

# Establishing international EXPORTING STANDARDS

Two new exporting schools are helping exporters lift their training and skills so they can trade on an equal standing with their competitors. **Penny Harding** reports.

It's a lot easier to be a 'fair-weather' exporter – economic conditions over recent years have been gentle on Kiwi companies wanting to give it a go. But in the tougher environment of 2009, those with export skills will find them valuable. Two new exporting schools in New Zealand will help take the 'hit and miss' out of trading overseas.

Ian Walton, vice president of aviation and logistics at ATRAX Group New Zealand, enrolled at the New Zealand School of Export after 20 years in exporting. His company designs and manufactures airport baggage, cargo weighing equipment and control systems – and trades in 86 countries. Walton says he wanted a qualification that recognised his experience. He started work on the Diploma of International Trade in February 2008 and he is half-way through the course.

Studying on planes and in hotel rooms, Walton says he is filling gaps in his knowledge

– particularly in international trade finance – and he is feeding what he learns back into the company.

The course alerted him to the importance of planning for the worst-case scenario. So in 2007-2008 he planned sales on the assumption that the New Zealand dollar would go to 80 cents against the US dollar. "We put all our efforts into reducing our baseline costs. For a period of three or four months, we were trading at the 80-cent mark and we were breaking even."

With the dollar down to \$US0.53 on January 21, Walton says ATRAX is hoping to be in a good position to compete for work in China and other emerging markets. While the lower Kiwi dollar has been positive for costings, the global downturn is a negative factor. But airports in China are government-owned and, in a recession, governments tend to fund infrastructure projects. He says ATRAX is relying on that.

Michael Putt, marketing director of New Zealand Liquor

Resources, signed on at the NZ School of Export in July 2007 to do the Diploma of International Trade. A new liquor venture with a partner in China is his first export attempt.

"I thought I would set up a wine label, contact some people via the internet and send them some wine – and they would pay

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us," says Putt. "But there is so much more involved.

"You realise you have got to be over there in the market yourself. You have got to be doing tastings, getting to know the culture, getting to know the place, getting to know the people and how they expect business to be done."

Putt's business is still in its infancy. He studies at night and

works as a senior tutor at a foreign language school during the day. His course work gives him the raw material for his business plans. "It has reassured me that there is potential there," he says. "If I hadn't done the course, I probably would have given up."

NZ School of Export director Dr Romuald Rudzki says New

Zealand exporters are "innovative and hard-working. But they need to know everything their competitors know," he says.

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Rudzki, originally from the



Ian Walton and Michael Putt

NIGEL MARPLE

United Kingdom, has worked as an academic, management consultant and business entrepreneur. In 1996, he won the Financial Times' David Thomas Award for his development of education for entrepreneurship.

Born in England, he is fluent in Polish and has lived and worked in many countries including England, Poland and Africa.

The NZ School of Export has been teaching the Diploma in International Trade since July 2007. It is based in Palmerston North and accredited by the International Association of Trade Training Organisations. Under an Export Year pilot, New Zealand Trade and Enterprise paid half of the fees for the first intake of participants. The diploma is pitched at post-graduates, delivered by distance learning and class enrolments are kept to 30.

The school started by using course material under licence from Canada, with New Zealand supplements. But exporters

enrolling in 2009 intakes will use material developed by the school. The school has three full-time staff, eight specialist advisors from industry and a network of industry experts.

The diploma is taught over 17 months in eight modules – Global Business Environment, International Marketing, International Trade Finance, Market Entry Strategies, Global Supply Chain Management, International Trade Research, Legal Aspects of International Trade, and International Trade Management. Ten of the 20 exporters from the first intake graduated at the beginning of 2009 – others have deferred their studies to suit work commitments and will graduate later in the year.

Rudzki says New Zealand exporters were lacking a world-class level of training and were not evenly matched with their competitors. "Kiwis go into the world and give it their best shot, but you are dealing with

some operators who are very experienced – and some who are complete rogues."

He says the school has attracted a variety of exporters – male and female, people at the start of their careers and those with well-established careers, sole traders, employees of big companies, Kiwis and migrants.

"We don't take school-leavers or international students. They have to be working in an export role."

### Export Academy

The Export Academy, based in Havelock North, is doing things differently. The Academy has taken the longer route by choosing to develop their course material from the outset and to seek NZQA accreditation. It is at present positioning its courses for undergraduates. It has not had any government funding.

The academy ran four showcase modules in August and September last year: Export Organisation,

New Zealand in International Trade, International Accounting and Banking, and Shipping, Supply Chain and Logistics. Forty-eight people took part.

But its planned Certificate in Export Enterprise and Diploma in Export Enterprise programmes had to go on hold while it waited for accreditation – expected for the 2009 academic year. While it waits, it is going ahead in February and March with the four modules it presented last year, with some modifications in response to feedback. Further down the track, the academy plans to offer a Degree in Export Enterprise.

The academy plans to target people already working in exporting and to combine full-time and part-time on-campus study with distance learning. In the longer term, it intends to market its courses to international students.

The Export Academy's founders are Hawke's Bay business partners Murray Painter and Mark

Carrington. They are directors of GoReefers South Pacific, an international export company specialising in refrigerated logistics. The pair came up with a plan to share the kind of information that big companies develop on their own account.

"I came from the meat industry and Mark had come through the fruit industry and we found that we were working through the same sort of export processes," says Painter.

The information and systems set up by these big companies tends to stay within these companies, but Painter and Carrington saw the potential for helping smaller companies to be more effective by making that information more widely available.

"In New Zealand we have either the very big exporters or the 'mum-and-dad' family business, and there is not a lot in between," Painter says.

"In the larger companies, you get a team of experts. The big companies tend to put people in silos and keep them there. The smaller to medium-sized companies need generalists. They need to have a bit of knowledge of all those facets."

Carrington says trading

internationally involves a huge amount of knowledge. "What we found, I guess, was that in New Zealand there are a large number of exporters who don't necessarily have all the skills to complete their export transactions.

"Some people succeed despite themselves. Luck is always important, but you have to reduce the effects of that."

**"The further you go offshore, the more difficult it becomes."**

Dean Smith, export and market development manager of Mission Estate Winery in Hawke's Bay was one of the participants in the academy's showcase modules last year. Smith graduated from Auckland University with a degree in marketing followed by a post-graduate diploma in wine-making at Lincoln, but he wants to know more about exporting as Mission boosts its export business with increased capacity from its new winery.

"An error made in the export environment could cost you hundreds of thousands of dollars overnight if you don't confirm your terms of trade properly. There are a lot of fraudulent people out there."

Smith found the courses useful. "I felt it was beneficial being in a room with other people doing export-related activities."

NZTE business development manager Euan Purdie is pleased to finally see export schools in New Zealand. So far, two NZTE staff have also gone through the NZ School of Export programme to certificate level.

He says it is important to have courses that teach the full export process.

"A new company can get a lot of assistance from an organisation such as ours in terms of what to do in markets – in terms of those practical steps." But Purdie says there is a big difference in moving from a domestic business to an international exporter. "The further you go offshore, the more difficult it becomes."

Purdie says exporters who rely only on their instincts may be fine in the good times but, in the present economic climate, exporters had to sharpen their skills and improve their cash management to stay at the top of the game.

The NZ School of Export and the Export academy are timely arrivals on the scene. Their impact will take time to show in the export industry, but their presence acknowledges that a 'seat-of-the-pants' exporting approach is out of place in a climate where every export dollar earned will count.

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