

A Look at the Competition

Private-sector Input to International Business Development Agencies

In the last edition of TCS International, we introduced a series of articles based on our research on foreign international business development agencies. This edition illustrates the methods our competitors use to link with the private sector.

1. Boards of Directors, Advisory Councils/Advisory Committees

The majority of International Business Development (IBD) agencies have a board of directors. Boards are viewed as an essential means of accessing private-sector input.

The role typically played by boards encompasses the approval of the overall strategic direction and the corporate plan of the agency, major resource allocations and, sometimes, senior appointments (senior managers, senior Trade Commissioners). Boards are increasingly being asked to take back responsibilities that were previously devolved to separate committees. A strong board, with its continuing advice to the agency's senior management, is universally viewed as a means to keep the agency focussed on client needs and to enhance the agency's public image. Boards have also been useful in assisting the agencies in efficiently addressing high-profile issues and ministerial "global walk-about."

The private-sector composition of the board is typically significantly greater than half, and is occasionally exclusive. When included, representatives of other government departments often sit as ex-officio members. Where the domestic business culture demands, a union representative is also included on the board. Private-sector representatives are generally the CEOs or presidents of firms. In a number of cases, it is legislated that the

Chairman of the Board must own his/her own company. This selection standard is seen as lending credibility to the body at the functional and political levels.

Advisory councils are also used by some agencies, but their advice is frequently seen as diluted, when and if it is implemented. Such councils are often viewed as a less-effective means of ensuring a focus on clients and results. The United Kingdom's Overseas Projects Board, a separate group affiliated with the British Overseas Trade Board, is an exception. This body consists of senior business people with extensive experience in international competition for overseas projects. The Overseas Projects Board filters British bidders as well as projects to focus government support on the most promising of each. This filtering is conducted in a similar manner in France and Germany, while variants exist in Nordic countries. In addition, the British Overseas Projects Board facilitates sector groups to advise export-ready companies on tactics to win overseas contracts.

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2. Networks

One of the most common tools used to foster an intrinsic connection between an IBD agency and clients is a business network. Variations of networks around the globe are premised on the concept that joint initiatives enable firms, normally from the same sector, to