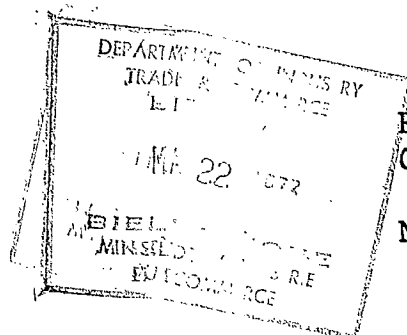
## EXPORT EDUCATION

The purpose of this report is to provide a point of reference survey of present activities in Canada directed to inducing potential exporters to export and educating existing exporters on the most effective way to develop their export business, previously described as education to export and education in export.

The study has followed two main routes. First, a general survey has been made of relevant activity within the United Kingdom, the United States, selected western European countries, Australia and Japan. The survey in this instance was both to provide an indication of the types of educational facilities available and therefore by implication the recognized need on the part of foreign government and industry, and to suggest their applicability to Canadian circumstances and requirements; it is therefore more exemplifying than exhaustive.

Second, within Canada, the study was directed to determining the nature, extent and impact of present export educational activity with a view to identifying if and where additional activity might be required.

The report is therefore organized in four parts - the first in review of foreign activities, the second in review of Canadian activities; the third in summary and conclusions and the fourth in recommendations for departmental action.



R. B. Fournier,  
Office of Promotional  
Support Services,  
November 13, 1968.

# I FOREIGN EXPORT EDUCATION

## UNITED KINGDOM

Although the British Institute of Export was incorporated in 1935 there was, before 1964, little other activity in export education in Britain. After that date, with the enactment of the 1964 Industrial Training Act, as a result of the submission of the 1963 Robbins and Franks reports on British business education, and apparently as a result of increasing recognition by British business of the effectiveness of American-style business education twenty-five universities now offer graduate business courses, a number of graduate business schools have been developed (notably at London, Manchester, Oxford and Bradford), forty-three technical colleges offer approved diploma courses in management, in addition to various business associations and independent agencies that directly provide business education. Export education, while not evident in all curricula, has expanded proportionately. The initial impetus is apparently still producing new training initiatives as outlined following.

### The Institute of Export

The Institute of Export dates to 1924 but was incorporated in its present form in 1935. Its prime objective is education, in the examination and certification of industry personnel capable of discharging complex export duties. The Institute at present primarily concentrates on the technical aspects of exporting and is therefore oriented to the education of junior and intermediate personnel. While its terms of

reference include a number of means by which its educational activities may be performed its main approach is in the professional certification of export personnel. This is pursued in the establishment of three examination levels through which candidates must pass before being admitted to membership as either corporate members (M.I.Ex.) or associate members (A.M.I.Ex.). The Institute does not itself conduct instructional programs as such but is involved in the approval of such programs where designed to prepare candidates for examination. Its present membership totals 6,000.

#### British Institute of Management

The British Institute of Management concentrates on the management aspect of education for export and so is complementary to the Institute of Export. Its current schedule includes a series of seminars and conferences on management of overseas operations in licencing, financing, legislative restrictions; and seminars on marketing in the United States, Finland and West Africa. Under its Management Education Information Unit it collects and makes available information on all types of management courses in Britain, Europe and the United States. Among this information is a current listing of twenty-six British educational institutions and organizations offering forty-four courses on export and international marketing. The more unique of these are as follows.

Ashridge Management College

This institution provides a course on "Introduction to Export Marketing" designed to outline export marketing problems and their resolution for potential and recently-appointed export managers. It is provided full-time in two segments: one week at the College in group projects and case study and one week in Belgium or Germany studying overseas services for the British exporter, the characteristics of the market and the experience of British firms who are active in it.

High Wycombe College of Technology and Art

This institution offers a two year full-time "Post Graduate Executive Diploma in Export Marketing" designed to "produce trained export marketing personnel who are able to conduct negotiations at all levels in at least three European languages and who have received a high degree of practical experience abroad as an integral part of their course". The subject matter includes comparative analysis of foreign trade legislation, marketing of various types of commodities, selection of export sales personnel, techniques of sales forecasting and budgeting, and techniques of top-level negotiation with foreign governments. With an emphasis on practical training students engage in case studies, export sales projects and training in Europe. The first year includes one month at the German College of Foreign Trade in Bremen, and the second year further training at the University of World Trade in Vienna or the European Institute of Business Administration at Fontainebleau. Students are required to attain a high level of

proficiency in German, French and Spanish, with their overseas training and one-quarter of the case work being conducted in one or another of these languages. A key component of the program is an export marketing project which has to be formulated and conducted by individual students or student groups. An example of this is an eight-week sales mission in 1965 to eight European countries which involved the products of twenty-six British manufacturers. This included periods of in-company product training and was underwritten both by companies participating at 250 pounds each and by the British National Export Council to 50% of travel and accommodation. It produced orders of 150,000 pounds.

The course has apparently been greeted with some enthusiasm in British industry with starting salaries averaging twice the pre-training rate and with entrance demand which produces applications two years in advance.

#### Thurrock Technical College

This institution's one-year full-time "Practical Export Marketing Diploma" course is based on an entirely practical approach and is directed both to initial training and re-training for export careers. It involves two major parts; the first including four months of training in Britain on sales techniques, languages (two of which are obligatory from French, German, Spanish and Arabic) and introduction to overseas marketing project work; and the second including eight months devoted exclusively to overseas sales operations based at one

of the College sales centres in Copenhagen, Zurich, Vienna, Hannover, Dusseldorf and Milan. These latter are designed to provide a base for continuing promotion and after-sales contact for a variety of British goods; British manufacturers involved contract with the College to provide market promotion for specified products and students, under supervision at each Centre, are in effect used as local agents in such promotion.

#### Woolwich Polytechnic

Of the variety of export courses the only one meeting the degree requirements of the British Council for National Academic Awards is a four year "College Diploma in International Marketing" course offered by Woolwich Polytechnic. The first, second and fourth years of this course are spent in full-time study at the college; the third is spent in six month assignments in two countries abroad receiving practical business training. The selection of these two countries is determined by the languages the student is studying; as a course requirement he must attain fluency in two of French, German and Spanish.

#### National Marketing Council

The National Marketing Council was founded in 1965, under the sponsorship of the British Productivity Council which in turn is funded by the British Board of Trade, for the purpose of developing a more effective marketing orientation in senior British management. It

operates under the philosophy that instruction at the senior level will have a direct influence on policy development whereas instruction at a lower level will have an impact which is at best indirect and at worst blunted. The Council includes membership from the British Institute of Management, British National Export Council, British Productivity Council, Confederation of British Industries, Council of Industrial Design, Incorporated Society of British Advertisers, Industrial Marketing Council, Institute of Directors, Institute of Export, Institute of Marketing, Institute of Management Consultants, Institute of Practitioners in Advertising, Institute of Public Relations, Market Research Society, Operational Research Society and Trades Union Congress. In addition five independent members are designated to act as chairman of Council Committees on Education, Export, Promotion, Regional Activities, and Research. The role of the Export Committee is to ensure that the deliberations of the Promotion, Education, and Regional Activities Committees take full cognizance of the importance of export matters. The terms of reference of the latter three are respectively to propagandize the need for better marketing within general management, government and the public; to review, improve, and encourage the use of facilities for formal marketing education; and to extend the work of the Promotion Committee to the grassroots level.

As the result of a request from the Council the International Marketing Institute at Harvard University developed the British-American



Management Course in Marketing which was first held in 1966 and which consisted of seven weeks at Harvard and three on a U.S. industry tour. The course was co-sponsored by the National Industrial Conference Board of New York and subsidized to the extent of 50% by the British Board of Trade. It attracted fifty business participants. The second course in 1967 was again co-sponsored by the National Industrial Conference Board of New York but reduced to five weeks at Harvard with a three week tour and with a reduced subsidy from the British Board of Trade. The third course in 1968 was co-sponsored by the British-American Chamber of Commerce and has been extended to six weeks at Harvard with three week tour; forty-five British and fifteen American businessmen participated. The Board of Trade subsidy was removed for the course in 1968 and subsequently and the \$1,475 fee is entirely born by participating companies. In addition to continuing the Harvard course the National Marketing Council is now attempting to develop similar courses in various other universities throughout the United States.

In conjunction with the European Institute of Business Administration at Fontainebleau the National Marketing Council sponsored a 1968 European Management Course in International Marketing. While the course was given in English its purpose was to attract both British and European businessmen. It consisted of three weeks at Fontainebleau and three weeks on European tour for a total cost of 750 pounds.

With the support of the Harvard International Marketing Institute and the sponsorship of the National Marketing Council a group of British marketing executives founded, in 1964, International Marketing Programme Ltd. to organize courses of practical instruction, similar to the Harvard program, based in Europe. The first program was presented at Oxford in 1965, the second at the University of Sussex in 1966, the third and fourth at Cambridge in 1967 and 1968. The 1968 course involved four weeks of case history work on various aspects of international marketing. The Educational Director of the Programme for 1968 was Prof. D.S.R. Leighton of the University of Western Ontario.

In total some 140 business executives attended the three courses sponsored by the National Marketing Council in 1968.

The Council is now being reviewed to the end of strengthening its position of influence in British marketing practice and instruction.

Department of Employment and Productivity

Under the 1964 Industrial Training Act a number of industrial training boards were established with the responsibility, under the authority of the Minister of Employment and Productivity, of making general levies within their respective industries for the purpose of providing grants to firms conducting approved training courses for their employees, either in-company or through approved academic or institutional courses. There are an estimated twelve boards operating in industries with export potential; while only one has as yet taken any initiative in export training a departmental Working Group on Export Training is currently preparing a report on export office work, export sales,

representation and export management.

Export Research Group

This group was formed in 1965 with the object of gaining support for and carrying out research into Britain's export problems. While it has apparently not been too effective in its task it has resulted - through a sub-group consisting of consultants, academics and representatives of professional organizations - in initiating a very comprehensive investigation of export training methods and organizations in the United Kingdom.

UNITED STATES

Department of Commerce

While the National and Regional Export Expansion Councils, as described following, are the most notable involvement of the Department of Commerce in export motivation two other programs are of direct interest. One is in the terms of reference established for Department of Commerce Field Offices involving a requirement to organize at least two trade seminars a month in their region of responsibility (either directly or through local chambers of commerce), to organize two university seminars a year, and to fulfil a monthly quota for out-of-office business calls as established in Washington and to report in detail on these calls to Washington. The other is in twice-yearly meetings, under the auspices of the Department and with personnel from Washington, of the Western International Trading Group. This organization consists of business and government personnel from

the states of Washington, Oregon, California, Arizona, Nevada, Utah and Colorado; it was formed immediately following World War II after it was recognized both in the West and in Washington that western business was not being fully appraised of developments in Washington and that the federal government conversely was out of touch with problems encountered by western businessmen. The meetings involve some 100 to 125 participants and last for 2½ days.

#### National and Regional Export Expansion Councils

The National Export Expansion Council dates to the establishment by the Secretary of Commerce in 1960 of a National Export Expansion Committee of five members; this was renamed in 1962 and expanded to 33 members, and again expanded in 1965 to 70 members to include representatives of the 42 Regional Export Expansion Councils. The latter developed from regional committees of the National Export Expansion Committee which were established "to cause more businessmen to enter foreign trade and to bring to the attention of all business the opportunities available for expanded overseas sales." To better achieve this objective the Regional Export Expansion Councils in 1962 broadened their membership to include representative cross-sections of industrialists, academics, business and trade association leaders. To coordinate the activities of the National Council with the Regional Councils, Regional Council chairmen were subsequently appointed ex officio members of the National Council; Department of Commerce

Field Office Directors serve as Executive Secretaries of the Regional Councils. The regional and national organizations presently include some 1400 businessmen, professionals and educators.

The National Council provides a focus for the views generated within Regional Councils by acting in an advisory capacity to the Secretary of Commerce and also assists in combined promotional activities of Regional Councils as required. While the National Council meets annually in plenary session its continuing activities are performed by an Executive Board of seventeen members and by five Action Committees responsible respectively for investigation the effect of U.S. financial mechanisms on export trade, the effect of the U.S. tax structure on export trade, the resolution of transportation problems, the enlargement of U.S. exports and investment in developing countries, and the "promotion of increased interest in export expansion and greater recognition of the importance of international trade to the United States."

The Regional Councils are considered as vehicles to generate greater public and business interest in export, to provide direct sources of information on problems encountered by American exporters, and to supplement the activities of Department of Commerce field offices by making the business community aware of government policies and programs, providing assistance and developing programs for established exporters, and encouraging non-exporters to export.

The American Management Association

The American Management Association was founded in 1923 to provide a vehicle for the continuing management education of its membership, which now comprises some 53,000 members from over 100 countries. The instructional program of the Association includes courses, conferences, periodicals, films, as well as a continuing series of workshop seminars, orientation seminars and briefing sessions. These latter three represent the most important continuing techniques and involve respectively an exchange of ideas amongst small groups of executives highly experienced in the subject area, an instructional meeting to provide a larger number of participants with information on current practice in a specific management area, and a lecture meeting to a large audience on subjects which are immediately topical. The Association's program operates principally through eleven Divisions, corresponding to major areas of management responsibility, one of which is International Management. During the six months ending October 1968 this Division's American program involved forty-five seminars on various aspects of international management, including area studies and such subjects as international marketing research, financing international operations, international licensing, etc. The Canadian program involved one briefing session in Toronto.

Among other affiliates of the American Management Association are the American Institute for Foreign Trade and various AMA Management Centres, four of which are in the United States and four abroad.

Of the latter the Canadian Management Centre through the Canadian Advisory Group has the responsibility of providing "guidance in establishing and developing an educational program specifically aimed at finding, examining and sharing improved management methods which can best serve Canadian interests."

The American Institute for Foreign Trade

The American Institute for Foreign Trade was established in 1946 for the purpose of providing " a national centre of higher education ..... for careers in international commerce." Its curriculum includes courses in area studies and intensive language training as well as courses in international business, available both to pre-experience and post-experience students. A degree program is available leading to the degree of Bachelor of Foreign Trade (one year of instruction post-baccalaureate) and Master of Foreign Trade (two years post-baccalaureate). The main non-degree program is the six weeks Overseas Executive Training ('Key Man') Course offered five times annually for concentrated instruction in specific areas and languages; it is directed to business executives, and their wives when appropriate, who are being assigned to foreign postings. Since 1946 some 5,000 students have graduated from the various programs; these have been or were subsequently employed by 1700 private and public organizations.

For accreditation the Institute is affiliated with the University of Arizona. Since 1963, however, it has been affiliated

with the American Management Association as a result of the Association's increased emphasis on foreign business management training which led to the International Management Division centres in Brussels, Sao Paulo and Montreal.

The Institute is operated as a self-supporting, non-profit organization with the bulk of its income from tuition fees and subscriptions from business corporations. Present fee scales range from \$885 per semester in the degree program to \$1650 for the "Key Man Course".  
American Society of International Executives

This organization was founded in 1964 under the sponsorship of the Foreign Traders Association of Philadelphia to establish standards and provide recognition for professional qualifications in various fields in international commerce. The Society, like the British Institute of Export, does not offer any course instruction as such but sets standards for various degrees of membership based on experience in international business and/or ability to pass examinations established by the Society. Examinations are presently held twice yearly at nineteen centres throughout the United States. Available credentials include Certified Documentary Specialist (CDS), Certified Assistant Export Manager (CAEM), Certified International Traffic Manager (CITM), Qualified Export Manager (QEM), etc., representing respectively one, two, five and five years of relevant experience, various other established prerequisite qualifications,



and a knowledge level of appropriate subjects as demonstrated through examination. Present membership in the Society totals some 350, including several corporate memberships. The Society presently appears to be directed more to personnel in the working level of export trade.

#### International Marketing Institute

The International Marketing Institute was organized in 1960 by Harvard Business School staff for the purposes of promoting export and marketing education. Its staff undertakes research, teaching and consultation work in the United States and abroad. Its two major continuing areas of activity are the Summer Program and the BLUTRADE Program. The Summer Program is directed to improving marketing and exporting competence and consists of instruction through seminars and case studies for six weeks annually at Harvard Business School. Participation is drawn from a number of countries; the program has also been adapted for presentation in foreign countries. Cost, inclusive of accommodation, is \$1350. In contrast to the Summer Program, the BLUTRADE program is a consultative program with the objective of mobilizing all relevant agencies in a particular area to develop "export awareness" (thus Business Labour University Team Research and Assistance for Development of Exports). Under the Program the IMI provides consultative services, normally to chambers of commerce, in identifying exporters and potential exporters within the area, in developing an interest in export in passive and non-exporters by

instruction on techniques and available services, and in providing assistance to the community in establishing such continuing services as may be required.

The Institute in addition provides instructional seminars for the International Program for Business and Professional Women and, as outlined above, the British/American Management Course in Marketing.

#### AUSTRALIA

To establish a framework through which inexperienced exporters can obtain assistance the Australian Department of Trade and Industry has established a "foster parent" scheme. Under the scheme experienced exporters provide assistance to non-competitive firms without comparable experience by direct purchases to supplement their own export range, by acting as export agents for commission, or by making themselves available to provide free ad hoc advice on export details. Inexperienced exporters are expected to contact, either directly or through the Department, those "foster parents" which have an appropriate interest or product line. The latter are included in a publicized "Foster Parent Directory", the first edition of which contains ninety-three "foster parent" firms.

The "foster parent" scheme is one component of an "export consciousness" program adopted after establishment of the Department of Trade and Industry in 1956. Other measures include an "Export Action" T.V., radio and press publicity campaign highlighting successful

export stories; sponsorship of the Australian Institute of Export to provide formal professional certification of competence among export personnel; seminars on export costing in conjunction with the Australian Institute of Management and Australian Institute of Cost Accountants; exhibitions and competitions on packaging and design for export; establishment of advisory councils of businessmen to discuss export matters with government; awards for meritorious export performance; etc.

#### DENMARK

In the interest of improving communication with small and medium-sized exporters the Trade Department of the Danish Ministry of Foreign Affairs is considering the establishment of an Export Consultant Division; at present export educational activity is pursued through two programs: appointment of selected students as Consular Secretaries abroad for one to two year periods as part of their formal education and similar appointments for more experienced individuals with the intention that these will establish themselves as importers in the countries in which they have been located.

In addition to governmental activity, the Federation of Danish Industries annually holds two five-day export courses for management and export staff of small and medium-sized companies, and an annual export seminar covering in detail a particular export market. The Danish College of Commerce also provides middle management

courses on a regular basis, half of which involve subjects oriented to the practical aspects of exporting.

#### FEDERAL REPUBLIC OF GERMANY

Apparently because of Germany's active trade balance and sufficient current awareness of international business there is little active encouragement of potential exporters or counselling of existing exporters in Germany by the German Government. Nor apparently is it done by the Federation of German Industry because of recognition of the uniqueness of the problems encountered by individual industries. Export education, in a continuing sense, has therefore devolved upon individual private industry organizations, the "Fachverbände", and in some instances, chambers of commerce. Pre-experience education is provided through vocational schools (such as those sponsored by the Frankfurt, Hamburg and Bochum Chambers of Commerce) and by various universities.

#### ITALY

The Italian Ministry of Foreign Trade has, since 1963, organized and endowed through the Italian Institute of Foreign Trade a program of annually inducting and training young college graduates in the practical aspects of export operations, through lectures, seminars and tours. Admission is through written examination; each successful applicant is awarded a scholarship for the course. In 1966, 45 students

graduated, including 40 Italians and five from LDC's. The purpose of the course is to train executives for export industries.

### JAPAN

Since there is little necessity of promoting popular awareness of the importance of export to the Japanese economy and since there is no requirement for export education among the large Japanese trading companies, Japanese educational activity is concerned with counselling rather than promotion and is chiefly directed to small and medium-sized exporters. During the past five years the Bureau of Trade and Development of the Ministry of International Trade and Industry has, accordingly, organized three-month courses in Tokyo and Osaka on the "Fundamentals of Exporting and International Financing" for a course average of 160 small business employees. Instruction is usually given by MITI and University personnel and commences daily at 4.00 p.m. to permit participants to work at their regular jobs. The total budget for the program is some Canadian \$18,000 annually; companies involved are assessed a fee of Canadian \$10 for each employee participating.

Starting in 1969 the "Fundamentals" course is to be replaced by the Japan International Trade Centre. The Centre's basic budget has been set at Canadian \$9 million which is to be funded half by the government and half by private organizations. The Centre will operate as an autonomous unit; it is expected that regular operations will be financed by tuition fees. The syllabus will include

a regular course for commercial, governmental and bank personnel with university graduation and three to five years' experience (for a maximum number of 120 and a term of one year full-time); special courses for high school graduates in small and medium-sized private organizations (for a maximum number of 100 and a term of six months); language courses; and executive courses of two weeks for senior personnel in private enterprises.

#### NORWAY

The main Norwegian export educational project is the Norwegian Institute for Export Education which was founded in 1961 under the joint sponsorship of the Export Council of Norway, the Federation of Norwegian Commercial Associations, and the Federation of Norwegian Industries, and which is jointly managed and financed by these three agencies (roughly corresponding respectively to the functions performed by the Canadian Export Association/Canadian Trade Commissioner Service, the Canadian Chamber of Commerce, and the Canadian Manufacturers' Association). While each of the three managing agencies is private, each maintains a close liaison with the Norwegian government; the Norwegian government therefore provides indirect support to the Institute. The Institute however has no official financial support and is managed on a non-profit basis, with expenses covered by tuition fees (with a seminar fee of some Canadian \$75.00).

The Institute offers a detailed program in advanced marketing - including courses on specific subjects such as financing,

grouping for export, licencing, etc.; an elementary evening course in export fundamentals for junior personnel; and courses on specific problems as required. The courses are given at various Norwegian centres and last from three to fourteen days. The 1968 program includes in addition to the elementary evening course, six seminars on:

1. A study of the Swedish market
2. The export of fish and fish products
3. Export financing
4. Exporting to West Germany (with a study trip to Hamburg)
5. A study of the relations between Norwegian industry and the LDC's
6. A study of export opportunities and techniques in Britain

In addition to its involvement with the Institute, the Export Council of Norway also organizes two additional programs - a program of lectures at Norwegian commercial high schools and "export evenings". The former is designed to explain export marketing to students and to introduce them to the facilities of the Export Council through oral presentations by Export Council personnel. The latter, arranged in cooperation with SAS, are devoted to round-table discussions of specific markets and normally coincide with the visit of a prominent commercial personality from the market area to be discussed or a significant event in the market area. They normally involve some forty selected senior personnel from corporations active in the market area or in a position to commence business in the area.

## II CANADIAN EXPORT EDUCATION

### DEPARTMENT OF MANPOWER AND IMMIGRATION

The Small Business Management Unit of the Department of Manpower and Immigration, under the 1960 Technical and Vocational Training Assistance Act, is responsible for preparing and making available instructional material for business education. This has included the development of casework for seminar presentation on "Exporting" in 1965 and on "International Marketing" in 1968. Both were developed on contract by Prof. I.A. Litvak of McMaster, the former to provide course material for instruction on export fundamentals and the latter for instruction on advanced marketing management. The Unit's activities, in addition to material preparation, include the provision of publicity and other supplementary material for course sponsors, the provision of films and other material for the training of course instructors, and assistance in course evaluation. Course material is all provided through provincial departments of education at a fixed fee (\$37.50 per 25 units); its use is subject to the initiative and policies of provincial departments. Thus the courses have never been used in Newfoundland, Prince Edward Island, Nova Scotia or Quebec; have been used once as the basis of a seminar by the New Brunswick Department of Economic Growth; have been used twice for seminar and lecture material by the Manitoba and Saskatchewan Departments of Industry and Commerce; have been used extensively by the Ontario Department of Education directly and through a variety of sponsors



including the Ontario Department of Trade and Development, the Canadian Manufacturers' Association, the Toronto Board of Trade and various chambers of commerce; have been used once in Alberta under the sponsorship of the Edmonton Chamber of Commerce; and have been used continually as the basis of lecture material by the Vancouver School Board in association with the Vancouver Board of Trade and Canadian Manufacturers' Association.

#### PROVINCIAL GOVERNMENTS

All provincial departments of both education and trade were contacted directly and through the Department's regional offices to determine whether or not they were actively engaged in export educational activities and the extent and type of their educational programs.

##### Newfoundland

- nil

##### Prince Edward Island

- nil

##### Nova Scotia

- nil

##### New Brunswick

The New Brunswick Department of Economic Growth has organized a one-day conference on "Retail Distribution in Canada and the United States" in November, 1967, and an "Exporting" course in the period April through June, 1966. This latter course attracted sixteen participants from eight companies.

Quebec

The Quebec Department of Industry and Commerce has staged two three-day lecture courses on exporting during February and March of 1968; these involved 49 participants from 35 companies.

Ontario

Both the Ontario Departments of Education and Trade and Development are active in seminar and lecture programs, the former in the use of Manpower and Immigration case material and the latter in the development of seminars and forums directed to specific topics. The former, through its Management Development Unit and with the collaboration of the Department of Trade and Development, has organized "Exporting" and "International Marketing" courses involving in excess of 350 business personnel since 1965. Its current program through April, 1969, includes eight two-day seminar sessions on "International Marketing" directly organized (at Rexdale, Sudbury, Brockville, Sarnia, Oshawa, St. Catherines, Collingwood and Don Mills) and two part-time seminar series organized through the Canadian Manufacturers' Association (at Woodstock and Toronto). The course at Rexdale attracted 35 participants. Since 1963 the Department of Trade and Development has organized 31 one day Export Forums and Export Seminars involving in excess of 2000 business participants.

Manitoba

The Manitoba Department of Industry and Commerce has organized two two-day "Export Management Seminars" in March and September 1966 involving 47 participants, from 43 companies.

Saskatchewan

The Saskatchewan Department of Industry and Commerce has organized two two-day Export Seminars in May 1967 and May 1968 involving 51 participants from 41 companies.

Alberta

The Alberta Department of Education has provided in March 1966 under the sponsorship of the Export Development Committee of the Edmonton Chamber of Commerce, a seminar series on Exporting; this attracted 17 participants from 14 companies. The Department of Industry and Tourism is involved in organizing export seminars in Edmonton and Calgary in November 1968.

British Columbia

- nil

UNIVERSITIES

Faculties of Commerce and Business Administration in the following universities are affiliated through the Association of Canadian Schools of Business. Information was requested from each directly to determine their involvement in export instruction through scheduled practical courses, at the undergraduate and graduate level and in extension, specifically devoted to international business and international marketing.

Acadia University

- no course instruction. It is, however, planned that some 100

Business Administration students will be sent on tour of Belgium, Holland and Germany in February 1969 to study comparative management and marketing practices, the latter to involve both domestic and international marketing.

University of Alberta

- undergraduate course in International Marketing.

Bishops University

- nil

University of British Columbia

- undergraduate courses in International Marketing (as a required course in the marketing option with a 1967/68 enrolment of 90), International Marketing Management (elective, with a 1967/68 enrolment of 55), International Financial Institutions (elective, with a 1967 enrolment of 36), and Industrial and Resource Marketing Problems.
- graduate seminars in International Marketing (elective, with a 1967/68 enrolment of 14), International Business (elective, with a 1967/68 enrolment of 9), and International Finance.

As of July 1, 1967, the Faculty of Commerce has assumed, from the Extension Department, sole responsibility for business extension education. Under the Extension Department the last formal instruction course, "An Introduction to Exporting", was offered in 1962. This course is now offered by the Vancouver School Board with the same instructor, Mr. J. R. Arnold. Recent courses have been

more conceptual in character - including a one week series of lectures on 'World Trade and the Citizen' jointly sponsored by the Vancouver Board of Trade and coinciding with the 1967 B.C. International Trade Fair; a one-day seminar coinciding with the 1968 Vancouver Sea Festival on "Western Canada on the Pacific Rim" involving the trade Ministers of the four western provinces; a 1967 lecture series on "Forest Product Markets in Russia, China and Japan"; a one-day panel discussion in May, 1968, on the "Crisis in International Finance".

Carleton University

- nil

Dalhousie University

- nil

University of Guelph

- nil

Lakehead University

- nil

Laval University

- undergraduate course in International Marketing
- graduate course in International and Comparative Marketing

Loyola University

- nil

University of Manitoba

- nil

McGill University

- undergraduate course in International Marketing

Some attempts are now being made to develop an expanded course of studies in international business.

McMaster University

- undergraduate course in International Marketing

Memorial University

- nil

University of Moncton

- undergraduate course in International Commerce

The School presently intends to develop a seminar series, starting in 1970/71, on export marketing of New Brunswick natural resources

Mount Allison University

- nil

Mount Saint Vincent University

- nil

University of New Brunswick

- undergraduate course in International Marketing

University of Ottawa

- nil

Queens University

- undergraduate course in International Business

Saint Francis Xavier University

- nil

Saint Mary's University

- nil

University of Saskatchewan

- nil

The College of Commerce has recently hired a lecturer on Export Marketing and International Business and intend developing a program through this individual.

University of Sherbrooke

- undergraduate courses in International Commerce and International Finance

Simon Fraser University

- undergraduate seminar in International Business

Sir George Williams University

- no undergraduate or graduate courses

The University collaborates with the Montreal Board of Trade in its annual "International Trade" course.

University of Toronto

- no courses offered at undergraduate or graduate level

The Division of University Extension developed in 1955, in cooperation with the Canadian branch of the Institute of Export and the Canadian Export Association and with some assistance from the Department, a correspondence course designed to meet the requirements of the British Institute of Export. This attracted an initial enrolment of 101 students, eighteen of whom were from the Department; annual enrolment subsequently declined to 25 in 1961 when it was discontinued. A lecture course on "International Markets" was offered in extension in 1967/68 and was also withdrawn due to lack of response. This latest is again being offered in 1968/69.

Trent University

- nil

Waterloo Lutheran University

- undergraduate courses in International Marketing, International Business Management, and Case Problems in International Marketing
- as part of summer session activities two courses, in International Marketing Research and European Industrial Integration, are available in Europe to advanced undergraduate students when enrolment is sufficient to warrant scheduling. The former is offered in Geneva and the latter at various European centres.

Since 1964 the School of Business and Economics has offered a twelve-week evening Export Management course which has attracted annually some 80 students of which one-third were businessmen, the remainder being either regular students or under External Aid sponsorship.

University of Western Ontario

- graduate course in International Business

During 1965 and 1966 the Faculty organized a full-time summer International Management Program, with the support of the Canadian Export Association. It attracted 24 participants during the first year, 19 during its second, and was discontinued due to lack of support.

University of Windsor

- undergraduate course in International Marketing
- graduate course in International Business Operations



In 1965 in cooperation with the Windsor Chamber of Commerce the University presented a seminar course on "Exporting for the Small Business Manager" using the case material available from the Department of Manpower and Immigration. It involved twenty-three participants.

York University

- no courses at undergraduate or graduate level

Although not directly relevant to export education, the Faculty of Administrative Studies organized during 1967 an "International Development Seminar" in which the Minister was involved and which attracted 81 senior business executives from across Canada.

CANADIAN MANUFACTURERS' ASSOCIATION

Under the auspices of the Commercial Intelligence Department of the CMA the Export Study Club of Ontario was established in 1944. Subsequently organized through the CMA Montreal Office was the Export Study Club of Quebec, through Vancouver the Export Study Club of British Columbia and through Moncton, the Export Study Clubs of New Brunswick and Nova Scotia; attempts are now being made to establish an Export Study Club of Prince Edward Island and to re-establish the Export Study Club of Manitoba.

The purpose of the Clubs is to provide a continuing program of export education and an organized means through which both new and seasoned exporters may share their knowledge and experience. Membership is free and is open to employees of CMA member companies and to employees of firms which are not eligible for CMA membership (i.e. banks, export merchants, shipping and forwarding agents, etc.). The Ontario club has a registered membership of 630 from 469 manufacturing companies, Quebec 169 from 116

manufacturing companies, British Columbia 79 from 79 manufacturing companies, New Brunswick 35 from 30 manufacturing companies, and Nova Scotia 42 from 32 manufacturing companies. The Quebec Club has additionally 45 service agencies represented in its membership, British Columbia 53, New Brunswick 12, and Nova Scotia 19.

The Association also provides support to other export educational programs across the country. A recent example is their organization, through the Ontario Export Study Club and in cooperation with the Ontario Department of Education, of two export marketing courses this fall in Toronto and Woodstock.

#### CANADIAN EXPORT ASSOCIATION

The Education Committee of the Canadian Export Association has since 1964 had as its objective "to assist and encourage the development of adult educational programs for both the development of export management skills and the general management considerations involved in expanding Canadian international trading activities". In the former the Committee has provided liaison between the Association and Waterloo Lutheran, York, Sir George Williams, McGill and Western Ontario Universities. As a result of this cooperation two educational programs were launched. One which is still current is Waterloo Lutheran's Export Management Course. Another program which operated during the summer of 1965 and 1966 and was finally cancelled because of lack of response, was the University of Western Ontario International

Business Management Program. As a result of this response it was decided by the Committee in its 1967 report both to suggest gradually internationalizing the existing Western summer program and to change its immediate emphasis to the organization of shorter but more frequent university seminars; from the 1968 report it appears that the Association has not as yet sponsored such seminars.

The Association is additionally instrumental in organizing a number of business seminars, examples of which during the past twelve months have been an export documentation luncheon meeting in Montreal addressed by the National Director of the U.S. National Committee on International Trade Documentation; export financing seminars in Vancouver, Winnipeg, Toronto and Montreal jointly sponsored with the Canadian Bankers Association; an address by Baron Carl-Henri Nauckhoff in Toronto on "Trading in a Changing World"; air freight seminars in Toronto and Montreal involving the Canadian International Freight Forwarders Association, IATA, and member airlines; a seminar in Toronto on the report of the Capital Equipment and Engineering Mission to Eastern Europe; an address in Toronto on "The Metric System: Implications for Canada's Export Trade" by Dr. Legget of the National Research Council; etc.

#### BOARDS OF TRADE

##### Montreal Board of Trade

The International Trade Section of the Montreal Board of Trade, in cooperation with Sir George Williams University

has since 1946 sponsored an annual International Trade Course. This year's syllabus includes twelve weekly lectures starting on September 10 and concluding on December 3 with an examination. Lecture topics cover government services, trade terms insurance, customs, export financing, documentation, export credits and credits insurance, etc. Lectures are drawn from both government and business. An average of forty students participate annually.

In addition to this continuing program the Board has since 1965 developed a series of "export marketing clinics" to review particular market areas and quarterly "credits and collections clinics"; the former is designed to provide information to companies thinking of entering or expanding activity in the selected market and the latter to provide a forum for an exchange of credit and collection experiences.

#### Toronto Board of Trade

In addition to its sponsorship in Toronto of Manpower and Immigration courses in Export Marketing administered by the Ontario Department of Education (involving in 1967/68 some eighty members at four courses) the Board pursues a continuing program of "round table marketing luncheon meetings". Panels for the meetings comprise Ontario businessmen who have recently visited as members of Ontario trade missions the markets under discussion; during 1967/68 the areas under review included Holland, Hong Kong, Scandinavia, Germany, Italy, Spain and Britain. Ad hoc activities during 1967/68 included a joint dinner

meeting with the CMA Export Study Club to hear an address by a prominent German marketing consultant on the techniques appropriate to trading with eastern European countries and assistance in the planning of the Department's "Kennedy Round" seminar. The Board was also involved in the sponsorship, with the York University School of Business, of York's second Seminar for Executives.

#### Vancouver Board of Trade

Through its World Trade Committee the Vancouver Board of Trade sponsors annual World Trade Weeks, the purpose of which is to focus the attention of the community on the importance of world trade. The 1968 program included the presentation of a film program to students in grades 11 and 12 at 143 schools throughout British Columbia. The World Trade Committee also sponsors ad hoc trade seminars and conferences.

#### CANADIAN BANKERS' ASSOCIATION

The Canadian Bankers' Association has consolidated, within the past year under its newly formed affiliate, the Institute of Canadian Bankers, previous efforts to provide formal education in export financing to younger bankers. The Institute now handles export financing and related subjects as part of the Fellows' Course conducted through correspondence and with the cooperation of some twenty Canadian universities. The Institute's first full year of operation involved some 3700 employees of member banks as students; it is anticipated that future annual enrolment may average 10,000 and that the present

6,000 bank managers and other bank employees will thus acquire a better working knowledge of export financing through the continuing facilities of the Institute.

The Association has additionally co-sponsored with the Canadian Export Association the four export finance seminars held over the past year which had a total attendance of some 250 exporters and bank and government officials. It is intended that this exercise be repeated.

The Association has also published and will shortly issue a new edition of "The Role of Canadian Chartered Banks in Financing Foreign Trade and Other International Transactions."



SUMMARY

At the outset it must be borne in mind that the Department's clientele consists not of organizations but of people, of people more or less inclined to commit themselves to export, more or less competent to independently mount an export initiative, more or less ready to acknowledge the special requirements of international marketing. Because it is through these people that the Department's objectives are accomplished and with these people that the Department's programs are effected, the Department's export promotional activities can only be as successful as their acceptance by business participants and as the ability of business participants permits. It is on this basis that the two facets of export education are illustrated - the first in motivation to export and the second in instruction in export. The former will be dealt with later in this report.

On the latter, education in export, it has been suggested in a British report on the subject that "..... export trade cannot be maintained and expanded merely by the provision of first-rate information services and equally first-rate credit and financial services - essential though these things might be. In the last resort the development of export depends on the personal ability of all men and women who are engaged in its prosecution". In application to Canada this would imply that the Department's paramount concern should be with ensuring that the people that comprise its clientele are competent in all aspects of international business practice



that pertain to the requirements of Canadian export trade. That training must precede competence just as competence precedes effective practice is so self-evident that it requires no supporting argument.

To pursue the point one step further it has also been suggested in Britain that " ..... for quite a number of firms failure to build up exports is often the results of undervaluing the quality of export department staff " and that " .... some exporters have been doing the best they can with inferior personnel because men trained for the job are not available". Export instruction is therefore in some measure related to export motivation in that a lack of qualified personnel, as one of the considerations in a management decision on whether or not to export, could inhibit participation in an export promotion program. It has even been suggested in Britain that a lack of trained personnel has in some instances resulted, despite the comparatively well-developed British export house facilities, in the increasing use of overseas manufacture; that the British government by not being sufficiently active in the development of export instruction is negating its own export promotion policies.

It might perhaps be contended that the raison d'etre of the Department is to provide to any Canadian company such services supplemental to the companys own resources as are necessary to successfully effect its export business; and that expertise thus generally available from the Department resolves deficiencies which individual companies encounter in the knowledge of their own personnel. The

validity of this contention rests on the extent to which departmental services are to be offered to, or demanded by, each of the 5992 companies in the Department's Exporters Directory, or the 12,000 companies in the CMA Trade Index, or the in excess of 25,000 producing business units in Canada.

Therefore, on two bases, both in ensuring the effective implementation of departmental policies and the effective exploitation of departmental programs and services, adequate education of the people that comprise the Department's clientele is an activity that should precede all others in the Department's concern. What constitutes "adequate education" obviously has to be defined in terms of structure, extent and content; in terms of what is entailed by export education, who would comprise the market for export education, and what duties are involved in an exporting function that require education.

On the first point export education obviously involves a variety of processes. In the first instance it involves training at two levels, one in what the British describe as "export office work" to junior business personnel whose responsibility it is to process export orders and the second in marketing management to senior personnel whose responsibility it is to obtain export orders and determine corporate policy regarding export. It also involves training at two points in time, in a pre-experience stage before the individual has assumed his responsibility and post-experience, either sporadically or on a continuing basis, after he is engaged in his

responsibilities in the export process. Finally it involves a variety of methods, in formal instruction or training within the framework of an academic institution, training through a more informal experience exchange with colleagues in the exporting fraternity, and training within the confines of the corporate structure.

On the second point, it has been estimated in two British surveys that a personnel equivalent of 30,000 people are engaged in export functions in Britain, of which 12,000 are employed in some aspect of export management and 18,000 in export processing. It has also been estimated from representative sampling that although 19% of British companies are actively engaged in exporting only 8% employ a full-time export executive and only 3% a professionally trained export executive. This has been compared to similar samples drawn from Sweden, Denmark, Holland, Belgium, West Germany and Austria in which 42% of the companies surveyed were actively exporting, 34% had at least one full-time export executive and 26% employed a professionally trained executive. Because no similar research has been done on the subject, it is impossible to accurately determine the number of personnel in Canada directly engaged in the export process. Nor is it possible to determine the extent and manner of their training. Any assessment that is made of Canadian export educational facilities must therefore be made with this qualification in mind.

On the third point, a report commissioned by the British Department of Employment and Productivity has identified a series of

activities involved in the export processing and export management functions. In export processing these suggest the need for knowledge of company documentation and accounting procedures; company products and production processes; methods of transporting goods and their effect on packing and documentation; procedures and definitions used in export transactions; agents and distributors agreements; documentary procedures within Canada and in transit; insurance; documentary procedures in customs clearance and import licence requirements; costing preparation; forms of payment; credits and credit risk insurance; status enquiries; etc. In export management they suggest the need for knowledge of the manufacture and application of the product; languages; the market including general economic and political information business practice, government regulations, commercial law, distribution facilities, selling and promotional methods, local branch office and production operation, patent practice, licences and franchises; marketing practice including principles of market research, use of statistical information, preparation and review of forecasts, desk research, preparation and interpretation of findings of field research; finance including costing methods, determination of price policy, budget preparation and control, credit policy and control, investment evaluation and control, comparative evaluation of markets and products; payment procedures including invoices, bills of exchange, letters of credit, factoring; and international transportation including packaging principles and practice, shipping laws and practice, marine insurance practice, air cargo practice, container practice.

The general applicability of such a differentiated set of requirements will of course vary with the size of the firm. Similarly the general necessity for in-company knowledge will vary with the availability and utilization of export service agencies. Finally, a distinction must be recognized between instruction and the provision of information; instruction, on some aspects of knowledge requirements such as the references to market data, emphasizes the necessity of obtaining, assessing and using relevant information but does not involve the provision of such information. However, even in recognition of these qualifications the requirements listing is still of value inasmuch as it acknowledges the total scope of skills required in the export process and suggests the methods by which they can be acquired.

It is, therefore, in terms of these activity components - in structure, extent and content - that Canadian export educational activity should be assessed.

#### Pre-experience Education

Although there is apparently some use of boards of trade and Manpower and Immigration courses in pre-experience education at both management and processing levels, primarily in anticipation by the individual involved of a career change, the main facilities for pre-experience education are obviously through the business schools of Canadian universities and directed to management education. Yet of the thirty-two Canadian business schools nineteen do not offer courses which can be specifically identified as devoted to international business.

Of the remaining thirteen, seven offer one course, generally concerned with international marketing or under title of international business and generally as an optional course. In only two instances are sufficient courses available within a single institution to constitute what could be recognized as an identifiable international business program although it is recognized that the subject might be covered in part as a component of general management studies.

Considering that curricula are developed with, of course, regard to anticipated student demand but primarily with regard to the type of training hiring companies will expect their new employees to have undergone, this situation would suggest that, whether or not student response is favourable, there still exists a general lack of demand by Canadian business for students specializing in international business. It also suggests a lack of general recognition in Canadian business that international business operations require distinctive training, and a management attitude that pre-experience education should emphasize general management studies and that international orientation can be acquired as the individual's career progresses, primarily through "in-house" techniques.

These presumptions would appear to be reinforced by British studies which indicate that larger British companies recruit inexperienced personnel with general qualifications in anticipation of placing them in the organization as aptitudes subsequently develop and as the individual progresses through the "in-company" instruction process, one of the segments in a career pattern being export operations.

They also indicate that internal transfer is generally used proportionately more where high technical knowledge is required of a complex product or where emphasis is placed on a knowledge of company policies and procedures. Finally they indicate that there is general reliance, although particularly among companies without access to training facilities or whose export sales had experienced rapid growth, on the recruitment of experienced personnel.

Insofar as these British findings are applicable to Canada they would suggest that more emphasis is placed by companies on export knowledge requirements which are specific to the company and its operations than those which can be generally acquired through pre-experience instruction at the management level.

This does not however indicate that pre-experience instruction at the management level should not be a legitimate concern of the Department since instruction at this level is to the next generation of senior management and since instruction in international operations, if adequately done, will instill an international orientation, the results of which will inevitably appear at some future date in career progressions. Nor does it indicate that pre-experience instruction cannot be modified, as in the case of the four British technical institutes cited, to make its benefits more readily demonstrable to senior management.

#### Post-experience Education - Formal Instruction

The only media involved in post-experience formal instruction are the Manpower and Immigration case courses and various courses by universities and provincial and municipal agencies. These in most instances are given as seminars and thus as forums for experience exchange

but using directed experience exchange as an instructional technique.

The main, and in the case of Ontario the continuing, medium for post-experience instruction is the casework provided by Manpower and Immigration. Yet, as noted previously, the courses have never been given in Newfoundland, Prince Edward Island, Nova Scotia, and Quebec. Of the eight companies involved in the one course in New Brunswick two are listed among the 116 in the New Brunswick section of the Department's Exporters Directory. Of the 43 companies involved in the two courses in Manitoba 20 are listed among the 202 companies in the Manitoba section of the Directory. Of the 41 companies involved in the two courses in Saskatchewan 10 are listed among the 56 companies in the Saskatchewan section of the Directory. And of the 14 companies involved in the one course in Alberta four are listed among the 286 companies in the Alberta section of the Directory. Although the casework has been used by the Vancouver School Board since 1965 for its "Export Fundamentals" course and has during that time attracted 98 participants, a similar comparison cannot be made since no record of company affiliation has been kept. While the use of the casework by the Ontario Department of Education is supposed to have involved more than 350 participants since 1965 an accumulated listing is still in preparation; a similar comparison therefore cannot as yet be made of the Ontario program.

The only independent provincial courses were those sponsored by the Quebec Department of Industry and Commerce; of the 35 companies involved in the two courses staged by the Department nine are listed



among the 1736 in the Quebec section of the Exporters Directory.

The sole continuing independent municipal course is that annually offered by the Montreal Board of Trade with the cooperation of Sir George William University; although this course is supposed to attract forty participants annually a detailed listing is not as yet available and a comparison against the Exporters Directory listing cannot as yet be made.

Since participation by Sir George William in the Montreal Board of Trade course does not extend to the provision of lecturers the main university initiatives in continuing formal instruction in international business have been those of the University of Toronto, the University of Western Ontario and Waterloo Lutheran University. Of these, the correspondence program of the first lasted six years, the summer program of the second two years, and both were finally cancelled due to lack of support. The sole surviving program is that of Waterloo Lutheran. It is significant however that this program draws two-thirds of its participation from sources other than the business community.

Finally, although the Canadian Industrial Traffic League and Canadian Industrial Management Association courses contain some marginal references to international operations, the only association surveyed which conducts any substantial instruction in international business is the Canadian Bankers' Association, and this is of course not available and in any event perhaps of limited interest to the general business community in the manner provided.

While lack of detailed information in total makes it difficult to suggest with any accuracy the proportion of Canadian companies that have participated in such instructional facilities as are available it would appear, with the possible exceptions of Ontario, British Columbia and Quebec, that the proportion is small. It would also appear, again with the exception of Ontario and partial exceptions of Manitoba and Saskatchewan, that such courses as have been staged have not attracted export management personnel, although it is recognized that the Montreal Board of Trade and Vancouver School Board courses are in content more directed to the export processing level.

The general lack of course instruction is striking but even more so is the minimal involvement of universities and university personnel. Since at thirteen universities across the country courses are offered in international business and since there therefore exists some instructional competence in the subject the absence of university programs is presumably due to a lack of demonstrated demand by the Canadian business community. This would seem to be borne out by the response particularly to the Western course, after review of which the Education Committee of the Canadian Export Association suggested the poor response represented a lack of "recognition of the international business environment in which Canadian business must be conducted." Again there is a British parallel in which a review of 1400 British universities, technical colleges and commercial training organizations revealed that only 42 had ever run export courses, that only 21 were currently offering courses and that in 17 instances courses had been

discontinued for lack of support. In additional research with export organizations it was further revealed that whereas academic course developers operated on the assumption that general export principles exist "which can be learnt and applied to any situation" companies tended to view their own operations as "highly specialized and forming an exception to every rule". Moreover, individual companies tended to prefer strictly defined subject matter whereas instructors tended, and were for that matter required by the breadth of potential audience which courses were designed to attract, to include a variety of subjects and a general approach. These basic incompatibilities resulted in lack of support for existing courses which in turn discouraged the establishment of new courses.

Here again, there would appear to be a problem in the interplay between recognition by senior management of the requirement for and benefits of academic instruction, and the types of instruction provided by academic agencies. This of course restricts participation in two respects, one directly when company approval and financial support are required and the other indirectly in that the incentive to participate in courses is in expectation of management recognition of the employees additional competence.

That the Manpower and Immigration courses, at least in Ontario, have been more successful in developing response would appear to be both because they are effectively marketed and adequately sponsored in Ontario and because their use commits management to a comparatively

smaller resource expenditure, in both time and money. In light of this minimal expenditure it would appear that there is a recognized benefit for business participants, a benefit which propagated through the business community increases demand for the courses. That the courses are not used to a greater extent in the remaining provinces, with the exceptions of British Columbia, Manitoba and Saskatchewan, would appear to be not so much that they are not required or that there is an anticipated lack of response but rather that the impetus to organize them has been lacking. In the Maritime provinces particularly this seems to result from problems in obtaining course moderators; again it is striking that no thought has apparently been given to involving university personnel. The basic prerequisites for a moderator are both that he should be in a position which suggests some competence in the field and that he should have ability in instructional techniques, the first to attract participants and the second to satisfy them with their participation; in the initial stages of a program the latter would seem to be most important in that continuing support is affected by "word of mouth" assessment by the original participants. Both prerequisites, but particularly the latter, would imply the use of readily available university facilities.

Considering that there are obvious benefits in external courses - in providing an instructional facility that cannot in most instances be supported through the independent resources of an

individual company, in providing the general knowledge requirements that are not available within the facilities of most companies, and in developing perspectives that could not be developed within the confines of one company - and considering that unused facilities exist in both the Manpower and Immigration courses and through university personnel, it should therefore be within the concern of the Department to become actively involved in initiating course programs through provincial authorities and university personnel, until programs are established and the initiative can be assumed, as it is now in the case of Ontario, by provincial agencies. Since present facilities are not apparently generally attractive to senior personnel it should also be within the concern of the Department to consider what means would be appropriate to making them more so or what additional initiatives might be developed.

#### Post-experience Education - Experience Exchange

While this technique of education is extensively used in Ontario and Quebec, primarily in the development of specific export forums and seminars by both the Canadian Export Association and Canadian Manufacturers' Association and by the Ontario Department of Trade and Development, it has only been institutionalized on a continuing basis in the five Canadian Manufacturers' Association Export Study Clubs. These five have a registered membership, from 726 manufacturing companies, of 955 business personnel; of the 726 companies, 453 are included among

the 5992 companies in the Department's Exporters Directory. These respectively include 317 from the 2772 Directory registrations for Ontario, 72 from the 1736 for Quebec, 34 from the 587 for British Columbia, 11 from the 116 for New Brunswick and 19 from the 170 for Nova Scotia. There is, as already noted, no current membership in Newfoundland, Prince Edward Island, Manitoba, Saskatchewan or Alberta.

Even recognizing the small proportion of Canadian companies registered as members of the Export Study Clubs, it should be stressed that membership registrations do not present an accurate picture of the use which is made of the Clubs. Active participation rates have been suggested as normally varying between ten and twenty-five per cent of total membership, depending upon the interest generated by the particular activity or speaker involved. It appears, at least in British Columbia and the Maritime provinces, that the most active members are those engaged in supplying export services, having of course a direct incentive to active participation in such organizations. It also appears that the Clubs have not been successful in attracting an adequate proportion, or active participation by an adequate proportion, of substantial and experienced exporters. Finally it appears that such continuing use as is made of the Clubs is not adequately drawn from the management level.

The original motive for the organization of the Clubs was in the provision of an educational service to CMA members; their use

would suggest that recognition of the benefits of this service is not appreciable, although this is apparently less the case in Ontario and Quebec than in the other areas. It would appear that their initial operation was not generally attractive to senior personnel and that minimal initial involvement by senior personnel has inhibited subsequent involvement by senior personnel, although this again bears some qualification in Ontario and Quebec.

While the Clubs can provide export educational facilities by a variety of means their main acknowledged purpose is to provide a forum for the continuing exchange of information and ideas among members; their effectiveness in pursuit of this purpose is directly related to the participation they can mobilize among experienced exporters. And this effectiveness as a medium for propagating export experience is determined by whether or not the personnel participating are of a sufficiently senior level within their companies to ensure that company advantage is taken of the information acquired. There are however recent indications that the CMA, at least in Ontario, have recognized that the Clubs are not wholly effective in the purpose for which they were organized, and that attempts are being made to alleviate this situation.

Although similar participation information is not available for the other main programs - and it is suggested by the Canadian Export Association that they service more senior personnel and by the Ontario Department of Trade and Development that they service a broader selection of companies - it would appear that if they have not encountered problems

similar to those encountered in the Export Study Clubs it is primarily because their programs lack sufficient continuity to permit similar assessment. Although present information can neither support nor refute the suggestion, it might also be suggested that the participation core serviced by the Canadian Export Association and the Ontario Department of Trade and Development does not differ substantially, at least in terms of companies, from that serviced by the Export Study Clubs, and is obviously more localized.

That the CMA, and presumably the other, initiatives have not been as successful as they might does not suggest that they cannot be effective as educational media. That they are not adequately effective is rather an indication of the assistance the Department can offer in actively initiating projects rather than responding to requests for participation, in mobilizing participants, in providing speakers, in suggesting subjects of discussion.

#### Post-experience Education - "In-company" Training

In view of the small proportion of participation in external educational media it would appear that competence development for the most part occurs "in-company". The advantages of such training are obvious - in providing instruction which is specific to the companies products and policies, in combining instruction and specific experience, and in covering such other areas of the total knowledge requirements as cannot be adequately handled by external facilities - but there are equal disadvantages which are perhaps not so obvious - in that



small training audiences inhibit the development of adequate instruction facilities, in that experience exchanges do not have the advantage of personnel outside the organization, in that portions of the total knowledge requirements are only available outside the organization, and in that because of restricted facilities instruction could be relegated to a process of imitation of practice which is of course no more effective than the competence exhibited by the person imitated. In any event, until some basic research has been done on "in-company" training and the approach of Canadian companies to the export process no complete survey can be made of export educational activities in Canada.

While a distinction can be made between effort directed to motivating potential exporters and educating existing exporters, between education to export and education in export, it is difficult to characterize identified media as mutually exclusively performing one or the other function; in practice the functions are generally combined and the assignment is determined as much by the audience for each particular activity as it is by the activitys preconceived purpose. Thus all the formal instruction and experience exchange techniques described, both at pre-experience and post-experience stages, have motivational as well as educational aspects. But the little use that is made of such common educational facilities as do

exist would suggest that they are proportionately ineffective in motivating new exporters. This is all the more valid when it is considered that participation in such export educational activities presupposes some extent of export orientation in the participant, depending of course on the commitment required of him by his participation, and that he is therefore to some extent already motivated. This suggests an approach to motivation at two levels, in the first instance to develop interest among those completely uninitiated and in the second instance to translate export interest into continuing export sales. There are similarly two objectives for motivational activity, the first in generally demonstrating the benefits that can accrue from exporting and the second in specifically demonstrating to each individual contacted both how he and his company can derive specific benefit from exporting and how best to develop his specific export program. The educational media described, adequately promoted, can play a role in the first stage, in demonstration of export successes achieved by other firms, as can other propaganda devices through the Department or otherwise. Such exhortation is, however, in itself a useless exercise unless it can be followed by a resolution of the specific problems into which the new exporter has been motivated or which he anticipates. Thus while a general approach can be of some use in instilling interest, this interest has to be translated into action through a specific approach, in individual counselling or in the development of a framework through which the individual exporter can obtain solutions to his specific problems or upon which he can rely to avoid his anticipated problems.

This is of course at both levels a partial statement of the responsibilities of the Department, in using general publicity techniques to develop interest and in providing in industrial liaison activities the specific counselling required to translate export interest into export sales. But is it equally a statement of the Department's activities?

The Department's industry liaison activities can be described as a set of sequential components - in identifying companies with an export capability, in motivating firms so identified into an export orientation, in educating them on how best to exploit this orientation, in providing them with such additional services as they might require with this new orientation, and in involving them in specific promotional initiatives. With the change in the Department's total role - less from that of providing services in an export trade more structured to resource industries more to that of actively promoting manufactures and semi-manufactures lacking the supply advantages of resource products, and with a clientele consequently more numerous and more varied - there is more emphasis on the activity components both preceding and following the service activity core, respectively in identification, motivation and education and in initiated promotion. This increasing emphasis obviously means not only increasing workload but also workload spread over a broader span of activity components. And success in the preceding activity components of motivation and education directly produce greater workloads in service and suggest greater workloads in initiated promotion.

While such greater workloads are, and will be, evident throughout the Department they are, and will be, again obviously focused on the departmental agencies whose prime responsibility is industry liaison, the most important of which are the commodity branches.

It is then appropriate to ask how, or if, an individual commodity officer will perform all the activity components described, recognizing that each either initially requires or will resolve into a requirement for his individual action. The answer is suggested by how he is expected to most effectively spend his time, judged against the criterion of success in his activities, the expansion of Canadian exports in the sector within his responsibility. Implicitly he is most effective in devoting his energies to initiated promotion since this is the activity component from which a return of increased exports will be a direct and demonstrable result; the motivational and educational components are conversely further removed and might, and for the large part will, be barren of immediate and obvious result. This restriction in emphasis is reinforced by a tendency to devote initiated promotion, if not to the restricted number of firms that will produce the highest return on a resource expenditure, at least to the companies and business personnel with whom the commodity officer is most familiar; indeed he will have a greater workload imposed upon him by these firms because of their familiarity. It is further reinforced by the workload required in the development of initiated promotion, an outgoing trade mission for example requiring an average resource expenditure of one and one-half months on

the immediate behalf of an average of six business participants.

Thus both circumstances and inclination operate against a commodity officer effectively devoting an adequate proportion of his time to identification, motivation and education if only because of the work entailed in his service and promotional responsibilities. This, of course, is not to suggest that his active clientele core is static; new companies become involved but they do so primarily as a result of motivation usually derived from other sources, notable among which is demonstration of success on the part of another company. Insofar as such success is effective in motivation and insofar as it is attributable to a commodity officers promotional efforts the emphasis on promotion is justifiable, but in order to exploit the export interest of the companies so motivated a requirement is suggested for a supplemental means of providing the specific and individual education that is necessary. Conversely, insofar as supplemental education is adequately provided more emphasis can be devoted to initiated promotion.

While recognizing that "the trade promotional effort of the Department must be more concentrated on products which have the greatest prospect of securing a continuing foreign market," it should also be recognized that such products have not necessarily all been identified nor are all the companies producing them committed to or competent in export. This would suggest, whether or not it is the Department's policy to actively include all its clientele in initiated promotion, that the pre-promotional activity components are equally as important as those more directly resulting in export sales.

On both bases, recognizing that restricted departmental resources require the Department "to act as a catalyst and leader in securing supplementary effort and support" and recognizing the importance of the pre-promotional activity components, both the active use and continuing development of external educational facilities are indicated, active use insofar as their existence provides an available platform for projecting the Department's message and continuing development insofar as they are not presently suitable to the future use to which the Department would put them.

RECOMMENDATIONS

Before any consideration can be given to future educational initiatives that the Department might undertake it is obvious that attention should first be directed to improving the use and effectiveness of such educational facilities as presently exist. In determining how this is to be achieved it is legitimate first to question why so little continuing attention has been devoted to education by the Department in the past. The answer in large part appears to lie in the organizational structure of the Department.

Export education is basic to the Departments export promotional activities and, being so, is or can be considered a component of the responsibilities of most branches. It is however, as outlined previously, primarily a function of industry liaison and is therefore a special responsibility, in terms of identifying requirements and initiating assistance, of those branches specifically charged with industry liaison, the most important of which are the commodities branches. But the organization of the commodities branches on the basis of industry sectors cuts across general functional responsibilities. Where responsibility requirements are obvious - as in the case of initiated promotional techniques such as trade fairs, trade missions, publicity - a necessity has been recognized for functional specialization and separate agencies with such specialization have been established. Where responsibilities are not obvious and/or not directly related to standards of achievement - as in the case of education - operational diffusion makes it

difficult both to identify the responsibility and to ensure its performance. Without identifying the responsibility, educational objectives cannot be effectively established. Without establishing educational objectives departmental resource allocations cannot effectively be made. With operational diffusion and without educational objectives it is impossible to establish accountability and management control, in the absence of which education is no more than a discretionary activity at the working level.

The present organizational structure is not only more amenable to management control of initiatives developed on industry sector bases but also actually promotes initiatives on such bases. Present response to educational initiatives which cross industry lines suggests the success with which intra-industry initiatives would be greeted. Consequently while an argument can perhaps be made that an industry sector structure is best suited to initiating educational projects within particular industries such effective initiatives as have originated from commodities branches in the past have been to the end of participating in existing facilities, facilities developed elsewhere and crossing industry lines.

This might suggest a major responsibility, if only by default, for the External Services area of the Department, and indeed a major proportion of the attention devoted to education in the past



has come from the Trade Commissioner Service. The Trade Commissioner Service obviously has a prime interest but is it accurate to presume that this suggests a responsibility assignment? The object of an export education program should be not to place more burden upon the Trade Commissioner Service but rather to allow more effort to be devoted to functions for which Trade Commissioners are more suitable. For example, it is an obviously inefficient use of departmental resources, as an alternative to and in the absence of educational facilities in Canada, to require the performance of educational functions at offices abroad. An effective educational program in Canada, while not entirely removing the burden of export education from the Trade Commissioner abroad, would at least allow him more time to devote to his more legitimate and necessary functions in his territory - marketing promotion, marketing assistance, trade policy, etc.

Because of the organizational difficulties in developing educational programs and because of the interests in education of a variety of departmental branches an organizational solution is suggested - in assigning to a specialized unit the responsibilities for developing educational initiatives both independently and on the basis of inputs from other departmental organizations. This can be suggested as all the more necessary when consideration is also given to the general interests, as now broadened in the integrated Department, which should be maintained in general business education.

It is therefore recommended:

that a recognized organizational unit be established with the specific duties of maintaining a continuing assessment of the effectiveness and use of existing educational facilities, of promoting the full use of such facilities, of coordinating the Department's involvement in such facilities and of providing coordination between separate external facilities, of maintaining information on foreign educational initiatives and assessing their applicability to Canadian circumstances, and of developing new facilities when a need is indicated; and

that the responsibility remain, as it is now assigned, within the Office of Promotional Services both since it requires the coordination of effort from various parts of the Department and since it will primarily be pursued through use of the facilities of the Office of Promotional Services.

Again before future educational initiatives by the Department can be accurately identified it is obvious that more research is required into present methods of export competence development, particularly since comparatively little use is presently made of extra-company educational facilities, since the training that does take place would therefore appear to be more confined to in-company procedures, and since no information is presently available on in-company training procedures. Examples of the general areas of possible analysis, following identified British information requirements, are an assessment in detail of the export training needs of a representative sample of firms; an assessment of the contribution of overseas staff and export service agencies to the export process, their training needs, and their effect on in-company training requirements; an assessment of export training in small firms and the possibility of training liaison with larger firms with training facilities; an assessment of export practices which

are specific to firms in the same industry or same locality and the common training needs which arise from these practices. While this information is required for the development of educational facilities by the Department there is an additional benefit

which can be built into departmental research support: by contracting required research to universities a closer and more effective liaison can be achieved between universities and the Department, university interest in export trade can be actively sustained, and a positive inducement is made available in attracting and holding university personnel with an instructional competence in international business.

However, even recognizing research requirements in training development and the benefits in university support, research requirements are further indicated in the Department's general promotional efforts. A British review has held as one of its conclusions "..... that any policy directed toward the improvement of training must also be aimed at changing policies and practices in exporting firms." Before such policies can be directed, and indeed before such policies can be developed, it is obviously necessary first to determine what is entailed by existing "policies and practices in exporting firms." As relevant as the statement is to training it is equally relevant to general promotion.

To adopt a corporate analogy the Department, in its trade promotion functions, is in the business of marketing in two respects: on the one hand in providing marketing support for the export efforts of its clientele and on the other in marketing the continuing advantages of export trade to its clientele. On the one hand the object is to ensure that departmental clientele get what they want; on the other, that they want what they get. On the one hand the process is responsive;

on the other, manipulative. On the one hand service availability is general; on the other discriminating. And as the range of Canadian products broadens and as export products become more sophisticated, demands on the limited resources of the Department will require increasingly more selection applied to assistance provided. Increasingly better selection will in turn require improved information on the Department's clientele - its extent, its structure, its attitudes. Where such information does not correspond to industry sectors or where it is not otherwise available within the Department it will have to be obtained through contracted research outside the Department. In this respect it is interesting to note that none of the \$1,192,000 available for grants in Vote 20 of departmental estimates for 1969/70, \$575,000 of which is for research, is directly applicable to exporting or the export process.

It is therefore recommended:

that a study be made of the requirements for business competence in the Canadian export process and the detailed procedures presently used or relied upon by Canadian exporting companies to develop this competence;

that the funds necessary for this study within fiscal 1969/70 be made available from present funds in Vote 20;

that an allocation of \$50,000 be made in Vote 20 in fiscal 1970/71 for future such studies;

and that the proposed and future studies be contracted whenever possible to university business faculties as selected with the assistance of the Association of Canadian Schools of Business.

While the details of major future initiatives should await and be based upon the results of the analysis proposed there are future initiatives which are presently apparent and which can be recommended as supplements to or in the restructuring of present facilities. These can be considered on the basis of the previous breakdown of educational activity.

#### Pre-experience Education

The problems encountered in pre-experience education are obviously circular, in that export instruction, through whatever institution might be involved, is developed either directly or indirectly in response to business demand and business demand is a reflection of attitudes instilled by instruction as well as experience. They can therefore be attacked through exhorting the existing business community and/or academic institutions. But the benefits of additional exhortation in the latter instance can be twofold, both in that curricula adequately structured to international business will produce graduates better indoctrinated in international trade and in that university staff motivated to departmental export objectives can provide an effective supplement and additional impetus to the Department's general exhortation of the existing business community. The basic problem to resolve therefore is how most effectively to establish and maintain a continuing close relationship with Canadian business schools, to the end of producing export-competent and motivated graduates and of developing or attracting

export-motivated staff. There are a number of procedures which can be suggested additional to the research support already proposed.

The first and most obvious requirement is for a procedure of contact which is familiar to university staff, through which university opinions and proposals can be made readily and directly available to the Department and conversely through which departmental requirements can be transmitted to universities. This can of course in large part be accomplished through the activities of the organizational unit proposed. But because of the existence of the Association of Canadian Schools of Business and because the Association represents all university business schools a channel of contact can be institutionalized and thus reinforced by representing the Association on the Department's Business Advisory Council.

It is therefore recommended:

that the Association of Canadian Schools of Business be represented on the Business Advisory Council, its rotating President to be ex officio a member of the Council.

The variety of other proposals which can be made readily resolve into two alternative courses of action which the Department could adopt - one in developing a central instructional facility and devoting support accordingly and the other in spreading support over the existing facilities of present business schools. There are advantages in the former, in establishing a Foreign Trade Institute, insofar as major contact would be with, and where appropriate, through one institution, insofar as the greater support available would promote

more ready development and implementation of instructional techniques on the British models cited, and insofar as such an institute might provide a focus for instilling export attitudes among the business community. But under present conditions, aside from the major expenses involved in establishing such an institute, there are equally discernible disadvantages. First, although present university efforts are less than ideal some attempt should be made to tap the competence and initiative presently available before alternatives or supplements are considered; to emphasize a Foreign Trade Institute now would be less a supplement than an alternative and if adequately mounted could derogate present efforts completely into limbo. Second, it should be within the Department's concern to develop instructional facilities and resulting competence in all areas in Canada; to centralize instructional facilities would reinforce rather than alleviate the disparities that presently exist. Finally, while the graduates of such a centre might find ready employment in the academic community or in government service it is not as yet certain that they would be so readily received in the Canadian business community; the ultimate test of departmental involvement should be in anticipated business acceptance.

In present terms therefore, and particularly when comparative expenditures are considered, it would be more currently feasible for the Department to establish contacts with, support the initiatives of, and stimulate action in the present facilities of Canadian business schools.



In this approach the main point of consideration in determining departmental involvement is that initiatives by particular institutions in Canada usually require some measure of coordination or supplement because institutional size and comparably small resources do not allow Canadian business schools to separately develop initiatives to the extent, for example, that larger American institutions can. It is in selecting those initiatives that do require coordination and/or support that the Department can develop its relations with business schools.

In attracting suitable academic staff possible means of support include establishing and endowing chairs of international trade at selected universities. This approach however presumes that sufficient competence or initiative cannot otherwise be developed; in fact, as the survey of courses presently available would suggest, some measure of competence now exists and some level of initiative has been achieved without departmental involvement. The attraction of personnel can therefore be accomplished without active participation by the Department, at least participation to the extent of endowing university chairs. In contrast, the main problem would appear to be in retaining personnel once attracted and in maintaining an export interest in the face of minor demand for export instruction facilities. A method by which this could be accomplished additional to research support is by providing a means for active involvement by university

staff in departmental affairs and by increasing the opportunities for continuing contact between departmental and university personnel. An obvious approach is in university secondments to the Department and departmental secondments to universities. In the first, two problems present themselves: one, most Canadian business faculties are sufficiently thin on staff that the absence of one individual might in some instances mean that a program for which he is responsible is not available during his absence (and this is particularly the case in international business) and two, in order that university staff can be effectively motivated by their activities in the Department they must be provided with jobs which are sufficiently demanding and in which the talents that they can bring to bear are adequately and demonstrably utilized. On the other hand, in departmental secondments to universities, consideration has to be given to the opportunity costs of assignment of departmental personnel away from their normal duties, the capacity in which departmental personnel would be acceptable at universities, and what comparative benefits might accrue to the Department from such assignment. These considerations, on both sides but particularly in the interest of maintaining continuity in university programs, suggest that a secondment procedure be developed on a reciprocal basis and that departmental personnel be seconded for the purpose of actually conducting and where appropriate instituting both course and extension work. University personnel, on the other hand, when assigned to the Department could be used in research projects,

in staff advisory roles, in policy services, in planning and in promotional positions as appropriate to their individual experience.

Insofar as students are concerned the benefits of this approach are of course indirect. This would suggest initiatives which, while directed to providing course support and aimed at indoctrinating students in international business, could again be used to reinforce faculty-department relationships. An objective of inducing student interest in international business will of course be in part accomplished through research support, where students will invariably form part of research teams. There are however initiatives which suggest themselves that are more oriented to international business practice and/or are more useful as vehicles of practical instruction in the environmental aspects of international trade. First is the development and coordination of courses at foreign centres, similar to the summer session activities of Waterloo Lutheran. In these the Department could not only provide assistance in course development by supplying a point of immediate contact with the foreign institutions involved and by supplying such financial support as might be required, but could also provide a point of coordination in Canada to ensure that courses developed are available to selected business students throughout Canada and are thus fully and effectively utilized. Secondly, following the initiative of Acadia University and others previous, the Department could and of course does provide assistance in the overseas arrangements required for foreign instructional tours

by various faculty, and again could provide a point of coordination in the development of such tours on an inter-institutional basis. The Department could and should have important inputs to make in determining where such tours should be directed and the type of itineraries that can be most usefully developed for them, could ensure that they are effectively utilized by making them available to selected business students throughout Canada, and through existing trade mission funds could provide financial support for such ventures if and when required. Thirdly, the Department could again provide a point of coordination among interested business schools and a necessary impetus in the extension of present international business curricula into techniques of practical application, both in Canada and abroad, similar to those now used in British instruction. Fourthly, the Department could provide the medium by which industry support, through the Canadian Export Association and the Canadian Manufacturers' Association, is elicited for the common initiatives developed by, Canadian business schools, particularly since no continuing business support is now directed to pre-experience export education. Fifthly, to the end of attracting competent students into international business studies the Department could provide scholarship funds in support of courses developed in Canada and abroad.

These are of course all directed to student indoctrination. But the indoctrination is measured by the impact it has on the business community which in turn is measured by the employment of graduates in

the business community. All have a common inherent problem for the Department in that the Department presently is the most attractive potential Canadian employer in the export field; support and subsidies initially directed to course support would therefore in large part be pre-employment training for departmental personnel. The benefits to the Department of selective support initiatives, such as scholarships, would consequently be presently questionable without the imposition of employment restrictions or without appreciably greater application than anticipated departmental employment requirements. This would suggest that more emphasis be placed on those initiatives which are more generally applicable, and that more effort be directed to involving business associations in the initiatives developed.

It is therefore recommended:

that a program be established, with the assistance of the Association of Canadian Schools of Business, for reciprocal secondments between the Department and Canadian business schools;

that the Department initiate, through the Association of Canadian Schools of Business, the inter-institutional development of foreign courses in international business and export practice;

that the Department initiate, through the Association of Canadian Schools of Business, the inter-institutional development of annual foreign instruction tours, with such financial support as required to be drawn from trade mission funds;

and that the Canadian Manufacturers' Association and the Education Committee of the Canadian Export Association be represented on a committee, initially under departmental auspices, established with the Association of Canadian Schools of Business to develop the details of the latter two initiatives and consider such other initiatives as are subsequently appropriate.

### Post-experience Education - Formal Instruction

While there are a number of initiatives which can and should be considered in post-experience formal instruction it is obvious that departmental attention should first be directed to promoting the full and effective use of presently existing facilities. It is equally obvious that there exist in the two Manpower and Immigration courses a facility which has application to both export processing and export management instruction; which, as is evidenced in Ontario, can be effectively and acceptably used for such instruction; and which, as would seem to be the case in the remaining provinces, is comparatively unexploited. It is finally obvious that the present method of course management, in reliance upon local agencies to determine how and when the courses should be mounted, is inadequate to their effective use. Insofar as the impetus to stage and market the courses is otherwise insufficient the Department can no longer be satisfied with having participated in their development but must now take an active role in initiating their use.

One approach in this role is to operate within the present system of course management, in prompting local agencies to sponsor courses and in providing them such assistance as might be necessary to ensure effective sponsorship. There are, however, additional areas of potential use which are inhibited by complete reliance on the present

system of course distribution. One is in adapting the courses to meet the requirements of instructional facilities otherwise directed - for example, as the basis for export components of the present CITL or CIMA courses. Another is in using the courses for the development of instructional facilities under the sponsorship of national trade or industry associations - for example, through associations such as the Canadian Food Processors Association, Canadian Electrical Manufacturers' Association, etc. Another is in adapting and using the courses for instructional facilities for audiences concerned with export services - as, for example, through the Dominion Chartered Customs House Brokers Association.

Within the present system, departmental initiatives should be directed to identifying and resolving impediments to sponsorship by local agencies. In so marketing the courses, the first problem is to make the existence of the courses known to all potential sponsoring agencies. In some instances the courses appear to have languished in provincial departments of education simply because the responsible official has received them among a battery of other Manpower and Immigration courses, has had neither the resources nor the knowledge to establish them independently, and has not known or further considered how or where external sponsorship could be obtained. As a consequence possible sponsoring agencies, such as Export Study Clubs or Chambers of Commerce, have not in these instances been sufficiently aware of the courses to consider

arranging and sponsoring them. Again, despite the continuing use made of the courses in Ontario and the variety of methods used to present the courses in Ontario and elsewhere, there is little knowledge even within provincial governments of the use of the courses in other provinces. This lack of knowledge has additionally variously resulted in the development of courses duplicating the facility available in the Manpower and Immigration courses and in some instances the development of conflicting initiatives.

A second problem, as already suggested, is in obtaining appropriate course moderators. In Ontario this is resolved by using both university personnel and experienced businessmen, with the predominant emphasis on the latter. In Quebec and British Columbia the same approach could undoubtedly be used, as it is for other initiatives. In the remaining provinces however alternatives apparently have to be sought, at least initially. The alternatives available to the Department in providing assistance are to follow the American policy and provide moderating services through Regional Offices, to develop a central facility within the Department for use in moderating assignments, and/or to induce greater use of local university personnel as course moderators. Without increases in Regional Office staff, particularly with the additional workload imposed by integration, the use of Regional Offices would not seem appropriate. On the other hand the exclusive use of central personnel for moderating duties would both restrict the total



number of courses which could be run and the manner by which they can be mounted. The use of local university personnel would have the advantage, additional to that already suggested in developing university interest in export trade, of better modifying the facility to local requirements, of imposing comparatively less restriction on the number of courses which could be handled, and of using unexploited university resources.

In adapting the courses to instruction through the various associations mentioned the need is suggested for an individual under departmental direction who has the necessary instructional competence to prepare the necessary adaptations, who can perform initial moderating or administration duties for the adapted courses, and who can be assigned full-time to these duties for the period of time required. Again the use of university personnel is implied, attached to the organizational unit proposed and preferably obtained on secondment.

It is therefore recommended:

that the Department, through the organizational unit proposed, promote the greater use of the two existing Manpower and Immigration courses, particularly in Quebec, the Maritime provinces and the Prairie provinces;

that local universities be involved at the Department's initiative in supplying moderators for local courses;

that greater use be made of local boards of trade, chambers of commerce, and similar organizations in course sponsorship;

that the Department annually produce a review of all export educational activity in Canada to be circulated to all potential sponsoring organizations;

that the use of the courses be similarly promoted in national industry, trade and professional organizations; and

that a university instructor be inducted into the Department, preferably on secondment, to provide whatever assistance is required in the latter instance in course modification or administration.

An initiative to which consideration should be given, particularly since the British Institute of Export would seem to demonstrate its acceptance in the United Kingdom and since the American Society of International Executives would indicate some acceptance in the United States, is export professionalization. It has of course to be recognized that certification of competence is of little use in a field for which no demand exists. It can however be argued that one of the reasons for minimal demand is lack of recognition of international business in general, and international marketing in particular, as a distinct corporate activity rather than just an extension of domestic activities. Insofar as a professional certification program can be used to demonstrate that exporting is a distinct activity and to reinforce an impression of unique competence requirements in its performance such a program might assist in creating demand for personnel with the training desired. It could additionally provide a means of coordinating a variety of export instruction initiatives across the country, of monitoring and controlling the effectiveness of the instruction, and, properly promoted, of stimulating course sponsorship.

It is therefore recommended:

that the programs of the British Institute of Export and American Society of International Executives be reviewed to assess their applicability to Canadian requirements;

that a Canadian export competence certification program be established either adopting British and/or American criteria or on the basis of independently developed criteria; and

that administration of such a program be vested jointly in the Department and the Canadian Export Association.

While the Manpower and Immigration courses, and in particular the course in Export Marketing, have application to export management instruction their use in such instruction has been and will continue to be directed to an audience primarily consisting of middle management or at best senior management of medium-sized companies. These restrictions would seem to be because instruction of this type implies a knowledgeable - less knowledgeable relationship not in the usual circumstances of the courses acceptable to senior management, because the courses involve detail which is perhaps unnecessary to the top levels of management, and because there are problems of peer relationships in developing course audiences. This problem can in large part be resolved through the use of seminars, such as those staged by the Canadian Export Association and York University. There are however appropriate instruction facilities, such as those provided by the American Management Association, which can be better exploited and possible instruction facilities, such as the British National Marketing Council programs at Harvard and at

Fontainebleau, whose use by Canadian businessmen could be further explored.

It is therefore recommended:

that the Canadian Management Centre of the American Management Association, be prompted to increase the number of international business courses given by the Association in Canada; and

that the British National Marketing Council be approached to determine the possibility of Canadian participation in the Harvard and Fontainebleau programs.

#### Post-experience Education - Experience Exchange

Perhaps the best single approach for the Department in effort directed both to motivation and education is to provide a catalyst for contact between experienced exporters and inexperienced potential exporters, not to the end of formalizing an instruction program but rather to lubricate potential information flows. The best incentive to export success is after all in demonstration of such success by business colleagues and the best instruction is that which can be specifically provided as a result of successful business experience. The implication in instruction is of course from a more knowledgeable source to a less knowledgeable recipient: common departmental attitudes seem to cast the Department in the former role. It is questionable whether this is always the case but it is even more questionable whether the Department is always credible as a knowledge source. It can therefore be argued, on two bases, that the Department has less a role to play as an instructor and more in mobilizing information sources among experienced exporters.

This approach suggests a number of initiatives but the first

is obviously to seek an effective forum for experience exchange. The two obvious national forums are the Canadian Export Association and the Canadian Manufacturers' Association. Of the two the Canadian Manufacturers' Association would seem to offer the best possibilities for this purpose because of its larger membership, because its membership has wider national distribution, because its membership embraces both experienced and fledgling exporters and because it has already available a suitable, if presently not fully effective, forum in the Export Study Clubs. Departmental attention should therefore be directed to establishing a satisfactory relationship with the Export Study Clubs, a relationship designed to improve their effectiveness and described by active support rather than present response. That the present relationship is tenuous is perhaps best evidenced by the fact that of the 756 manufacturing companies registered as members of the five Export Study Clubs, 303 are not registered in the Department's Exporters Directory.

The problem then is how to support the Export Study Club organization, and such others as are or might be subsequently appropriate for this purpose, to the end of improving their effectiveness in experience exchange. As has been suggested, the Export Study Clubs have suffered from lack of success in attracting an adequate proportion of experienced exporters, and difficulty in these efforts has made it equally difficult to stimulate participation by potential exporters.

The Department, on the other hand, presently makes direct

annual expenditures in excess of \$3,000,000 in support of trade fairs and trade missions programs, one purpose of which in each instance is to assist Canadian manufacturers in acquiring market knowledge and experience. The trade missions program is further developed on the premise that participating businessmen are to be representative of particular sectors of Canadian industry and that market information uncovered by a mission will be propagated through the relevant industry by means of a report, and yet of the nineteen outgoing missions organized in the last two fiscal years only six have produced a formal report. If the premise is to be maintained, the merits of written reporting apart, it is obvious that more effective ways should be sought for disseminating information and experience thus subsidized by the Department. In U.S. Department of Commerce missions this is performed through post-mission seminars and panel discussions as part of a mission schedule accepted by participants. The Ontario government trade mission program involves similar post-mission activity, organized on a continuing basis in conjunction with the Toronto Board of Trade. In the departmental program this has apparently occurred in only three instances, and these at the instigation of particular mission secretaries without any requirement by the Department.

The Department's trade fairs program, while not developed under the same premise, provides a similar source of subsidized experience.

As with trade missions, if full benefit is to be derived from departmental trade fair expenditures the post-fair use of exhibitors is suggested in disseminating market experience and information, and yet this is a use which has apparently never been exploited by the Department

In further identification of experienced exporters to participate in experience exchange forums, and following the approach used for the Montreal Board of Trade "clinics", more attention should be directed to both independent business travel and business travel organized by other agencies.

It is therefore recommended:

that trade mission members in departmental missions be required as part of individual mission programs to participate in post-mission seminars directed to disseminating market experience acquired;

that trade fair exhibitors be organized into similar panels or be individually involved in such exercises when appropriate;

that the Department identify, through trade offices abroad, suitable travelling businessmen to the end of involving them in similar instruction exercises; and

that such initiatives whenever possible be organized through the Export Study Clubs and developed within their instruction programs.

Again to better utilize the expertise available from experienced Canadian exporters, to supplement departmental instruction and to reinforce contact between experienced and inexperienced exporters another initiative suggests itself, in the development of a "piggy-back" program on the Australian model through the Export Study Clubs.

It is therefore recommended:

that an export "piggy-back" program be developed, initially through cooperation between the Department and the Canadian Manufacturers' Association and with the intention that it be finally integrated into the Export Study Club organization.

In demonstration of export success a technique is suggested which is less novel than a deficiency in the Department's present range of promotional techniques - in the institution of a national export awards program. Such programs presently exist among such a variety of Canadian competitors as the United Kingdom, Israel, France, Australia and the United States, and have been considered sufficiently worthwhile as to be continued and expanded. Within Canada similar programs have been established by the Manitoba Export Corporation, the Ontario Department of Trade and Development, and the New Brunswick Department of Economic Growth. Their justification of course lies not only in the focus they provide for general export publicity but also in the reinforced recognition given to export success - to the purpose of stimulating export interest among business colleagues and competitors.

It is therefore recommended:

that a national export awards program be established under the joint sponsorship of the Department, the Canadian Manufacturers' Association and the Canadian Export Association; and

that seminar programs be developed around award winners for use by the Export Study Club organization, the Canadian Export Association and such other agencies as might be appropriate.



Finally, a problem which would seem to be common to both American and British experience is in provoking and coordinating involvement in export stimulation by the variety of agencies and business enterprises which have or might have contributions to offer to the development of promotional programs. This problem is recognized through the establishment of continuing forums for the exchange and development of ideas, in the United States by the Export Expansion Councils and in Britain through a number of business/government councils. In Canada some recognition is evident in the Department's Business Advisory Council. There is however still a problem in developing such involvement on a continuing basis in the western provinces and the Maritimes, of providing continuity to the Department's present promotional excursions to these areas. In the U.S. a similar situation resulted in the establishment of the Western International Trading Group and Regional Export Expansion Councils; in Canada the use is suggested of two continuing working subsidiary committees of the Business Advisory Council developed both to focus publicity on export in general and export assistance facilities in particular and to provide a means of soliciting opinion on how best to develop export services to regional requirements, in support of Regional Office operations.

It is therefore recommended:

that regional sub-committees of the Business Advisory Council be established for the western provinces and the Maritime provinces;

that membership for these be drawn from regional businesses, trade and professional associations, export service agencies, governments and educational institutions; and

that executive support for each be provided through the Department's Regional Offices.

## APPENDIX I

### CANADIAN AGENCIES SURVEYED DIRECTLY

#### NATIONAL

Department of Manpower and Immigration, Small Business Management Unit  
Department of External Affairs, Academic Relations Office  
Department of Secretary of State, Education Support Branch  
Canadian Manufacturers Association, Commercial Intelligence Division  
Canadian Export Association  
Canadian Industrial Traffic League  
Canadian Industrial Management Association  
Canadian Institute of Chartered Accountants  
Canadian Bankers Association  
Canadian Association of Management Consultants  
Canadian Management Centre of the American Management Association  
International Chamber of Commerce, Canadian Council  
Canadian Chamber of Commerce  
Canadian Council of Management Associations  
Packaging Association of Canada  
Association of Canadian Schools of Business  
Association of Universities and Colleges of Canada  
Dominion Chartered Customs House Brokers Association

#### LOCAL

##### Newfoundland

Department of Education  
Department of Economic Development  
Memorial University

##### Prince Edward Island

Department of Education  
Department of Industry and Natural Resources

##### Nova Scotia

Department of Education  
Department of Trade and Industry  
Acadia University  
Dalhousie University  
Mount Saint Vincent College  
St. Francis Xavier University  
St. Mary's University

##### New Brunswick

Department of Education  
Department of Economic Development  
Mount Allison University  
University of New Brunswick

Quebec

Department of Education  
Department of Industry and Commerce  
Bishops University  
Laval University  
McGill University  
University of Sherbrooke  
Sir George Williams University  
Montreal Board of Trade

Ontario

Department of Education  
Department of Trade and Development  
Carleton University  
University of Guelph  
Lakehead University  
McMaster University  
Queen's University  
University of Toronto  
Trent University  
Waterloo Lutheran University  
University of Western Ontario  
University of Windsor  
York University  
Toronto Board of Trade

Manitoba

Department of Education  
Department of Industry and Commerce  
Manitoba Export Corporation  
University of Manitoba  
Winnipeg Chamber of Commerce  
Industrial Development Board of Greater Winnipeg

Saskatchewan

Department of Education  
Department of Industry and Commerce  
University of Saskatchewan  
Regina Chamber of Commerce

Alberta

Department of Education  
Department of Industry and Tourism  
University of Alberta  
Edmonton Chamber of Commerce

British Columbia

Department of Education

Department of Industrial Development, Trade and Commerce

University of British Columbia

Simon Fraser University

Vancouver Board of Trade

Vancouver School Board

B. C. Vocational Institute

## APPENDIX II

In this report it has been contended that industry liaison in export support is primarily directed to service and promotion to the detriment of motivation and education, and that this coincides with and results from the restricted number of companies in a commodity officers activity span. This point can be illustrated in participations in the Department's trade fair program. The program, since its inception in 1956, has involved 1748 companies in 5099 participations (or 29% of the companies listed in the Department's Exporters Directory). Yet 275 companies, 16% of the total participating companies, were involved in 2610 participations, 51% of the participations. Even assuming that the 5992 companies in the Exporters Directory represent the Department's clientele universe this means that one-half of the Department's total trade fair resources over eleven years have been expended on less than 5% of total clientele.

