

CEO UPDATE

THE SOURCE ON ASSOCIATION AND NONPROFIT EXECUTIVE CAREERS & PEOPLE

Volume XIX, Number 483, September 18, 2009

www.ceoupdate.com

SPECIAL REPORT

Going global: For many associations international arena promises growth

Carefully cultivated relationships and an awareness of cultural differences are two keys to success



By Mark Tarallo

Even with the promise of a better domestic economy ahead, expansion abroad still beckons many U.S.-based industry groups in search of new business opportunities for member companies, as well as professional associations interested in increased membership.

"People are looking for additional sources of revenue, new markets," said Megan Freedman, director of international programs at ASAE and The Center for Association Leadership.

In the industry sector are groups like The Sulphur Institute, which this year signed a memorandum of understanding with Chinese government officials for a five-year market development plan. Half of TSI's 38 member companies are now international. The group's annual meeting was held in Hungary last year, Spain this year, with Qatar hosting in 2010.

Professional groups, such as the Society for

Human Resource Management, are also establishing a strong presence abroad. SHRM now offers certification programs for human resource managers in China and India, and has close to 500 members in those countries.

Hiring reflects expansion

To contend with this growing international focus, more U.S.-based groups are adding global positions, as shown by *CEO Update's* tracking of trends in executive employment.

The U.S. Green Building Council, for example, created a new job slot this month, senior vice president of global policy and law. In the financial sector, the president and CEO of the Securities Industry and Financial Markets Association, Tim Ryan, will lead a new global strategy group forming soon.

Even volunteer boards are globalizing. Earlier this year, ASAE's Center named Robin Lokerman, a Dutchman, as board chair. Lokerman,

(Continued on page 4)

INSIDE THIS ISSUE

Senate OKs travel promotion act

Now facing House approval, the bill that would create a nonprofit group to market the U.S. as a destination is welcomed by industry. **3**

Value of business travel documented

A new report determines that dollars spent in face-to-face meetings can reap bottom-line benefits. **3**

Broadcasters name former U.S. senator as next CEO

Gordon Smith, two-term Oregon GOP senator, will come on board Nov. 1. **6**

Seeking revenue, groups share space

In this economic downturn, some associations are trading excess office space for financial breathing room. **7**

NEW ON BOARD

Bank group CEO talks about transition

Former SIFMA staffer Richard Hunt describes how he prepped for his new job and how he survives daily challenges. **9**

ASSOCIATION LEADER

Signage CEO calls her industry "cool"

International Sign Association chief Lori Anderson shares strategies to stay upbeat in a down time. **12**

ASK THE RECRUITER

Avoid basic interview mistakes

Three executive recruiters point out common pitfalls and smart strategies for success. **14**

DEPARTURES AND ARRIVALS

- Zaucha to retire from grocers' association; Russell Reynolds leads search for successor
- Association veteran Pomerantz named to head drug information group
- SOCMA head stepping down

JOB LISTINGS

CEO opportunities **19**

Senior staff **22**

SPECIAL REPORT

Going global promises growth

(Continued from page 1)

CEO of the institutional division of MCI, is the first international executive to hold that slot.

Still, cultivating opportunities abroad can take years of effort and planning and more than a few new people with international acumen. For an association, this involves mapping out a specific goal, whether it is increased sales for member companies, a new market for services, an international partnership or more members, said Thomas Reiser, Brussels-based director of European AMC Interel Association Management, who has worked with many U.S.-based groups looking to expand to a foreign country.

For this report, several veteran internationalists spoke with *CEO Update* about the concepts that undergird global success, and how an association can maximize its chances of making inroads overseas.

"You have to have a really good plan in place. You have to know why you want to do it, and how you want to do it," Reiser said.

Foreign face-time

ASAE studies show the trend of increased international activity for American associations has been building for the last decade. In a 2006 ASAE survey of U.S.-based groups, almost half of the respondents (42 percent) indicated that they had international members. And 17 per-

cent of respondents said they had offices overseas, more than triple the percentage from the previous survey, taken in 2001, when only 5 percent said they had a foothold abroad.

"As the world becomes more global, more associations are reaching out for these opportunities," said Greta Kotler, ASAE's chief knowledge and strategy officer.

But these opportunities mean a significant time investment, and some of those new to globalism bring the wrong business philosophy to the arena. "Many think it's going to be, more or less, a quick-hit opportunity," Freedman said.

Instead, global success requires a sustained effort to cultivate ties gradually, including visiting foreign counterparts in their own localities and meeting colleagues there.

"You need to be patient. You have to build relationships, and you can't build relationships in one visit," said TSI President and CEO Catherine Randazzo, who had been to China several times before the agreement for partial



Thomas Reiser

funding was reached with the Chinese Ministry of Agriculture.

And this means thinking and strategizing long term, says Bonnie Koenig, president of the Chicago-based consulting firm Going International and the author of *Going Global for the Greater Good: Succeeding as a Nonprofit in the International Community*.

Koenig, whose clients have included the Amer-

TRADE GROUP LEADERS ADVISED TO EYE GLOBAL OPPORTUNITIES

Like U.S. businesses, trade associations should evaluate their place in what is increasingly a global society, said Fareed Zakaria, host of CNN's *Fareed Zakaria GPS* and author of *The Post-American World*, a book about the rise of "everyone else."

In an interview with *CEO Update*, Zakaria, who spoke at the closing session of ASAE's annual meeting in Toronto in August, said world history has been dominated by three shifts of power: the rise of the West in the 16th

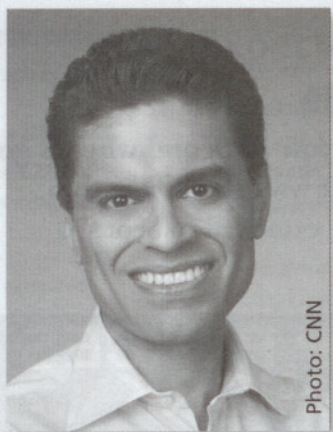


Photo: CNN

Fareed Zakaria

century, the rise of the United States in the late 19th century and the rise of the East, happening now in countries like China and India.

"In the old world you thrived by being America, the biggest kid on the block," Zakaria said. "Now, there are more houses on the block. [You] have to be more aware [of the world]."

In addition to being more aware, association CEOs must

ask themselves how they will fit into the global economy and they must consider how they can benefit from overseas expansion,

international projects and global partnerships and collaboration.

"You can't have a parochial lens." You have members who are as concerned with the European Union, piracy laws in China and business access to India as they are with developments on Capitol Hill, Zakaria said.

And contrary to what some executives might think, Zakaria said the stumbling world economy has actually accelerated the shift towards a globally integrated world.

"If trade associations are to do what they set out to do, [they must] confront a very new world," he said. "My sense is that they have not embraced the new world."

—Jonathan Hemmerdinger

ican College of Cardiology and the Institute of Internal Auditors, said several associations that have worked with her have succeeded internationally, but over a period of 10 to 15 years. This means in-country visits, not just email.

"You can't build a relationship over the Internet. You have to build a relationship face to face," Koenig said.

"A lot of banquets," Kotler added. "A lot of meal time."

Educate to understand

Besides time, cultivating international relationships also takes significant preparation. Learning the cultural and business norms of the host country is crucial, experts say.

Misunderstandings can occur. SHRM, for example, experienced a disconnect in trying to establish an HR management certification program in China, said Brian Glade, vice president of international programs.

The problem, he said, is that in the People's Republic of China, the concept of "managing people" can have revolutionary overtones. SHRM's purely educational program, then, raised some official eyebrows.

"They would say, 'what do you want to do with our people?'" Glade said.

Hiring or partnering with local talent can help

bridge the cultural gap. Glade and Randazzo both said their groups have had success going that route, and Freedman said she has heard similar reports from many other organizations.

In addition, misunderstandings can be minimized through a good-faith education effort. By way of ground-floor preparation, Koenig recommended reading country reports issued by the U.S. departments of State and Commerce. She also emphasized "primary source" research—speaking with member companies and related groups that have experience with the country in question.

Why go global at all?

A well-formed international strategic plan, with clear goals, is critical, experts said. Reiser told of a recent meeting he had with leaders from a U.S.-based association interested in exploring international expansion.

Reiser asked the executives why they wanted to expand internationally. They did not have an answer, he said, other than a vague assertion that it would be good for the association.

He advised against it, on the grounds that a well-defined objective is crucial to success. An association venturing abroad should determine if the ultimate aim is to be a U.S.-based group that welcomes international members, or a truly

global organization, Reiser said. This can be a difficult decision for any association, and it will have major ramifications down the road in terms of governance, resource allocation and mindset.

"This [can be] a tricky one. You don't want to upset your core constituencies, which are American," he said.

Get the board on board

Finally, if an international strategic plan is formulated by executives, it must be clearly communicated to the membership and especially to the board of directors.

"There needs to be demonstrated value to association members. And that's something that organizations often will not do," Koenig said.

While proving value to association members of some new or expanded programs can be firmly established, it is frequently a more complicated sell with a global venture. In international work, there is often a higher degree of unpredictability, so the board must understand that "things don't always go exactly as expected," Kotler said.

Goals have to be realistic. And given the expense of international travel, the overall mission has to be compelling.

"If it's not," Koenig said, "it's prime for cutting." ■

MEETINGS CAN LURE GLOBAL MEMBERS

U.S.-based conferences can be one of the most effective ways for associations to build an international membership and potentially serve as launching pads for global expansion, association managers say.

William Drohan, president of Drohan Management Group in Reston, Va., said in recent years, foreign professionals have expressed "a tremendous amount of interest" in conferences organized by his client associations, more than half of which are medical-related.

"I call it something of a silent revolution. It's mostly been driven by the Internet," Drohan said.

As a result, 40 percent of these conference attendees now come from outside North America, Drohan said.

In large part, this is because U.S.-based conferences have earned an excellent reputation in many parts of the world, says Thomas Reiser,

the Brussels-based director of Interel Association Management, a European AMC.

"The international guys are figuring out this is pretty much the best convention there is, in terms of content," Reiser said.

And conference sponsors are waking up to this trend and saying, "Well, hello! There is an opportunity for us, if we do it in the right way," Reiser said.

Reiser suggested "a few tweaks" to make a U.S. meeting more global-friendly, including the addition of more international speakers and panel heads; holding a special "welcome" reception for international



William Drohan

delegates; and highlighting international attendance in the conference newsletter.

Drohan said many foreign conferees decide to join the sponsoring association. A substantial international membership base, he added, can be a great resource for an association looking to venture globally, whether opening a foreign office or forging an international partnership.

"Taking the show on the road, and [to] the world, is

basically the next stage of development," Drohan said.

—Mark Tarallo