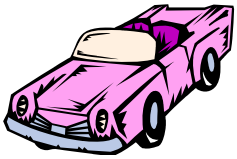
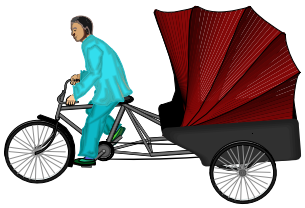


AROUND THE WORLD



Are you a future entrepreneur? There are hundreds of countries on this globe that can provide customers for your products or services. Because you have never been there, it is hard to think about these faraway places as a source of customers for your business idea. For example, China has a population four times the size of the United States. This huge market is just learning about American fashions, fast food, and apple pie. Doing business with other countries will require that you learn more about their customs, language, and ways of doing business, as well as the process of ***exporting.***

Another way to do business with other countries is to buy their products to sell in this country. Such ***imports*** are growing every year because Americans are impressed with the uniqueness or comparatively low prices of foreign products. As the world establishes more and more business connections, there will be unlimited new business opportunities for entrepreneurs.

You may even wish to develop a copy of a foreign product or service to sell in your own area. Sushi, for example, is a seasoned rice and raw fish entrée from Japan that has become popular in the United States, and now is actually produced in the U.S. Opportunities for such ***import substitutions*** are only as far away as your imagination and your knowledge of countries around the world.

Recently DECA has added the International Business Plan Event to encourage young people to think about international business opportunities. Details of the event can be found on their web page at www.deca.org. The competitive event includes both a written plan prepared in advance of the competition and an interview by judges at the event. One to three DECA chapter members can participate in this event.

In addition to skills in general marketing, students involved in this new DECA competition will demonstrate the following skills:

- **Communication skills**…the ability to exchange information and ideas with others through writing. speaking, reading, and listening.
- **Analytical skills**…the ability to derive facts from data, findings from facts, conclusions from findings, and recommendations from findings.
- **Critical thinking/problem-solving skills**...the ability to identify issues or problems, and find solutions.
- **Production skills**…the ability to take a concept from an idea and make it real.
- **Teamwork…**the ability to be an effective member of a productive group.
- **Priorities/time management…** the ability to determine priorities and manage time commitments and deadlines.
- **Business planning…**the basic steps involved in starting a business in an international setting.
- **Financial skills …** the ability to interpret financial statements and adapt to foreign currency.
- **Customer needs…** the ability to think about customers in different countries whose needs may be different than our own.
- **Cultural differences…**the impact of global cultural differences.

International Business Plan Guidelines

Thanks to National DECA we are sharing some of the guidelines for developing an international business plan that students can use in the classroom to develop these important skills for the future. You can modify them to

suit your students for purpose of practicing such an event. Be sure to get the complete guidelines from National DECA if your students are preparing to compete in their events.

The written entry must be nor more than 30 pages including appendices and be typed, double spaced. After a title page and table of contents, the outline for the written event is as follows:

I - EXECUTIVE SUMMARY. One page description of the project
II - INTRODUCTION. The type of business proposed, a brief description of the major product and/or service involved. A brief description of the country proposed for trade, the rationale for selecting the country, identification of existing trade barriers, identification of sources of information (research resources and interviews).

III - ANALYSIS OF THE INTERNATIONAL BUSINESS SITUATION

A. Economic, political, and legal analysis of the trading country.

1. Describe the trading country's economic system, economic information important to your proposed product and/or service, the level of foreign investment in that country
2. Describe the trading country's governmental structure and stability, how the government controls trade and private business.
3. Describe laws and/or governmental agencies that affect your product and/or service (i.e. labor laws, trade laws, etc.

B. Trade area and cultural analysis

1. Geographic and demographic information, important customs and traditions, other pertinent cultural information, competitive advantages and disadvantages of the proposed business opportunity.
2. Market segment analysis target market (age, income level, population estimate,, other specific demographic and economic information), customer buying behavior related to the proposed business.
3. Analysis of the potential location - importance and requirements of each trade document required by the US and the country of choice.

IV. PLANNED OPERATION OF THE PROPOSED BUSINESS

A. Proposed organization - Type of ownership and rationale; start-up steps to form the business; planned personnel (or functional) needs; proposed staffing to handle managerial, financial, marketing, legal, production functions; proposed organization chart; brief job descriptions, if necessary.

B. Proposed product/service -

1. Product and/or service details include potential suppliers, manufacturing plans, inventory policies, if applicable. Include necessary supplies if a service is provided.
2. Transportation information - costs, benefits, risks of the transportation method, documents needed to transport the product.

C. Proposed strategies -

1. Pricing policies: what currency will be used, costs, markups, markdowns, relation to competition, factors that could affect the price of the product (e.g. competition, political conditions, taxes, tariffs, transportation costs).
2. Promotional program: promotional activities, media availability, costs, one-year promotional plan outline, local customs related to business readiness.

V. PLANNED FINANCING

A. Projected income and expenses:

1. Projected income statements for first year's operation
2. Balance sheet for the end of the first year
3. A brief narrative description of the planned growth of the business, including financial r4esources, needs and a brief three-year plan projection

VI. BIBLIOGRAPHY
VII. APPENDIX