

# CHAPTER 1

## THE WORLD TRADE CENTERS ASSOCIATION

### Mission of the World Trade Centers Association

The World Trade Centers Association (WTCA) is a vital part of a dynamic global economy, where forward thinking businesses turn to international trade and investment as the key to assuring their long-term prosperity.

The WTCA is a not-for-profit corporation that stands outside of politics in service to all regions of the world interested in promoting and assisting world trade. Its mission is to support the establishment and successful operation of individual World Trade Centers as part of a worldwide alliance of World Trade Centers, which enhances stability, peace, world trade and development, leading to economic growth.

As stated in its Constitution and Bylaws, the specific purposes of the WTCA are:

1. to encourage the expansion of world trade;
2. to promote international business relationships and understanding among nations;
3. to foster the increased participation in world trade by developing nations;
4. to create and encourage mutual assistance and cooperation among members;
5. to promote and further the concept of the World Trade Center; and
6. to act in pursuance of these goals.

The WTCA has implemented a number of programs over the years aimed at achieving its mission and fulfilling its purposes. These include:

- Organizing periodic WTC Development Seminars;
- Developing new services, often on a global scale, that WTCs can offer to their members;
- Establishing minimum standards for WTC services, certifying WTC operations and training WTC employees;
- Serving as a clearinghouse for mutual assistance and cooperative exchange among WTCs;
- Organizing a worldwide program of reciprocity among WTCs;
- Promoting the WTC concept and WTCA goals worldwide;
- Pioneering in the use of the latest technologies for the benefit of WTCs and their clients; and
- Forming strategic alliances with other private and governmental organizations in support of its members' activities.

## **WTCA History**

The first organization to use the World Trade Center designation, as it is understood today, was New York's Downtown-Lower Manhattan Association (DLMA), chaired by David Rockefeller. In a January 27, 1960, report to the Governors of the States of New York and New Jersey and to the Mayor of the City of New York, Mr. Rockefeller proposed a facility to be called a World Trade Center. The goal was to simplify and stimulate commerce by bringing together the offices of government and industry that serve and carry on foreign trade. The report also proposed that the Port of New York Authority, now the Port Authority of New York and New Jersey, "be requested to coordinate and make a detailed study of the planning, financing and activating" of the World Trade Center.

Following a yearlong analysis and preliminary planning project, the Port Authority published its report on March 10, 1961. It described an expanded World Trade Center concept that included essential services for traders, notably a World Trade Institute, a World Trade Center Club and trade information facilities.

Bi-state enabling legislation was passed, and Guy Tozzoli was charged with turning the ambitious proposal into reality. Under his leadership, the concept was refined, expanded and translated into specific services and physical facilities. The New York project achieved international prominence, attracting visitors from around the world and becoming the model for World Trade Centers everywhere.

More and more regions became interested in developing similar projects of their own, and the idea of forming an association of World Trade Centers was born. At an April 1968 organizational meeting in New Orleans, Guy Tozzoli was asked to direct the formative work with his staff at World Trade Center New York. Later in 1968 and in 1969, further organizational meetings were held in Antwerp, Amsterdam and San Juan. The first General Assembly of the WTCA was held in Tokyo in 1970, where the constitution and bylaws were adopted and Guy Tozzoli was elected WTCA President. At that time, there were 16 members from seven countries.

The headquarters functions of the WTCA were handled by the staff of World Trade Center New York from 1968 through 1986, when the first WTCA-paid staff member was hired and a separate WTCA office was established. In 1987, Guy Tozzoli, who had served continuously as WTCA President since 1970, retired from his position at the Port Authority and became the full-time President of the WTCA. By bridging the international business, political and diplomatic worlds, he has kept the WTCA in the forefront of the sweeping changes affecting international trade, while expanding the World Trade Center concept to every corner of the globe. From its modest membership roster in 1970, the WTCA has grown to include more than 290 members from nearly 100 countries. The WTCA recognizes the valuable contribution of former Board members who helped to pursue the mission, vision and goals of the Association in the past for representing the Association with dignity and dedication, contributing to its growth and success.

## **WTCA Governance and Operation**

Under its Constitution and Bylaws, the WTCA is governed by a Board of Directors not to exceed 25 persons. This includes the WTCA President, who is nominated by the Board and whose office includes a seat on the Board. Following each Board election, the directors elect a Chairperson and two Vice Chairs from among the directors. These officers serve two-year terms. WTCA directors are elected by the Association's Regular Members, an election is held every two years, and those elected serve overlapping terms of four years each. Candidates for director must represent an existing Regular Member, and every effort is made to nominate candidates that will preserve a broad international representation on the Board. The Board meets at least twice a year to review applications for new members, hear reports from committee chairs, oversee WTCA finances and provide policy guidance on the full range of WTCA activities.

WTCA headquarters is temporarily located in the Lincoln Building in New York City. Under the direction of the WTCA president, a staff of about 20 pursues the goals and carries out the programs approved by the WTCA Board. Staff members maintain WTCA accounts, handle correspondence, assist members with individual requests, work with meeting hosts in planning Association gatherings, coordinate the work of committee chairs, prepare and distribute various publications and materials, develop major programs such as WTCA On-Line, interact with the media, receive visiting WTCA members and others and travel to member locations for consultations as required.

## **WTCA Membership**

### **Regular Membership**

This category is available to organizations currently involved or interested in becoming involved in the planning, development and operation of a World Trade Center, which is defined by the WTCA Constitution and Bylaws as one or more buildings providing for the centralized accommodation of activities and services devoted to the promotion and expansion of world trade.

Within the Regular Membership category, there are the following sub-categories:

1. Operating World Trade Centers
  - Operating, with Services and Facilities
  - Operating, with Services Offered and Facilities Under Construction
  - Operating, with Services Offered and Facilities Planned
2. World Trade Centers Under Construction, No Services Offered
3. World Trade Centers Planned, No Services Offered

Under the WTCA's Constitution and Bylaws, there can be only one Regular WTCA Member in a single economic area at one time.

## **Satellite Membership**

Regular Membership also includes Satellite World Trade Centers. To be eligible for Regular Membership as a Satellite, an organization must meet all the criteria pertinent to Regular Membership, and be located totally within the economic region of an existing Regular Member, be sponsored by the Regular Member in that region with an operating facility, and be subject to a relationship with that Regular Member that has been approved by the Board of WTCA.

## **Benefits of WTCA Membership**

In keeping with its mission of facilitating and promoting international trade through WTCs, the Association strives to aid the growth and success of its members in many ways. Here are some of them.

**Training.** All WTCA members are eligible to participate in periodic World Trade Center Development Seminars and in frequent workshops and similar orientation programs that take place throughout the year at WTCA meetings.

**Individual consultations.** When WTCA members need individualized assistance, this is readily available from staff at WTCA headquarters, from appropriate committee chairs or from regional coordinators appointed to provide on-site advice in their respective territories.

**Networking.** All WTCA members are part of a global family with many common objectives. Learning from and helping one another has been a common theme among WTCA members since the beginning, and it is one of the WTCA's biggest strengths.

**Reciprocity.** In the WTCA, every local member of a WTC is automatically a member of all WTCs. This greatly helps the local membership marketing efforts of each WTC, and it vastly increases the amount of services that WTCs can offer their members. See details later in this chapter.

**Global programs.** Every WTCA member benefits from participation in the global programs created by the WTCA. These programs, such as WTCA OnLine, TradeCard and the WTC University, depend on multi-WTC cooperation and thus could not be produced by any single WTC.

**Participation in regular and special meetings.** All WTCA members are encouraged to attend the semi-annual meetings of the WTCA — as well as committee and other special meetings — that are held in member locations throughout the world. These meetings enable members to learn about current programs and to participate in new program development. The meetings also promote informal discussions among delegates that lead to useful inter-WTC cooperative programs.

**Use of World Trade Center designation.** The WTCA has registered the World Trade Center service mark and logo, and it gives its Regular Members the exclusive right to use the mark and logo in the members' respective geographic areas. Use of the service mark and logo is a valuable marketing advantage for any organization, as it links the organization with the WTCA and with the worldwide network of WTCs.

**Publicity.** As a WTCA member, each WTC benefits from the global publicity that results from the activities of the WTCA and from other WTCA members.

**A voice in world affairs.** WTCA members participate in discussions about timely world trade policy and practice issues, leading to WTCA resolutions that are forwarded to appropriate international organizations for consideration in their deliberative processes.

**Publications.** All Association members receive numerous reference and news publications to assist them in their WTC programs and to keep them in touch with what the Association and other WTCs are doing. These include:

- The Constitution and Bylaws
- WTCA Membership Directory, listing each WTCA member, pertinent contact information, and services available
- WTC Facility Planning Guide, with information on the optimal physical characteristics and design of WTCs
- Global Connections I & II
- “What Is a World Trade Center” brochure
- WTCA News, a monthly on-line newsletter for WTCA and WTC activities. It is available on the
- WTCA’s website at [www.wtca.org](http://www.wtca.org). The WTCA News is available to the general public as well as on the website as a PDF file for use by all WTCs.
- WTCA President’s Progress Report from the Spring Meeting and General Assembly including all eight WTCA Committee Reports. This printed booklet is especially helpful to those WTCA members who are unable to attend any of these meetings.
- International Business Press Directory produced by WTCA headquarters
- Newsletters, brochures and other materials from other WTCA members

## **WTCA Committees**

Much of the WTCA’s work program is carried out by its committees. Currently, there are eight committees that focus on particular areas of interest to the Association. The Board changes the number and missions of the committees from time to time to adjust to changing circumstances. The committees help the WTCA keep up-to-date on the changing international trade environment. They research their respective areas of responsibility, produce products and services for WTCA members and make recommendations to the Board of Directors and headquarters staff on how to improve WTC and WTCA procedures. Their work greatly enhances the effectiveness of the WTCA and its network of members.

Each committee is made up of a broad cross-section of WTCA members to ensure that diverse viewpoints are represented. Committee chairs and members are all volunteers who donate their time and energy for the WTCA’s benefit. WTCA member representatives interested in participating in a particular committee’s work should contact the head of that committee. To promote maximum participation by the WTCA’s membership, no individual should be a member of more than two committees. Committee chairs try to appoint those who have a special interest or capability to work on that committee’s projects — and who help maintain an international balance of committee representation.

Here are the current WTCA committees and their activities:

- **Committee on Facilities and Functions.** The committee is working to ensure that WTC facilities reflect the special purpose of WTCs and include the latest developments in the property market. The Committee is also gaining valuable global exposure for WTCs among international property developers by participating in major international trade shows, such as MIPIM, the annual real estate expo in Cannes, France. Currently, the committee is developing a new set of guidelines for WTC facilities, and it is opening new lines of communication among WTCs to ensure that the best ideas and practices in WTC facility development are available to the entire WTC network.

- **Committee International Relations & Development.** In pursuit of a constitutional goal of the WTCA, this committee is helping guide the development of new WTCs in less-developed and industrializing nations, as these newest participants in the WTC movement navigate economic and political challenges. The Committee assists new members to create successful WTCs, and it assists existing WTCA members to improve their operations. To make its work more effective, the Committee has established a network of regional coordinators, all experienced WTC operators, who travel to member sites within their assigned territories to provide assistance. The regional coordinators also have been very successful in attracting new WTCA members from regions not previously represented in the WTCA.
- **Committee on Public Relations and Information.** The principal responsibility of this committee is to guide the development of WTCA OnLine, the Association's premier international trade resource. The Committee continues to add new products and services to the site, ensuring that it remains relevant to the needs of international traders. The Committee is also continuously monitoring developments in technology and makes recommendations to WTCs about their technology and communications infrastructure.
- **Committee on Planning and Finance.** This committee oversees the coordination and development of the WTCA's Five-Year Strategic Plan, which anticipates how the WTCA will capitalize on the opportunities in a changing global economy. Additionally, the Committee reviews and comments on WTCA budgets, financial statements, auditors' reports, dues policies and investments.
- **Committee on Tourism, Hospitality and Cultural Exchange.** Tourism is often overlooked as a component of international trade, but it is a vitally important element of the international economy. This committee helps WTCs enhance the tourism business of their respective regions. The Committee also encourages cultural exchange and plans events that emphasize international cooperation.
- **Committee on Trade Education, Training, and Research.** This Committee focuses on educational programs delivered by WTCs through World Trade Institutes, and in partnership with other educational institutions. Discovering and then meeting the educational needs of businesses involved in international trade is the goal of this committee. One of the Committee's programs, WTC University ([www.wtcu.com](http://www.wtcu.com)), is an innovative distance learning tool that harnesses the power of the Internet to create an international trade curriculum for students and professionals alike. The Committee is partnering with educational institutions to provide academic credit to users of the system.
- **Committee on Trade Fairs and Trade Marts.** Many WTCs offer or are planning to offer their own exhibit facilities. This Committee is developing alliances and co-sponsorships between WTCs and professional trade fair organizers, leveraging the WTCA's strength and increasing the usage of WTC trade show facilities. Through an active liaison program, it has greatly raised the visibility of WTCs among prominent trade fair publications and associations. Additionally, the Committee continues to help WTCs that are in the process of developing exhibit facilities. Among other items, the Committee has produced an inventory of WTCs that are also trade fair organizers or owners; an inventory of publications in the trade fair field; model agreements for cooperation between a WTC and a trade fair organizer; and special WTCA booths at various expos.

- **Committee on Quality & Standards.** This committee is spearheading the WTC certification process as the principal tool for raising the quality of WTC services worldwide. With input from many operating WTCs, it has established the criteria for the certification of all major WTC services, developing a set of common measurement tools that can be applied to all WTCs. It is also creating incentives for non-certified WTCs to seek certification — and for certified WTCs to seek recertification. In addition, this committee is monitoring the response times of WTCs to outside requests, with an eye toward improving inter-WTC reciprocity and mutual assistance.

## **Membership Meetings**

In addition to committee meetings, which may be held via teleconference, e-mail as well as in-person, the WTCA holds a number of gatherings throughout the year that enable WTCs to connect with each other and share ideas that can strengthen the entire WTC network. These meetings are held in various member locations around the world and include:

- The General Assembly, which is the principal annual gathering of the membership, held in October of each year.
- The Spring Meeting, normally held each April, is a gathering of WTCA members to assess the progress of WTCA initiatives and provide a forum for sharing ideas.
- Regional Meetings, which focus on the special needs and opportunities for WTCs in their respective regions.
- Special Meetings, which may be held at any time to focus on a particular program of importance to the WTCA.
- WTCA Members Seminars conducted by WTCA headquarters twice yearly in New York for new WTCA members and for new staff of veteran WTCA members. With presentations by headquarters staff and visiting WTC operators, it covers every phase of WTC planning, development and operation.

## **General Assemblies and Spring Meetings**

All member WTCs are expected to attend the WTCA General Assemblies and Spring Meetings. Located in a different host city each October and April, these meetings provide an ideal opportunity for WTCs to join their colleagues to:

- Discuss ongoing WTCA programs and propose new programs
- Meet with the senior WTCA leadership to share questions and concerns
- Share best practices with other WTCs
- Understand the impact of political and economic trends on WTC operations

Furthermore, the meetings give members the opportunity to meet informally with their colleagues and establish relationships that can lead to joint programs such as trade missions.

In addition to the WTC-related business meetings, other trade-related activities, such as trade missions and meetings with international trade agencies, are often conducted during General Assemblies and Spring Meetings. The presence of hundreds of delegates from WTCs, leading international businesses and international trade officials creates a dynamic setting for education and information exchange.

## **The WTCA Strategic Plan and New Business Initiatives**

To guide the future direction of the WTC movement, the WTCA periodically develops strategic plans which outline how WTCs and the WTCA can capitalize on economic, political and technological trends to strengthen their operations. The current strategic plan covers the years 2004– 2008, and is available through the WTCA.

The WTCA staff regularly examines new business opportunities that will benefit the entire membership. The best example of new business development is TradeCard, which was born out of a need identified by WTCs. Specifically, many of the small and medium sized businesses served by WTCs had difficulty in entering the trade arena because of the costs and uncertainty associated with the international payment system. TradeCard is an e-commerce solution that removes those obstacles. For a full description of this revolutionary system please see the section on TradeCard. (Chapter 14)

The WTCA is a constantly changing organization that is principally driven by its membership. As the World Trade Center concept continues its dramatic growth – from just a handful of operating WTCs in 1970 to nearly 300 today – the WTCA is continually looking for new ways to support both start-up and established WTCs. The WTCA and its staff offer a wide array of programs, products and technical expertise to its members, positioning it as an essential resource for every WTC. The case studies in this Handbook are some of the best examples of how this philosophy has been translated into innovative business solutions.

## **Reciprocity**

A member of one WTC is a member of a network of more than 300 WTCs that covers every corner of the globe. This association with a powerful, integrated global network is central to the WTC brand identity — and consequently to its marketing efforts. The WTCA reinforces this perception through the issuance of a global WTC membership card.

Each WTC extends reciprocal privileges to visitors from other WTCs. For example, when a visitor from WTC New Orleans visits WTC Osaka, he or she should feel as welcome as if they had never left home. They have access to the same services offered to “local” members, including the WTC Club, trade information services, trade education programs, etc. Reasonable fees may be charged, preferably at a discounted rate to the fees charged to non-WTC members.

Another element of reciprocity is responsiveness to requests from other WTCs. WTCs are often contacted by their counterparts from other regions or countries to provide information on behalf of one of their members. Those requests should be responded to promptly. If a request comes in that requires an expenditure of time or resources, it is appropriate for WTCs to charge each other fees for their services.



As business travel has increased, the importance of reciprocity has grown significantly. How one WTC treats its visitors is a reflection on the entire WTC network, and can either enhance or detract from the considerable power of the WTC brand.

## **Using the WTC Marks and Logo**

The World Trade Center marks and logo are the internationally recognized symbols of the World Trade Center movement, and are essential components of the WTC brand. As a result, the WTCA carefully guards the use of the mark and logo, and has obtained protection for them in many countries around the world. WTCs are encouraged to prominently display the mark and logo on their buildings, stationery, business cards and marketing materials. At the same time, use of the mark and logo by individual members of local WTCs is strictly prohibited. The WTCA encourages WTCs to closely monitor the use of the WTC logo — and to call the WTCA if there are any questions about its use. Camera-ready logos are available through the WTCA, and in the Appendix E of this handbook entitled “WTCA Logo”.

## CHAPTER 2

### WORLD TRADE CENTER CONCEPT

#### What Is A World Trade Center?

A World Trade Center provides businesses with access to a diverse array of state-of-the-art international trade services and facilities, enabling them to pick and choose among the services that can help them increase their international sales. By gathering together in a single space international businesses, international trade service providers, and its own in-house international trade services, WTCs create a “critical mass” of international business expertise that attracts leading companies to the project and stimulates economic growth throughout the community.

A WTC does not attempt to compete with organizations already involved in world trade. Instead, it aims to assist them by offering a setting that permits these organizations to flourish — and to complement these organizations by offering programs and services that are not available elsewhere. Unlike other trade promotion groups, WTCs promote imports as well as exports — and all other types of international business transactions.

The prime mission of a WTC is to support the world trade objectives of the region it serves. Therefore, a WTC must necessarily reflect the business resources and business goals of that region. Thus, there is no single formula for a successful WTC. Rather, each WTC must be carefully tailored to the individual objectives, opportunities and obstacles of its own region. This applies to every aspect of a WTC, including its size, location, organization, facilities and services.

While each WTC is unique, there are two common components of a fully operational WTC:

- a physical facility with tenants, and
- trade-related services that are offered to those tenants and to the community at large.

Within those basic parameters, some WTCs may concentrate on offering trade services to the community before launching their real estate operation. Others may begin with the real estate component and add the services later. What unites them all is their desire to serve as the focal point of international trade in their regions.

## Physical Facilities

The centralized accommodation of organizations involved in trade is basic to the definition of a WTC. Throughout civilization, every community of any size in any land has used trading centers. These were physical locations where people came to buy and sell. Over the years, they have been called by different names, including bazaars, marchés and, more recently, shopping centers. They have all served a natural need for society to trade in a central location. A WTC, of course, is a modern shopping center for traders. By combining in one place a wide variety of world trade organizations — exporters, importers, transportation agencies, financial and insurance firms, government agencies and many more — a WTC creates a thriving center of world commerce for its region.

Many of these agencies do business with one another on a regular basis and benefit greatly from close proximity to their bank, freight forwarder or law firm, for example. Altogether, this impressive commercial array attracts many more business visitors than any of the individual organizations would expect to receive if located elsewhere. It is the shopping center phenomenon.

What is the ideal proportion of the various types of tenants in a WTC? Because a WTC seeks to represent the trading community of its region, a good approach would be to try to attract representative firms, preferably the leaders, of every sector of the region's international business community.

## World Trade Services

The second basic requirement for a WTC is trade services. The services may be provided by the WTC's central management group, by a WTC tenant or by another organization under contract with the WTC. The important point is that all important trade services are available to WTC tenants, WTC members and the region's business community in general. While there are exceptions, e.g., customized labor-intensive services, it normally is not good business practice to limit WTC services to WTC tenants or even WTC members. This is because these groups often do not represent a large enough business base to make a specific service viable. A better approach is to make the service available to the broadest business community — and to give tenants and WTC members a special discount. This approach also helps achieve the regional trade assistance goals of the WTC and attracts the regional interest and support that is important to a WTC's success.

Here are some of the major services that a WTC should provide:

- WTCA On-Line
- Research
- Trade Information Services
- Office Services
- Seminars
- Publications
- Trade Missions
- WTC Club
- Translation

Detailed information on these services is provided later in this Handbook.

As mentioned, some of these services can be provided by WTC tenants or other organizations, but it is important that the desired level of quality is maintained. Use of another organization to provide a given service has the advantage of freeing the WTC's central management to concentrate on other WTC functions.

These two components, the physical facility and trade services, work in close cooperation with each other in a WTC and produce both the uniqueness and effectiveness of a WTC.

There are a number of organizations that offer trade services. They are not WTCs. There are also, of course, many office buildings with various world trade tenants, and these are not WTCs. A WTC is only realized when both components are present and operated in a coordinated way by a central management committed to the WTC concept.

### **Sources of WTC Revenue**

A successful WTC is economically viable and self-sustaining. WTCs can attract operational revenue from several sources:

- Rent from tenants
- WTC membership fees from both tenants and non-tenants
- Fees for special programs and services offered to members
- Fees for programs and services offered to non-members
- Grants and contracts from private and public foundations and agencies

WTCs have the latitude to innovate and develop new products and services for international traders. Each business and region has different needs, so successful WTCs offer a customized package of services that are most valuable to its tenants and members and reflect the special characteristics of the community.

### **Value of A World Trade Center**

A WTC designation is a valuable commodity, enabling the member to create a uniquely branded real estate and trade service project. Because of this, a successful WTC creates enormous value to sponsors and developers, as well as to the community as a whole.

### **Value to Members and Developers**

A well-managed WTC can offer a substantial return on investment to members and developers – often in excess of the returns seen by similar, non-WTC real estate projects. A World Trade Center designation, along with the availability of international trade services, enables members and developers to more effectively market their property – differentiating it in a competitive marketplace. In essence, a World Trade Center is a powerful brand that can attract many prominent companies. As a result, WTCs are generally characterized by:

- Higher occupancy rates
- Premium rents
- Lower turnover and marketing costs
- Reduced financial risk

The principal revenue source for a full-service WTC is rent, and the WTCA's experience is clear on this point. A good WTC is also a good business. If a WTC has the proper tenant profile, i.e., international trade organizations, and if it has a full range of world trade services, it should enjoy a higher than average occupancy and a higher than average rent. This is because it represents an enhanced building to any firm involved in world trade. Given two otherwise comparable buildings, except that one of them is a WTC with its special mix of tenants and services, a world trade firm looking for space is very likely to choose — and pay a premium for — a WTC location.

A WTC is influenced, of course, by the same factors that influence other real estate projects, including location, tenant services, quality and amenities. If those fundamental factors are in place, the additional World Trade Center designation and the trade-related services that are offered can establish a WTC as the most desirable property in the market.

### **Value to the Community**

International trade has become the cornerstone of the economic development programs of many communities. Trade creates jobs that pay better than the average, and generates tax revenue that can support other government services.

That explains why WTCs are often established with the support of national or local government agencies. A WTC can be a catalyst for a number of economic development programs. Evidence shows that a WTC:

- Anchors the renewal of urban areas
- Attracts new business to a region
- Boosts regional trade and stimulates economic growth
- Increases port, airport and hotel traffic
- Serves as a draw for specialized trade shows
- Increases the capabilities of the regional trade community

Trade programs and services offered by a WTC often become the focal point of the international trade community. Not every company that is engaged in (or hopes to engage in) international trade can locate within a WTC. Successful WTCs are able to involve these companies in their ongoing activities as members or other clients, thereby strengthening the community's understanding and support of the WTC.

An effective WTC is thus an important economic development vehicle for the region it serves. By definition, it greatly increases the region's international business capabilities, attracting new businesses to the region. It also provides detailed information to local firms on business opportunities elsewhere.

The network of WTCs can be a valuable adjunct to each WTC's efforts to promote its regional businesses. Using e-mail, WTCA On-Line and other networking avenues, a WTC can call on other WTCs individually or in groups for assistance with the information needs of a client. It can also organize group trade missions, exhibitions and seminars with the help of other WTCs.

Most regions, of course, already have governmental and non-governmental entities established to promote the region's international trade. Rather than competing with these entities, WTCs assist them by offering programs and services they are unable to offer — and by providing them with an office setting that will help them prosper.

## CHAPTER 3

### GETTING STARTED

#### Overview

Developing a World Trade Center requires commitment and hard work. However, that hard work can result in a self-sustaining institution that will serve the community for many years. Depending on the host country, the steps necessary to develop a WTC can vary significantly.

Those planning to establish a WTC should visit as many WTCs as possible to review their operations and services and to discuss with management the challenges and opportunities involved. This review will help prospective WTC sponsors understand what it takes to operate a successful WTC, and it will speed the application and development process.

The WTCA is prepared to offer its assistance and advice to organizations and individuals that are serious about undertaking a WTC project in their community.

#### Finding A Sponsor

**Attributes of a sponsor.** World Trade Centers are typically sponsored by one or several organizations that are committed to international trade and the development of their community. The ideal sponsor has the following attributes:

- A position of respect in the community, including good government contacts
- A commitment to establish a complete WTC
- Familiarity with international trade issues
- The financial and managerial infrastructure to launch a WTC
- An understanding of real estate issues

Typical sponsors for WTCs have included:

- Private developers
- Chambers of commerce and similar business associations
- Government agencies, including port authorities
- Trade associations

**Government-sponsored WTCs.** In many countries, government entities will own and operate WTCs. These projects can be very effective because of the resources available and the ability to integrate WTC services with other government programs.

**Public-private partnerships.** As the technical challenges of operating a WTC have grown more complex, public/private partnerships have become increasingly useful in establishing WTCs. For example, a public entity (such as a government trade agency) can provide seed funding and expertise in offering trade services, while a private entity oversees the real estate development activities.

## **Research and Planning for a World Trade Center**

There are many facets to a World Trade Center, and their successful development requires considerable research and planning. The sponsor cannot make decisions on the location, size, programs, design, finances and organization of a WTC until this work is complete.

**Establishing a World Trade Center Advisory Board.** The World Trade Center is a regional facility, and regional leadership should play an important part in its development. The advisory board should include regional and local trade figures, government representatives, legal and financial personnel and trade association representatives. A well-rounded board ensures that the project reflects the needs and interests of the area's international business community, while providing a high-level of visibility and support for the project throughout the region.

**Commissioning a Feasibility Study.** This should be the Advisory Board's first order of business. The study will document the need for and the benefits and functions of the World Trade Center. The study should also develop preliminary plans for every aspect of the World Trade Center, including: sponsors, funding, location criteria, services and facilities.

The feasibility study can be carried out by consultants or by staff of interested government or business groups. Ideally, it should be guided by an advisory board or similar group that includes a broad crosssection of regional leaders. This will help ensure that all regional interests are considered while establishing a fertile base for eventual regional support for the project.

The study should include:

- Visiting several operating World Trade Centers serving similar regions to see first-hand the various WTC facilities and services — and to judge the WTC's image and impact in its community.
- Surveying the region's international business activities, including its relative strengths and weaknesses.
- Producing an inventory of the region's government and business organizations involved in trade, organized by type of service or functions and showing their location in the region.
- Developing information on the trade service needs of the local business community. The goal is to assess how well these needs are being satisfied by existing trade organizations and what gaps may exist. It should also judge the level of interest in various services contemplated for the proposed WTC. It is important, of course, to collect this information from those sectors deemed to be prospective clients of the WTC, either as tenants or local members.
- Examining the commercial real estate market. The demand for office, retail, hotel, restaurant, convention and exhibition facilities should be assessed. Current rental rates should be identified and a list of prospective tenants created. A WTC is a specialized real estate project, and all factors necessary for a successful office development apply also to a World Trade Center. If the office vacancy level in a particular region is high, a WTC sponsor should consider establishing the WTC in an existing building that has sufficient space available and that meets the other criteria for a WTC. In these circumstances, building owners may give WTC sponsors excellent lease terms and other inducements to make their building a World Trade Center and thus greatly improve its appeal.

- Examining regional support systems. The study should include an analysis of the principal regional support systems for the WTC, including transportation access for workers and business visitors, as well as parking, hotels, restaurants and other consumer services, if not part of the WTC.

- Gathering information on important existing regional organizations that provide services to world traders, including commerce departments, chambers of commerce and trade associations. The study should assess their capabilities and interest in participating in a World Trade Center. If these organizations are not sponsoring the center, they should be involved in some way in its development and operation since the goals of a World Trade Center parallel closely the goals of these regional groups. Here are some ways that these groups can help develop a strong World Trade Center:

1. Their endorsement or active participation helps produce and maintain a positive image for the project.
2. With their international trade and local business connections, regional trade groups can be very useful in building a WTC membership base.
3. Government agencies can offer support by housing customs staff, passport offices and other related departments in the WTC; this helps encourage a diverse tenant mix.
4. Their senior officials are prime candidates for WTC Advisory Board members, and
5. Some WTC services may be operated by these trade organizations.

## **Sources of Financing**

Establishing a World Trade Center takes a great deal of money. Strong public bodies with substantial resources normally do not have money-raising problems. In other cases obtaining funds can be difficult. Some countries offer financial options to entrepreneurs and other World Trade Center promoters. Others, especially industrializing nations, have limited choices. Local financial markets should be analyzed to determine which businesses and organizations will benefit most from a WTC, and these groups should be approached as possible backers. Also, other WTCs that have developed along similar lines may be able to offer advice. Fund-raising requires flexibility and innovation.

A WTC should prepare a business plan that identifies its operational parameters and projected revenues for several years into the future. The sponsors can then approach a number of institutions and individuals for funding, including:

**Government agencies.** This is a common source of funding. Even if the government is not providing all of the financing, its backing can help the WTC obtain money from other institutions. Also, its participation in the project lends credibility as well as a network of valuable contacts. There can, however, be drawbacks to having the government as a backer. A World Trade Center must be wary of bureaucratic delays, operating restrictions and political wrangling that can accompany the government's involvement.

**Commercial financial institutions.** This includes banks, savings and loan associations, insurance companies and trust and pension funds — all partial to investing in property development. To attract the interest of these institutions, a sponsor must demonstrate the financial standing and viability of the project. This is important because the financial support to be obtained is usually a loan.



**Corporations.** There are many ways through which local and international companies can aid a WTC project financially. They can offer funding and/or services. For example, a group of local companies might band together to help finance a World Trade Center, or the corporate developer of the WTC building might take on responsibility for development and marketing. A hotel chain might lend financial support in exchange for exclusive rights to on-site hotel and catering trading facilities.

**International development banks and foreign aid institutions.** These institutions are in the business of promoting economic development, and therefore may be a source of funding for WTCs. The application procedure for aid can be lengthy and complex and an outside consultant may be needed to guide the sponsor through the application process. This type of funding is often tied to the economic development benefits of the WTC in the area.

**Wealthy individuals.** One or more entrepreneurs may spearhead the establishment of the WTC. Such individuals may have important contacts, including connections with government officials. A group of independent individuals might also support the WTC by establishing a private managing company for the project.

**Philanthropic foundations.** Such organizations may help fund a World Trade Center, especially if they view the project as an economic development facility.

**Trade associations.** Trade associations, like a chamber of commerce, can help a WTC obtain funding. If these organizations do not have capital themselves, they do have the influence with public and private organizations to raise the money.

## Creating a Management Team

A World Trade Center has many facets, and its successful operation requires a broad spectrum of expertise. Considering the many specialized skills and experience necessary to plan, finance, build and operate a World Trade Center, it is not surprising that most complete World Trade Centers have required the active involvement of several organizations to be successful.

As mentioned, there are two distinct components of a World Trade Center:

- **The Building.** A World Trade Center is not a standard office development. It is a building or a complex of buildings housing the central World Trade Center staff as well as a diverse range of tenants (public and private), the majority of which are involved in international commerce. The World Trade Center may be located in a tailor-made new, special purpose structure or in a building that already exists.
- **WTC Services.** WTC services include: trade information, education, WTC clubs, exhibit facilities, consulting services, administrative support, export/import assistance, special telecommunications systems, translation/interpretation, trade missions, office services, newsletters and trade policy research, among others.

A World Trade Center is the result of the successful integration of these two components. One without the other is not a World Trade Center. There is, however, no standard formula for a World Trade Center. Every one is different, reflecting the local needs and capabilities of its region. Each Center offers a slightly different range of services that is carefully tailored to effectively serve the needs of the local trade community.

## The Real Estate Development Group

The real estate developer plays a very important role in establishing a successful World Trade Center. If a property development group is not already involved with the project, the World Trade Center sponsors must find one.

The real estate developer must, of course, be experienced in:

- project evaluation and planning
- financial evaluations
- project financing
- construction
- rental and building management
- maintenance and renovation

It goes without saying that there must be an excellent working relationship between the property development group and the WTC service provider. At the inception, the developer requires advice on the needs of the service facilities in order to plan the project. The close relationship of these entities should continue throughout the creation and operation of a World Trade Center.

## The WTC Service Provider

The management of the WTC services should be handled on a full-time basis by an experienced professional. Since a World Trade Center is required to provide a broad spectrum of services, the staff should have extensive knowledge and practical experience in importing, exporting, use of support services and the many aspects of international business that will enable them to assist WTC clients.

In the initial stages of establishing a WTC's services, the service provider might wish to be assisted by an experienced consultant who could facilitate the development of the service infrastructure and help train the permanent staff.

**Choosing the leadership.** A successful WTC requires the right people to lead it. Selecting the right team to guide its operations has to be among a sponsor's primary concerns. The leadership team should consist of:

**Board of Directors.** A Board of Directors should be created to oversee all WTC operations. The Board should be composed of high-profile members of the business and international trade community, who are committed to the WTC's success. Ideally, Board members should also have excellent contacts with government officials and community leaders, and be able to generate enthusiastic support in the community for the WTC.

**Chief Executive Officer.** The CEO of a World Trade Center is responsible for the day-to-day administration of all WTC activities. The ideal CEO for a WTC has the following capabilities:

- Experienced in organization development
- Contacts with government officials and community groups
- Good budgeting and strategic planning skills
- Familiarity with international trade issues and concepts
- Ability to create a high public profile for the WTC
- Strong management, sales, marketing and interpersonal skills

The successful establishment of a WTC is basically a management project. Thus, the quality of the person selected to be CEO will directly influence the quality of every single WTC decision and activity from that point forward. If anything deserves a WTC sponsor's full attention and resources, it is the selection of the CEO.

**WTC Staff.** Depending on the mix of services to be offered, WTC staff should have prior experience with international trade service organizations or government agencies dealing with trade. Other attributes of a good WTC staff member include:

- Ability to work with a range of businesses
- Good understanding of international trade practices
- Ability to properly represent the WTC in a public capacity
- Detail-oriented, with good interpersonal skills
- Ability to use a number of research tools, including the Internet

## **Finding a Developer**

A sponsor should begin the search for a developer by:

**Requesting bids.** This should be done only after the project has received substantial publicity and civic support in the region. As an important economic development project, it should attract considerable interest by developers or, in a depressed real estate market, by owners of existing buildings.

**Evaluating the developer.** WTC sponsors are choosing a long-term partner, so they should select very carefully to make sure that the developer and the building (existing or planned) will meet the test. It is crucial that the developer not regard the World Trade Center concept as simply a label for a conventional office building. He or she must be thoroughly educated and convinced about the benefits to his or her organization and to the region. To educate developers in this respect, it helps greatly to have them visit a successful WTC, to come to WTCA headquarters or to attend a WTCA meeting.

WTC sponsors must also be certain, of course, that the developer has excellent real estate capabilities as well as staying power to be successful in a sometimes difficult marketplace.

## **Sharing the Responsibilities and Benefits**

If the developer and service operator are two separate entities, they must work in close cooperation. They should function as a team, committed to the same goals, communicating closely at every step and supporting each other at every opportunity.

This is more than simply a social exercise. As with other teams, close cooperation is essential to achieve success for all concerned.

It helps to begin with a clear delineation of the responsibilities of the parties.

- **Developer's Responsibilities:** Facility design, finance, construction, rentals and management
- **Service Operator's Responsibilities:** Trade services (information, training, trade missions, club activities, newsletters, reciprocity with other WTCs)

The holder of the WTCA membership can be the developer, the service operator, or a combination of the two.

## **Partnership Agreements Between Sponsors and Developers**

The roles of each party should be clearly defined in a written agreement at the beginning of the partnership to clarify the mission for all concerned and to minimize misunderstandings later on. That written agreement should include provisions that:

- Define the roles and responsibilities of the parties in quantitative terms with time schedules whenever possible and including revenue and expense sharing.
- Establish a procedure for dispute settlement and disposition of the project if the partnership dissolves.

## **Leasing Policy**

The leasing policy is a most critical element in the creation of a successful World Trade Center. Therefore, it is most important that the developer and service operator agree on the following points:

- **The majority of the building's space should be rented to organizations involved in world trade.** This is necessary to help support the WTC's trade services and to provide the synergy that is necessary for a successful project, both financially and functionally. It may be necessary to offer special rates to certain classes of such tenants (e.g., a world trade library, a government trade information bureau) because of their ability to attract other tenants. Ideally, all tenants should be obliged to become subscribing members of trade services, with fees made a part of the rent and allocated to the trade service provider. This will provide an immediate base of customers and revenue for the trade service provider to staff and operate a top quality program. Further, it will generate more clients throughout the region, and it will make the WTC even more attractive as an office location and business destination.
- **The leasing strategy must remain flexible.** If economic conditions or competition lead to a lack of suitable, trade-related tenants, the developer must, of course, take steps to keep the project from losing money. This may involve accepting non-world trade tenants for short-term leases until an improved economy permits a return to the original plan.

## CHAPTER 4

### THE REAL ESTATE COMPONENT

#### WTC FACILITIES

A number of challenges face WTCs as they begin to develop their real estate project. If those challenges are properly met, the WTC can stand as a landmark in the community. Among the basic issues a WTC must address before the development process begins are:

- Location
- Size
- Mix of business units/services/hotel/theater complex
- Design/layout

**Location.** The WTC designation recognizes the intention to be the focus of international business activity in a particular region. It must be visible in order to attract attention to the brand, and it must be accessible in order to attract potential tenants and users of WTC services. Among the factors to consider when selecting a site for the WTC are:

- Accessibility to transportation
- Proximity to major international businesses
- Nearby government institutions
- Convenient hotels and parking facilities
- Adjacent to convention/exhibition centers

In many ways, the criteria for determining the location of a WTC are the same as the criteria for locating any high-end office project, but with the added responsibility of fulfilling the WTC's international market niche. As a result, WTCs are not only found in downtown commercial districts, but also immediately adjacent to airports, seaports, and government and financial centers.

It would be very advantageous, if possible, to locate a World Trade Center adjacent to a major regional business facility, such as a convention or congress center, exhibition facility, a major parking garage or transportation terminal, or a hotel. If the site is already fixed, and the region is already planning to establish one of these facilities, the WTC sponsors should do their best to have the new facility located next to the WTC. The combination of these facilities will attract much more business activity than either one would attract by itself.

**Size.** The size of a WTC should reflect both the community in which it is located, and its own prominence within that community. WTCs range in size from super skyscrapers to single story complexes. Regardless, it is important that any WTC has the flexibility to grow, is architecturally distinctive yet consistent with the surrounding area, and upholds the character of the brand. Depending on the availability of land and the local real estate market, a WTC can either be a new custom-built building, an existing building or a renovated building.

**Mix of business unit/services.** From the early planning stages, a WTC sponsor must determine what services will be offered in the WTC. That determination comes from a thorough needs assessment and economic analysis. Once the package of services and facilities is selected, the objective is to create complementary groupings of these services in the building, to add to the dynamism of the building and generate certain shared operational economies of scale (support personnel, etc.).

**Design/layout.** No two WTCs look the same, and there is no design formula that WTCs must adopt. However, successful WTCs share many attributes in that they:

- Reflect the role of international trade in the community
- Project a sense of power and optimism
- Serve as an international business focal point
- Reinforce a sense of exclusivity for tenants and members
- Incorporate the most advanced technology

Traditional urban planning is based on the concentration of similar commercial activities in a specific area. The purpose is to facilitate the face-to-face contact that is often essential for business transactions.

WTCs update this concept by bringing together complementary businesses in a single building or group of buildings. As a result, the underlying principle of a WTC must be reflected in its design and layout. The layout should:

- Develop a seamless flow among business units
- Encourage interaction among tenants, members, and visitors
- Highlight the complementary nature of all WTC activities and programs
- Have the flexibility to add or subtract certain business units as needed

**WTC Facilities Planning Guide.** The WTCA Committee on Facilities & Functions has produced the Facilities Planning Guide which presents a detailed overview of the design and layout of a WTC and its many business units. This is an exceptionally valuable document for all prospective sponsors and developers of a WTC.

## **10 Questions to Ask When Planning WTC Facilities**

- ✿ Will it be a Class A commercial real estate project and reflect the WTC's international mission?
- ✿ What makes the location especially attractive to companies who would be tenants?
- ✿ Do I need to construct a new building, or is there an existing building that can serve as the basis of a new WTC?
- ✿ Do the developer and architect understand the difference between a WTC and a traditional office project?
- ✿ Does my project need a component to draw "street traffic" (retail, restaurants, etc.)?
- ✿ What special attributes will the project have that highlight its international market niche?
- ✿ How can my different business units grow in the building if demand should warrant, and how can new units be added?
- ✿ Which business units can be grouped together in the project?
- ✿ At what places in the building can tenants, members and visitors meet one another to develop social/business ties?
- ✿ What special characteristics of the community can be reflected in the WTC's design and layout?

## **FACILITIES CASE STUDY: WTC SAO PAULO**

### **I. Objective**

Create a premier mixed-use development that reflects its stature as a WTC, while differentiating itself from other commercial properties in the region.

### **II. Overview**

WTC Sao Paulo's location is adjacent to one of the region's major business centers. This took some careful research and analysis, for when the land was acquired the area was not as developed as it is today. However, WTC management correctly projected the region's growth. Moreover, construction of the WTC helped generate significant business-related development in the area.

The overall approach of WTC Sao Paulo was to develop a project that serves as a "translating cell" between the international marketplace and local businesses. This is reflected in its design, mix of business units, and programs targeted "beyond the walls" of the WTC.

The WTC includes:

- Offices for international companies
- Decoration and Design Center
- Showcase exhibits for local companies to display their products and services
- Trade show facilities
- WTC Club
- Meeting and convention facilities
- Temporary offices
- Videoconferencing facilities
- Business center
- The five-star Gran Melia Hotel

The WTC was most concerned with advancing the concept of a multi-use real estate product with the appropriate configuration of its many business units. From a design standpoint, the emphasis was placed on ensuring a seamless flow from one business unit to another. Additionally, each business unit is focused on international trade, providing a thematic consistency that enhances the value of the WTC brand.

Connecting the hotel with the office complex is a multi-story Decoration and Design Center, featuring the latest decoration and design trends from around the world. A traditional shopping mall was originally considered for the space, then rejected because of the number of malls in the area. Instead, the Decoration and Design Center offers a unique experience to visitors and enhances the WTC's international focus.

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WTC Sao Paulo's management recognizes that the long-term success of the WTC and its programs rests on developing a trade-oriented culture in Brazil. Accordingly, all significant operations are outsourced, enabling management to focus on building the WTC's brand and implement programs that stimulate trade in the region.

### **III. Most Significant Results**

Because of WTC Sao Paulo's success, other WTCs are being developed around Brazil, and will be modeled after the layout at WTC Sao Paulo.

### **IV. WTC Sao Paulo's Five Keys to a Good Facilities Layout**

1. Focus on maximizing the WTC's international niche. All business units – whether directly or indirectly related to the WTC's core services – should reflect a global mindset.
2. Offer specific services that are not found anywhere else in the area. For example, WTC Sao Paulo offers special helicopter shuttle service from the airport to the WTC.
3. Take the time to appropriately plan the project and visit other similar projects.
4. Slowly diversify your tenant mix. The original tenants were strictly trade-related in order to attract attention to the complex, and now include some of Brazil's largest companies.
5. Group complementary services as close together as possible. WTC Sao Paulo's trade show and trade mart facilities are adjacent, as are the WTC club and business center.

### **V. Contact Information**

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## CHAPTER 4

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## CHAPTER 5

### BUSINESS SERVICES

#### Overview

A WTC can enhance its revenue and position within the local and international business community by offering a range of business services to visitors, which can include:

- Short-term office space
- Telecommunications services
- Secretarial services
- Domiciliation services
- Copy/graphics capabilities
- Videoconferencing

**Short-term office space.** These “executive suites” are valuable to business executives who are unsure about the length of time they intend to stay in a market, or are in the market for a short period of time to complete a specific project. Because of the short-term nature of the tenants, rental rates for these offices are normally well in excess of long-term leases. Short-term offices should be as “turn-key” as possible – with furniture and telecommunications services immediately available to potential renters.

The amount of space devoted to short-term offices should be based on projected demand, as well as WTC management’s interest in marketing this service. If a WTC is currently under development, this should be established as early as possible, as short-term offices may have a different layout than the long-term offices.

**Telecommunications services.** Companies depend on reliable, up-to-date telecommunications infrastructure to conduct business around the globe. A WTC should establish a good relationship with local telecommunications service providers in order to develop an advanced central system at the WTC, as well as to help facilitate quick response to the needs of WTC tenants. High speed Internet access and brad-band service are essential in today’s business environment.

**Secretarial services.** With the rise of the Internet and e-mail, the need for third-party secretarial services has rapidly declined. However, a WTC should develop a relationship with a local secretarial service agency in order to meet the needs of tenants and visitors who request them.

**Domiciliation services.** As companies become smaller, an increasing number of WTC members consist of individuals who operate from their own residence or out of inexpensive offices. WTCs can provide an exclusive official “address” for these companies. If a WTC is establishing this service, it is important that it work with the local postal carrier to develop a system for storing mail until the client picks it up. It is often helpful to offer domiciliation “packages” to potential clients, which can also include use of other WTC facilities, such as meeting rooms and temporary offices.

**Copy/graphics capabilities.** The WTC should have an established relationship with a nearby provider of copy and graphics services. As part of that relationship, the local copy center should be prepared to offer discounts to WTC tenants or members. Many WTCs also have an in-house copy facility, and usage rates for these services should be kept in line with local market pricing.

**Videoconferencing.** Technology is becoming an increasingly important business tool. In some markets, WTCs will be in a position to acquire their own videoconferencing equipment. For those WTCs, a meeting room should be designated as the videoconferencing center, and have appropriate lighting, backdrops, etc. If a WTC isn't in a position to acquire its own technology, it should have a relationship with a local provider. Rates should remain competitive.

**Other services.** Depending on the market, other services such as translation/interpretation, messenger, computer rental, etc. may be a feasible source of revenue for a WTC.

**Choosing Services.** In order to determine which services should be offered, the WTC should carefully assess what's already available in the local market. For example, WTC Lausanne noted the absence of executive suites in the area, despite the presence of a number of international companies (see adjoining case study). By focusing on this particular service, it has become the region's leading provider of executive suites.

By speaking with current tenants and members and observing local market trends, a WTC should develop a clear picture of what business services it can successfully offer to the community. For each service already being adequately provided within the market, a WTC should seriously enter a formal cooperative arrangement with the premier provider of that service.

### **10 Questions to Ask While Developing Business Services:**

- \* Which services can the market support?
- \* Does WTC staff have the experience to manage these services?
- \* What level of capital investment will be necessary?
- \* What types of companies am I targeting these services to?
- \* How will my target companies know I am offering these services?
- \* Is my pricing competitive?
- \* Are these services easily available outside the WTC?
- \* How will these services increase usage of other WTC offerings?
- \* How will I ensure that these services are meeting my client's expectations?
- \* How can I use the WTCA's global network to market these services?



## **BUSINESS SERVICES CASE STUDY: WTC LAUSANNE**

### **I. Objective**

Differentiate WTC Lausanne from other high-end European office properties by offering “executive suites” – small office blocks that can be rented for as little as one hour at a time.

### **II. Program Overview**

WTC Lausanne is a 5-building complex occupying over 20,000 square meters of leasable space. About 10% of the total office space is devoted to executive suites. These executive suites have proven to be a significant revenue generator for the WTC, as well as a way to attract companies who may eventually sign long-term leases. Approximately 80% of the WTC’s tenant base began their operations in one of the WTC’s executive suites.

The WTC offers a “turnkey” package to companies leasing its executive suites, including: furniture rental, utilities, cleaning, three telephone lines and an answering service. They also have access to meeting rooms, an independently run copy center on the premises, and an in-house Internet service provider. Secretarial service is also offered, but with the growth of e-mail and powerful word processors that service has become less needed.

The WTC has made special provisions to handle the demands of rapid turnover in its executive suites. For example, the telecommunications system is modeled after a hotel’s telephone system instead of an office telephone system, so clients can receive their telecommunications bill immediately upon “check out.” Furniture rental is offered at a steep discount courtesy of a local furniture renter, because tenants who ultimately sign long-term leases usually purchase the furniture that they have been renting. Other key services are subcontracted to local providers.

The suites are marketed through local and international chambers of commerce, as well as through local hotel concierges. Hotels that refer a guest to the executive suites receive a 20% commission on the first 6 months rent. Upholding the idea of WTC reciprocity, members of any WTC around the globe receive a 10% discount.

In addition to the executive suites, WTC Lausanne offers domiciliation services to small companies. They get to use the prestigious WTC Lausanne address, have their phones answered, and get 240 hours usage of the WTC’s executive suites and meeting facilities each year.

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### **III. Most Significant Results**

Because of the convenience and outstanding service, the WTC is able to charge executive suite rents that are up to 5 times higher than long-term leases. Moreover, the average length of stay in an executive suite is almost one year.

### **IV. WTC Lausanne's Five Keys to a Successful Program**

1. Aggressively market your service through local and international agencies and hotels.
2. Do not hurry to sign long-term leases. With lease rates for executive suites priced at a substantial premium over long-term leases, keep your short-term leaseholders happy in their present position.
3. Furniture is very important. WTC Lausanne has found that offering access to affordable, high quality furniture has been an enormous draw for potential tenants.
4. Keep the service "turn key." Short-term leaseholders should not have to acquire any major service or amenity outside the walls of the WTC.
5. Use and invest in the WTC name. The WTC brand name offers exclusivity to short-term tenants. WTC Lausanne has enhanced this by persuading local authorities to include the WTC on local road signs.

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## CHAPTER 6

### WORLD TRADE CENTER CLUB

#### Goals and Programs

A World Trade Center Club is the ideal focal point for many World Trade Center programs. It is a comfortable meeting place for business people and will help bring business executives to the new Center. Also, it provides a natural gathering point for the varied tenancy of the WTC, thereby facilitating business partnerships. A club provides a human appeal and meaning to what can be a rather impersonal list of WTC tenants and services.

The primary aim of a WTC Club should be to foster and promote the expansion of world trade by encouraging communication among key international trade executives. This communication can be promoted through business and social contacts, both of which are compatible with a WTC Club. A WTC Club is usually a major factor in generating the friendly cooperative spirit, which is the hallmark of a good World Trade Center.

During the day, a club can create an atmosphere conducive to the easy mixing of business, trade and cultural ideas. It provides its members with rooms of various sizes to accommodate private luncheons, formal receptions, professional meetings, seminars and press conferences. An area for social dining, a bar, telephones, newspapers and associated office services are there to facilitate the conduct of business. By night the club can become a first class facility for international functions, lectures, diplomatic receptions, trade and art showings, award presentations, food and wine tastings and other social activities.

The establishment of a WTC Club is a complex operation, which requires careful study and detailed planning. There are many aspects to a club, and each club is different, which is the key to their collective success. Above all, the ideal club is carefully designed to suit local needs and conditions. A well-operated club should be profitable and can provide significant revenue that supports other WTC programs.

The decision on whether to open a club should be made during the development process. A number of issues must be considered, including:

- Membership
- Location
- Capacity
- Operating hours
- Amenities
- Staffing/management
- Pricing of services/menu items
- Billing arrangements
- Reciprocity

**Membership:** The membership of the club, of course, gives it its distinctive character. An early decision should be made as to whether membership should be restricted to business executives only, to people associated with world trade or whether the membership is to be completely open. These decisions, of course, may also be affected by either local laws or by policies of the WTC Club owner and/or sponsor. Also, it should be decided whether honorary memberships are to be created. Membership should, in any case, be refused to anyone who has an existing WTC Club in their area of residence. They should be asked to join their local WTC Club instead, benefiting from the facilities of other WTC Clubs on a reciprocal basis.

Secondly, the various categories for membership dues should be determined. For example, will there be corporate memberships only, individual membership only, or both? Will there be different levels of membership dues according to the location of the member? For example, members who reside within the immediate vicinity of the club are more likely to use the club extensively. Therefore they could justifiably be charged a higher membership rate. Another consideration is whether tenants of the WTC get preferential rates, since they have easy access to the club and are therefore likely to provide the initial core of membership. Will there be a separate WTC club membership, or will it be automatically granted to WTC tenants?

Beyond the tenants, club membership should constitute the most active, growing companies in the region that have a stake or interest in international trade. The core membership should be used to recruit additional members.

Potential members can also be drawn from:

- Chamber of Commerce members
- Other private clubs
- Consulates
- Universities
- Local trade directories
- Businesses in the immediate area

Membership dues should be high enough to reinforce the exclusivity of the club, but at the same time remain within the reach of smaller companies. Individual WTCs must determine whether the market justifies a separate corporate/individual membership rate, and the limitations of corporate membership (how many individuals of each company are entitled to use the facilities). The club membership dues normally are incorporated into general WTC membership dues.

**Location.** If a WTC is developing a building, club facilities should have a prominent position. For example, when developing WTC Osaka, the developers placed the club on the 50th floor, with panoramic views of Osaka harbor. The view helped establish the club's elegance and exclusivity.

If a WTC is not developing a building, the club may be located within prominent hotels or restaurants in the vicinity of the WTC's offices.

**Capacity.** Careful planning must be undertaken to ensure that the club can properly service its membership. An adequate number of tables, chairs, waitstaff, etc. must be provided for to keep up with projected usage. If daily usage exceeds capacity, a reservation system should be implemented.

**Operating Times.** A club should be open for lunch on business days, and for breakfast and dinner on days when demand may warrant. Year-round operation is normally the most desirable, but if a region is exceptionally seasonal with a “slow” business month, it should be reflected in club operations.

**Amenities.** The success of a WTC Club rests first and foremost on its amenities. Among the essential amenities offered by a WTC Club include:

- A complete catering operation
- A main restaurant with tasteful furnishings
- Smaller rooms for private parties/meetings
- Tools to communicate with members (newsletters, etc.)
- Special events and discounts for members

**Staffing/management.** The structure of a WTC Club can vary, depending on the financial and organizational circumstances of an individual WTC. A club can be entirely self-run, with all revenues retained by the WTC. Or operations can be contracted out to a professional catering services operator, with revenues and management fees determined by the level of each sides’ participation. Either way, it is imperative that the club be managed and staffed by highly competent professionals. Private clubs depend on extraordinary levels of service to remain viable, so wait/catering staff must be experienced in working in an exclusive, business-oriented environment.

**Pricing of services/menu items.** As with the membership dues, pricing must reflect the exclusive nature of the club, while at the same time encouraging frequent usage. Careful research of comparable facilities, clubs and restaurants will help determine the final pricing.

**Billing arrangements.** Members are normally billed monthly for their club usage, and annually for their dues. A service charge may be added to all club purchases. A club should also have the ability to accept credit card or cash payments.

**Reciprocity.** Reciprocity is an important feature of the club, and members of other WTCs are expected to receive the same privileges as members of the host WTC. Visitors from other WTCs are expected to pay for use of the club when they visit, unless other arrangements have been agreed to.

A club can be an important feature that links all WTC members and services. Major educational programs, speakers series and seminars should be held at the club. Visiting trade missions should be entertained at the club as well. The objective is to make the club an essential tool for its members – encouraging frequent use of the facilities and promoting its role in the community.

## **10 Questions to Ask While Developing a WTC Club**

- ✿ How will my club differ from other private clubs in the region?
- ✿ What kind of cuisine will be offered?
- ✿ What is my target membership, and can my facilities service that membership?
- ✿ How will I communicate with club members about club activities?
- ✿ How much “private” space (meeting rooms, etc.) will be needed at the club?
- ✿ How will I attract the best catering/wait staff?
- ✿ Is my planned décor unobtrusive and conducive to good business?
- ✿ What other WTC programs and events can be held at the club?
- ✿ Is my pricing well balanced, so the club maintains exclusivity while maximizing revenue?
- ✿ Are the club’s operating times in keeping with market demand?

## **WTC CLUB CASE STUDY: WTC NEW ORLEANS**

### **I. Objective**

Operate New Orleans' premier dining club while developing the WTC brand within the civic and business community.

### **II. Program Overview**

WTC New Orleans' club facility is perhaps the region's premier social and business club.

Though formally known as the "Plimssoll Club," the club is better known in the community as the World Trade Center. This designation is reinforced through the WTC's own publicity efforts. As a result, the internationally recognizable WTC brand is reinforced.

From the beginning, the club's connection to international trade has enabled it to play a central role in New Orleans' business and political life. As opposed to other dining clubs in downtown New Orleans, the WTC Club has positioned itself as a site for ongoing seminars, programs, luncheons and events on international trade and world affairs. Many official functions, including receptions for U.S. and foreign dignitaries take place at the club, giving it a special cachet in the community.

The club is open Monday-Friday for lunch and Tuesday-Saturday for dinner (it is closed the last two weeks of August.) At lunchtime, it offers a large buffet, with a regular dinner menu in the evenings. A low-priced "early bird" menu is also offered between 5:30 – 6:30 pm. Private rooms are available for business meetings and other events. All menu prices are kept in line with or lower than "market" prices in the area to encourage usage. Non-members may use the club facilities for private events, but must pay a non-member usage fee.

Member service is given the highest priority. It is important that every member believes that he or she is part of an exclusive, active organization. To underscore that idea, special "perks" are continually offered to members, such as a free dinner on their birthday and a \$50 dining credit for every new member they sign up.

In addition, WTC New Orleans has developed a network of private reciprocal clubs that its members can use when traveling to cities where the local WTCs do not have club facilities. The program includes over 100 clubs in the U.S. and more than 50 clubs overseas.

Currently, WTC New Orleans has 2,000 dues-paying members. Membership includes club privileges, plus many other benefits. Dues are kept low (\$150 - \$375/annually) in order to attract a diverse array of members and encourage more frequent use of the facilities. Members are billed monthly for their use of the club, and a service charge is applied to each bill in place of tipping at the club.

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### **III. Most Significant Result**

Club operations are successful with revenues, usage and stature expanding.

### **IV. WTC New Orleans' Six Keys to a Successful Program**

1. Integrate the club with other WTC offerings. For example, hold trade education seminars at the club to encourage use of both WTC services and club facilities.
2. Keep staff turnover to a minimum. When staff know the names of individual members, and the members are familiar with them, it reinforces traditional ideas of "club life."
3. Consistently communicate with members about food quality and service. Use newsletters, surveys, etc. to solicit the views of the membership and identify issues that need attention before they become serious problems.
4. Reinforce the club's international market niche in all events and promotional materials. For example, special events such as "French wine tastings" and "Oktoberfests" reinforce the club's international orientation.
5. Tailor operations to the needs of the local market. The club's calendar is directly tied to the New Orleans hospitality season.
6. Develop a network of private reciprocal clubs in cities without WTC club facilities.

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## CHAPTER 7

### MEETING/CONFERENCE FACILITIES

#### Overview

High-quality meeting and conference facilities are an essential component of any WTC facility. They provide a convenient, professional location for business discussions, corporate training and similar events. They also reinforce the central role a WTC can play in the region's international business community. Equally important, they also provide an additional revenue stream to the WTC, and can help promote and market the property to the international business community.

Among the issues to consider when establishing a WTC's meeting facilities are:

- Local supply and demand
- Marketing
- Room capacity
- Layout, design & décor
- Audio/visual and other technological capabilities
- Business Center Services
- Catering

**Local supply and demand.** A survey of the available facilities in the region and companies/organizations that use conference facilities should be conducted prior to a WTC establishing its own. The most successful WTC meeting facilities are in economically vibrant or growing areas where there is little available conference space. Emerging markets with a shortage of high-quality office space and hotels are especially conducive to the establishment of conference facilities. Fees should be competitive with other facilities in the area. However, if the quality of service provided is superior to others, a premium should be incorporated into the fee structure.

**Marketing.** The principal users of a WTC's meeting facilities should be building tenants and other WTC members. Tenants and members should be made aware of these facilities through in-house communications efforts, and may be charged discounted rates. Additional customers may include:

- Businesses immediately adjacent to the WTC
- Members of WTCs from other markets
- Government organizations
- Educational organizations

Marketing campaigns can include direct mail, flyers, etc. Local hotel concierges can also be an effective source of referrals. Of course, the most effective marketing comes from word of mouth and repeat business, so it is imperative that the service and responsiveness be of the highest standards.

**Room Capacity.** Successful meeting facilities are able to accommodate meetings of different sizes. This can be accomplished by having a series of rooms that differ in size, or one or two large rooms that use dividers or partitions to create a sense of intimacy for users. The maximum capacity of a WTC's conference facilities directly relates to projected usage. For example, if a WTC anticipates that the facilities will be used primarily by smaller businesses conducting negotiations or presentations, a larger number of smaller rooms may be most desirable. If it is anticipated that larger companies or government organizations will use the facilities for conferences or employee training sessions, more room capacity will be required.

**Layout, design & décor.** Besides normal business gatherings, meeting facilities may be used for training sessions, PR and sales events, seminars and lectures — and many other events. Flexibility of use is paramount.

The physical layout of meeting facilities will in part depend on the most dominant use of the space. For example, if the area is to be used primarily for educational programs, it is obviously important to ensure that room layout is suitable for ample tables and chairs, blackboards, flip charts, audio-visual facilities and other teaching aids.

Rooms should, of course, be capable of suiting a variety of needs and seating requirements, with a choice of layouts and minimum waste of space. The design should allow ample space for comfortable seating outside the main meeting rooms, and there should also be sufficient free space for meeting attendees to gather for coffee and tea breaks and buffet lunches between sessions.

A prominent central reception area should be created to greet visitors, and space will be required for administrative activities, including office space for the facility staff and a secure storage room for equipment and supplies.

The facility's design and decor should be bright, clean, and unobtrusive so it does not distract from the business being conducted. Good lighting and ventilation are essential.

**Audio/visual and other technological capabilities.** A WTC should have the capacity to provide state-of-the-art audio and visual equipment to clients, including amplification, PowerPoint projection equipment, overhead and slide projectors and screens, extension cords, etc. Individual WTCs should decide whether to purchase the equipment and rent it to clients, or contract with an outside vendor. When designing the rooms, power outlets should be in ample supply — and be compatible with common technology in the region. High speed Internet access and broad-band service are essential in today's business environment.

WTCs can also determine if the market can support more advanced technology in its meeting facilities, including videoconferencing, simultaneous translation, closed-circuit television, etc.

**Business center services.** Access to business center services such as telephones, outside meeting rooms, etc.

**Catering.** Meetings will require some catering, whether it is simply coffee, tea and soft drinks, or full meals. If a WTC has a club, the club facilities can supply the catering. If not, a relationship should be established with an outside caterer to supply these services.

### **10 Questions to Ask While Developing Meeting Facilities**

- ✿ What kinds of meetings and conferences will be held at my facilities?
- ✿ How will I target the most likely users?
- ✿ How am I structuring my pricing for use of these facilities?
- ✿ Which services can I supply, and which should be left to the client?
- ✿ How can I generate incremental revenue by selling other meeting-related services?
- ✿ Are there companies that can supply furniture and equipment rentals in the area, or should I purchase my own?
- ✿ Is my catering service reliable?
- ✿ Will I need to contract with outside staff to organize meetings, set up rooms, etc. or is my staff capable?
- ✿ How can I learn whether my facilities and services are meeting my clients' needs?
- ✿ How can I use the entire WTC global network to market my facilities?

## **MEETING FACILITIES CASE STUDY: WTC BUCHAREST**

### **I. Objective**

Develop and operate Bucharest's first high-quality business meeting/conference facilities.

### **II. Program Overview**

WTC Bucharest was inaugurated in 1994, at a time when it could capitalize on the economic and political renewal of Romania. From the very beginning, the conference facilities were conceived as an integral part of a four-in-one complex, aimed at offering a comprehensive package of services, both to the local and to the international business communities.

Because of the lack of appropriate business conference facilities on the market at that time, WTCB Conference Center was designed to meet both the needs of an emerging market and the expectations of foreigners accustomed to high quality standards in business services.

WTC Bucharest's meeting facilities consist of six conference rooms that can hold from 12 to 300 people. Flexibility is key to the layout of the facilities. Partition walls between different rooms can be removed so users can customize the size and shape of their own space. This is how the most varied expectations of an extensive clientele can be met and all kinds of events, from product launches to conventions or training programs can be accommodated.

Special mention should be made of New York Auditorium – a three hundred seat conference hall, fully equipped with built-in state-of-the-art audio-visual and simultaneous translation systems, modern lighting and sound devices; retractable seating systems that allow for optimum, customer tailored use of the existing space, in practically any configuration.

In addition to the conference rooms of the Convention Center, WTC Bucharest offers 860 sq. m. of indoor area in a glass dome-like, fully air conditioned space, called WT Plaza, the host for specialized fairs and exhibitions and cultural events (art exhibitions, concerts, etc.) and fashion shows.

Easy access to the Conference Center Venue is made through a separate entrance. Free parking is provided around the Center, safety measures being ensured by professional security staff.

The WTC Concept is best served through the Executive Business Services Department, whose main task is to generate events in accordance with the specific needs and realities that the Romanian business community is facing in the transition to a market economy.

For a higher satisfaction of our clients, significant initiatives and new projects are now being developed:

- Customer Satisfaction is strictly observed and constantly checked, by requesting them to fill out periodically Feed-Back Forms and Customer Satisfaction Questionnaires.
- An increased Customer Care policy, is envisioned to enhance clients' fidelity and make them regard the WTC Convention Center as their "home", their place of choice.
- A newsletter to be issued and circulated among existing and potential clients, informing them about actual and future plans, as well as about the current activities of the Center.
- The latest communications and information technology is due to be implemented, adding more value to our services.
- Medical insurance is provided for the participants attending the events organized on our premises.

### **III. Most Significant Results**

The conference facilities are booked year round (with the exception of the slow summer months), and are operating at a profit. WTC Bucharest intends to reinvest in and expand the facilities as soon as it is feasible.

WTC Bucharest Convention Center has become the traditional venue for events with repeat customers for five or six consecutive years.

#### **IV. WTC Bucharest's Five Keys to a Successful Program**

1. Maximize the value of your WTC brand. The WTC designation has been essential to attracting high-profile corporations and government agencies to the facilities.
2. Offer a unique product. No other office building in Bucharest was able to offer similar meeting facilities, so they became an important part of the WTC project.
3. Subcontract facility operations to quality service providers. WTC Bucharest has a clear understanding of what it does well, leaving the rest to its partners, the best known service providers in the market, which leads to a good level of client satisfaction.
4. Know your market segment. Offer high-class services targeted to international corporations, small and medium size enterprises and government operated institutions, customizing marketing and services for that audience.
5. Stay flexible. Business meeting planners often require last-minute changes in the catering and facility set-up arrangements.

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# CHAPTER 8

## TENANT SERVICES

### Overview

As with any real estate project, success hinges on developing a stable, high-quality tenant base with minimum turnover. Even in good real estate markets where finding tenants is not a problem, the costs associated with turnover (such as renovation, marketing, etc.) often outweigh any incremental revenue increases that might occur.

Essential to this is developing a tenant services program that reinforces the exclusivity of the WTC address and generates a backlog of good companies that want to pay premium rent to be in the building. While tenant services can vary from country to country and project to project depending on market and cultural conditions, the components of a successful tenant services program include:

- Maintenance
- Building amenities
- Special events
- Concierge services
- Special marketing/publicity
- Access to other WTC programs
- Tenant communications
- Security

**Maintenance.** A WTC must be well maintained to reinforce its exclusivity. A WTC should establish a close relationship with a number of contractors to assure immediate response to structural, utility and amenity problems as they arise.

**Building amenities.** Close attention should be paid to amenities, including the quality and variety of restaurants located in the WTC, vending machines, reception areas and other public spaces. Restaurants should serve food that meets the expectation of the WTC's international clientele, vending machines should be continually restocked and placed conveniently throughout the building, and public spaces must be kept clean and contain high-quality art, furniture and décor items. Ample parking should be available.

**Special events.** Tenants can be treated to a number of special events throughout the year that are held in a WTC's public spaces. These events enable tenants to meet one another, and help enhance the value of the WTC address. Events can include cultural offerings like art exhibits, concerts, short plays and book fairs, or international-themed events like international food and wine tastings and lectures.

**Concierge services.** WTCs can also offer concierge services that can assist tenants in arranging theater or concert tickets, hotel and travel bookings, transportation, spa or health club access, etc. Appropriate fees should be charged for these services.

**Special marketing/publicity.** A WTC can offer tenants added visibility for their products and services through the WTC's own marketing and publicity efforts. For example, a WTC's website can have a special page featuring its tenants, with links to the tenants' own websites. Tenants can be featured in brochures and collateral materials describing the WTC, and they can be incorporated into the special events held for all building tenants, etc. Large-scale cooperative marketing programs can also be explored with tenants, deepening their ties with the WTC.

**Access to other WTC programs.** Tenants should have priority access to other WTC programs and services, including: educational programs, trade missions and trade fairs, the WTC Club, WTC business services and meeting facilities. Each WTC can determine whether or not tenants can receive these services at a discount.

**Tenant Communications.** A WTC must always be communicating with its tenants, to determine what kind of services they most desire in the building and whether the WTC is meeting their standards. A regular communications tool — such as a newsletter — should be distributed either monthly or quarterly, that outlines upcoming WTC programs and issues affecting the building (such as construction, etc.). The newsletter can also be used to highlight the products or services of WTC tenants such as educational services, parking facilities, etc.

To find out how tenants are enjoying their experience in the WTC, an annual or bi-annual survey should be conducted which solicits tenants' views on key aspects of WTC operations, including maintenance, security, amenities etc. These surveys can help identify issues that need addressing before they become serious problems. In addition to the surveys, annual tenant meetings with WTC management can also be held.

**Security.**

## **10 Questions to Ask While Developing Tenant Services**

- ✿ How am I learning what tenants think about their experience in the WTC?
- ✿ Do my maintenance providers have the experience to quickly identify and fix problems?
- ✿ What kind of special events can I hold for tenants during the year?
- ✿ Are there any special needs my tenants have that are not readily available but I can provide?
- ✿ What marketing/publicity tools do I have that tenants can be featured in?
- ✿ What tenant services will help my WTC stand out from other high-end office buildings?
- ✿ Does my art, furniture and décor uphold the exclusivity of the WTC?
- ✿ Do my amenities, like restaurants, properly serve my tenant mix?
- ✿ How am I informing my tenants about activities being held at the WTC?
- ✿ Should my tenants receive a discount on other WTC services? If so, how much?



## TENANT SERVICES CASE STUDY:

### WTC AMSTERDAM

#### **I. Objective**

Ensure that the WTC Amsterdam is the first building prospective international tenants think of when deciding to locate in the Netherlands, and make sure that they want to stay in the WTC once they have signed the lease.

#### **II. Program Overview**

WTC Amsterdam has put a premium on its tenant services, in order to reduce turnover and uphold the prestige of the facility.

Currently, the property market in Amsterdam is very tight, so the WTC has had no difficulty in finding quality tenants. But instead of being satisfied with the current situation, the WTC is aggressively positioning itself for the future. It's launching on a two-year expansion and modernization program that will expand the number and quality of amenities offered to tenants, such as adding a fitness center and new catering/restaurant facilities.

The WTC also makes a special effort to communicate with its tenants. The WTC management produces "news flashes" about events in the building that are distributed to tenants, as well as regular newsletters. Also very helpful are the tenant meetings that are held three times a year, where management can get direct input from tenants on building conditions and respond immediately to their concerns. This partnership between tenants and management resulted in several building improvements, including the design of the fire escape plan.

Because the WTC's tenant base is principally international companies (representing 30 different countries), the WTC provides relocation and housing assistance to employees coming from abroad. It also provides a "help desk" that can act as a resource for information on building issues as well as events in the community.

Meeting and videoconferencing facilities are offered to tenants, as well as to external members. Catering facilities and restaurants are designed with the building's international tenant mix in mind, including a sushi bar for its many Japanese tenants.

#### **III. Most Significant Results**

WTC Amsterdam is 97% leased (the other 3% represents normal turnover), and members are signing longer-term leases. The facility is better positioned than its competitors to thrive should the Amsterdam commercial property market cool off.

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#### **IV. WTC Amsterdam's Five Keys to a Successful Program**

1. Constantly communicate with your tenants. By ensuring they feel more vested in building operations, they will be more likely to sign long-term leases and may also contribute many positive ideas.
2. Promote exclusivity. WTCs are able to charge a rent premium because it is about attracting the "elite" international companies. Be conscious of your tenant mix and avoid leasing to tenants that might undermine the brand.
3. Customize services to your tenant base. For example, if your building holds a number of employees of a certain nationality, ensure that your restaurant facilities offer their native cuisine.
4. Invest in your property. Ensure tenants have access to the highest-quality offerings in telecommunications, catering and architectural design.
5. Be creative. Whether its book fairs, summer concerts and shows, wine tastings or other special events, keep surprising your tenants with added-value offerings. Child care facilities, in-house health services, shoe repairs and hairdressers are offered within the WTC Amsterdam for the convenience of the tenants.

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## CHAPTER 9

### TRADE INFORMATION SERVICES

#### Overview

The value of timely, accurate trade information increases in proportion to the increasing complexity and competition in the marketplace. Conversely, the lack of information can mean the difference between a successful and unsuccessful business deal. The challenge is made more difficult because conditions change constantly. Currency fluctuations, new tax regulations and changing oil prices, for example, can all cause major disruptions in established business patterns, making up-to-date trade information crucial for success.

In the age of the Internet, there is often too much information available to the user — so the problem is to identify and retrieve the right information quickly and efficiently.

Understandably, one of the most important services of a World Trade Center is providing pertinent, up-to-date and reliable data to all interested parties.

A trade information service is not just a specialized library. Its role should not only be to provide trade information requested by clients, but also to interpret the data and relate it directly to the client's needs. Further, since there is an abundance of trade information, a WTC information service should be responsible for providing not just relevant information, but the best information. A service like this will be extremely valuable to Trade Center tenants, local members and other clients, including visiting WTCA members. It will differentiate the WTC from other office buildings and make the building an attractive location for international firms and government agencies.

In organizing an information service, of course, it is essential to tailor the service to the needs of the expected clients, including tenants, members, visitors and regional businesses.

If a WTC also houses offices of a port authority, chamber of commerce, trade associations and similar groups, these organizations will become major customers of the information service, as well as sources of information in their respective areas of expertise.

When planning to develop trade information programs, the following issues must be addressed:

- Types of information
- Sources of information
- Trade information centers
- Website operations
- Custom research
- Reciprocity with other WTCs

**Types of information.** Trade information may be classified into three categories:

- **General information.** This includes information on market conditions, import restrictions, currency exchange rates, prices, channels of distribution and other pertinent information. It also includes information on upcoming trade shows, incoming and outgoing trade missions and seminars.
- **Market specific data.** These include trade statistics, business opportunities, invitations to tender, market surveys and company lists with details on products, personnel, markets and volume of business.
- **Technical data.** This includes details on foreign and local regulations such as customs taxes, laws, insurance, shipping and air cargo rates and labor rates. Specialized local information is an important resource that WTCs should develop since they are in a unique position to do so and will be frequently called upon to provide this data.

**Sources of information.** Very little of this information will need to come from original research from WTC staff. Rather, WTCs must harness existing trade resources and be able to extract the most relevant information. Among the most reliable sources of data are:

- Government agencies
- Embassies and commercial services
- Multi-lateral institutions
- Banks
- International consulting firms
- Shippers/freight forwarders
- Online subscriptions to trade databanks
- Other WTCs

More often than not, information from these sources is available through appropriate websites. It is advisable that a WTC conduct research to obtain a database of websites that offer good trade information. Through subscriptions, you can access company, country, product and trade flow information using databases such as Kompass, Thomas Register, etc. Many of these “linkable” sites can also be found through WTCA On-Line and the websites of other WTCs.

**Trade information centers.** Because so much trade information is still only available in “hard copy” format, many WTCs operate a physical trade information center or library. Such an operation requires sufficient space to create a good workflow as well as quiet “study areas,” staff resources to obtain and classify different publications, and appropriate equipment including computer terminals. Extensive detail on the layout and operation of a trade information center can be found in the World Trade Centers Facility Planning Guide, available from the WTCA.

A WTC should closely examine whether a physical trade information center is right for its market. As more and better information becomes available electronically, the rewards of investing in a physical operation should be weighed against the returns an equal investment in a website would generate.

**Website operations.** Most WTCs now operate detailed websites, and they are becoming an increasingly critical part of WTC operations. The website is not only a WTC's critical link with the outside world, but it is also the ideal conduit to deliver trade information to members and visitors. The features of a website should include (but are by no means limited to):

- Local trade information (linked from outside sources)
- International trade information (linked through WTCA On-Line and other outside sources)
- Local trade leads from members
- Information on upcoming programs and events
- Membership directory/links to member websites
- Membership information

A WTC's website reflects both its character and service offerings. As a result, websites should be regularly updated, and links to outside websites should also be checked to ensure they remain fresh and relevant. Outdated websites or websites presenting inaccurate information undermine the WTC brand.

**Custom research.** A company may want a WTC to conduct specialized market research on its behalf. WTCs should charge an appropriate fee for this service, depending on the amount of staff time involved. This kind of service can form the foundation of an ongoing revenue-generating program.

**Reciprocity with other WTCs.** Among the best sources of information on a market is the local WTC. If a member has a request for information on a market that cannot be satisfied through different online or printed resources, it is appropriate to call upon the local WTC for assistance. A WTC has the right to charge a fee for the research it conducts for its members or for members from other WTCs. However, a WTC should charge its member rate to fellow WTCs.

As discussed earlier, requests from other WTCs should be given the highest possible priority – second only to member requests. Responses to inquiries must be made promptly, and service must be of the highest professional standard to uphold the value of the WTC global brand.

## **10 Questions to Ask When Developing Trade Information Services**

- ✦ What type of trade information will be most useful to my members?
- ✦ What are the most useful trade information sites on the web?
- ✦ What local trade resources do I have immediate access to, and which are available through WTCA On-Line?
- ✦ What data is not available On-Line, and should be produced in-house?
- ✦ Do I need to have a physical trade information center or library in my WTC?
- ✦ If so, what publications should I acquire?
- ✦ Which staff will be responsible for updating the information on my website or library?
- ✦ Do any of my potential members have the technical expertise to operate my website?
- ✦ How much should I charge for custom research and business appointments for members of other WTCs?
- ✦ How will I let my members and others know about my trade information services?

## **TRADE INFORMATION CASE STUDY: WTC LJUBLJANA**

### **I. Objective**

Leverage the resources of a small staff to provide targeted trade information to WTC Ljubljana's members, as well as to international companies looking to do business in Slovenia.

### **II. Program Overview**

WTC Ljubljana uses Internet technology to deliver up-to-date trade information to its own members and to companies exploring the Slovenian market.

With a small staff, the WTC is not in a position to research and prepare much detailed trade information for all the requests that come in. As a result, it focused its resources on developing its website, [www.wtc-lj.si](http://www.wtc-lj.si). The website is linked to leading sources of trade information in Slovenia, including such new sites as TradePoint Slovenia, which was established with the assistance of UNESCO.

Also on the website are links to WTC Ljubljana's members and partners, classified by industry and resource. For those members who do not have their own website, the WTC will help them build one, using its contacts with outside consultants.

For Slovenian companies looking to do business in Japan, WTC Ljubljana developed an innovative cost-sharing program that also took advantage of the reciprocity that is at the core of the WTCA's global network. With the cooperation of WTC Osaka, WTC Ljubljana placed a trade specialist in the offices of WTC Osaka for a four-month period of time, with the costs of the program split equally among 15-20 of the WTC's members. The role of the trade specialist was to find opportunities in the Japanese market for the sponsoring members and set up meetings with potential partners. Essentially, this program allowed the WTC to serve as a private commercial service for Slovenian companies. The costs for each company were far less than if they had to send one of their own representatives to explore the Japanese market.

### **III. Most Significant Results**

Almost 700 businesses log on to WTC Ljubljana's website each month, enabling the WTC to disseminate far more information than if they were handling those inquiries in person.

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#### **IV. WTC Ljubljana's Five Keys to a Successful Program**

1. Use the WTCA global network. In addition to its partnership with WTC Osaka, WTC Ljubljana gets its trade leads from WTCA On-Line, and its On-Line publications and printed materials from other WTCs around the world.
2. Know your market, and take advantage of new issues/programs that affect it. For example, when agricultural trade became a key issue in Slovenia, the WTC immediately offered new links on its website that enabled users to access the latest information on the topic.
3. Continually update the information that's available. The ongoing presence of new and updated information encourages repeat usage.
4. Encourage members to use the website, to take pressure off the staff to respond to routine information requests.
5. Stay flexible, and look for new opportunities to deliver trade information. Helping members develop their own websites also is an excellent value-added service to offer.

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## CHAPTER 10

### TRADE EDUCATION

#### Overview

With the growing volume and value of trade among nations, the need to understand how to compete successfully in the global marketplace has become especially urgent. As a result, WTCs have found that international business training is one of the most vital and popular services they can offer their tenants, members and the regional business community. These programs, like those of a WTC Club, provide a forum for local business people to interact and exchange information.

Educational activities also complement the other services of a WTC. For example, seminars can be arranged in conjunction with trade shows or product exhibits. Visiting dignitaries or specialists from other parts of the world can participate in special seminars on business prospects and procedures in their country. Also, publicizing speakers and courses promotes a WTC's reputation as the region's focal point for international trade information, services, networking and business opportunities.

Trade education programs are also one of the real assets that a WTC can bring to the community. Many skills are required to be a successful international businessperson and executives and workers sometimes let those skills lapse in the fast-changing world of international trade. These programs are an excellent way to bring the excitement and opportunity associated with trade to students and businesses alike – opening them up to new business and career possibilities. Trade education programs can also be provided by affiliation with a local educational institution. Among the many possible subjects for educational programs are:

- International marketing
- Export documentation
- Shipping strategies
- Regulatory issues
- Trade finance
- Languages
- Regional or country market overviews
- Using online databases to conduct market research
- E-Commerce



These subjects will vary from market to market and from WTC to WTC. Most important is to establish an educational program that reflects the most pressing issues in the local market. However, all WTCs should consider the following when creating their trade education programs:

- Identifying the need
- Programming options
- Seminars
- Evening school programs
- Language classes
- Finding speakers/instructors
- Event locations
- Materials
- Program fees
- Attracting participants

**Identifying the need.** Before beginning any trade education programs, it is important to learn what programs are desired and currently being offered in the area. A survey should identify the specific needs and the activities of other organizations in this field. Asking questions of WTC members is important, as they may provide most of the attendance at the start. Talk to business associations, universities and similar groups to see what types of programs or speaker events have been successful in the past. Competition does not have to be a negative. If a local college or university is providing semester-long courses on international trade barriers or the Japanese economy, there may still be a demand for short programs or evening seminars on the same topics — but with a more practical, problem-solving perspective.

Evaluating the competition at local academic institutions can also help identify opportunities for cooperative programs. Professors and visiting lecturers at local universities may be available for speaking engagements without requiring fees or honorariums. Many colleges and universities seek opportunities, such as co-sponsoring certain programs, to increase their community visibility and involvement in international business, so the benefits of cooperation may be mutual.

## **Programming options**

The objective of any professional education program is to offer information that participants can immediately apply to the workplace. That's why emphasis must also be placed on making trade education programs both informative and interesting. Key to this is providing a wide variety of programming choices and can include:

**Seminars.** Most WTCs that provide trade education begin with short-term training programs such as halfday seminars, lunches, or breakfasts. As the WTC builds its stature in the business community, these events may grow to one, two or three-day seminars, or to evening or weekend programs. Seminars typically are directed toward middle or upper level professionals working to further their careers and their professional knowledge. Seminars can also be presented as “in-house” courses custom-tailored for a particular company.

**Evening School Programs.** Evening school programs typically are presented once or twice a week on a semester basis, and topics are often clearly job-related. Holding classes after work hours attracts young professionals who wish to further develop their career skills. Such classes also appeal to those seeking firsttime employment by gaining practical qualification in a specific field. Courses should be taught by practicing professionals, and they should contain problem solving and case study examples.

Some examples of evening school course topics include: how to export, customs documentation, and introduction to freight forwarding and logistics.

Some WTCs have been very successful in offering programs on weekends, or in two-day sessions to allow students living at a distance to attend. This is an important market consideration if the region is sparsely populated, and if international business education is not readily available in neighboring cities.

**Language Classes.** Although foreign language ability is important to international business, there are usually many providers of language classes. Commercial schools are sometimes franchised globally, and both public and private colleges, adult education programs and even high schools offer language instruction.

For a WTC to be successful in providing language instruction, it must add something to the classes that is not available elsewhere. For example, lunchtime classes for professionals offer scheduling advantages, or classes can concentrate on business conversation skills for students who already have some level of proficiency in a language.

Another competitive advantage can be gained by offering cultural sensitivity training in conjunction with foreign language training. These programs could provide instruction on business practices and social etiquette for businesspersons preparing to enter a new overseas market.

Instructors should be native speakers. Sometimes local college exchange students can be hired on a parttime basis, but they should have teaching experience and familiarity with business practice and terminology. Language classes can also be tailored to the needs of a specific company and arrangements can be made to teach at the client's facilities.

Other considerations involved in trade education are:

- Guest speakers
- School programs
- Workplace visits/tours
- Hands-on training/internships
- Interactive workshops
- Customized training for corporations

**Finding speakers/instructors.** The quality of an educational program is usually defined by the quality of the speakers or instructors. The best speakers are those who have had practical experience in the subject, are comfortable speaking in front of an audience, and have the enthusiasm and commitment to devote their time. Compensation to speakers is at the discretion of each WTC.

The first place to look for speakers is within the WTC itself, whether it is a tenant in a WTC building or a WTC member. Look for those who are most experienced and most active in WTC activities, because they are the ones who have the most commitment. Speakers and instructors can also be drawn from the business community, local universities, government, and foreign trade offices.

**Event locations.** The most natural site for these events would be the WTC itself, which usually is in a central location. Other sites can include university classrooms, government offices, boardrooms of WTC members, restaurants and hotels. The site should be able to accommodate basic catering and room to facilitate networking among participants.

**Materials.** Educational programs should include reference materials that participants can use after the program ends. Materials can include biographies of the speakers with full contact information, photocopied articles, textbooks, case studies, government reports, etc. They should also include samples of documents a participant will encounter in their job, such as trade database printouts, export document, etc.

**Program fees.** Appropriate fees should be charged to participants, which should cover fees to speakers (where applicable), learning materials, room rental charges, overhead, catering, publicity, etc. Different rates should be charged to members and non-members (with inducements offered to non-members to join). Experiment with different fee structures during the first year or two of running educational programs to learn exactly what the market will bear. Survey the market to compare what other seminars are charging.

**Attracting participants.** Properly marketing educational programs will maximize the number of participants. They should be prominently included in all WTC informational and promotional materials, including newsletters, social events, brochures and websites. A special mailing to the entire membership that focuses exclusively on upcoming speakers and educational programs should be made semi-annually or quarterly. Programs can also be announced in local business newspapers and in local calendar listings, as well as publicized in government and trade offices. The objective of the educational should be clearly laid out in all promotional materials, as well as the name of the instructor and the program fee. Registration should be available on the phone, through the mail, on the website, or at the door.

**WTC Websites and “Distance Learning”.** With the rise of the Internet, many companies and institutions are developing “distance learning” programs that essentially offer a complete course of study available online. This can be a powerful trade education tool for WTCs with the staff and resources to create exclusive learning content accessible through the web. The WTCA is happy to work with WTCs who are interested in exploring this option.

**WTC University.** The WTCA Committee on Trade Education & Training is developing WTC University, an online distance learning tool that offers international trade-related courses. Users will be able to interact with accredited faculty, take exams, and participate in class discussions all from their home computer. WTCU is located at [www.wtcu.com](http://www.wtcu.com).

## **10 Questions to Ask When Developing Trade Education Programs**

- \* What other education programs are being offered in the area?
- \* What issues would businesses in the region like to see addressed?
- \* How can trade education programs integrate into other WTC service offerings?
- \* Which WTC members could serve as speakers or trainers?
- \* Where should my programs be held?
- \* Who is responsible for collecting materials – the WTC or the speaker/instructor?
- \* What should be the fee differential for members and non-members?
- \* Can I offer a “course of study” that results in a certificate?
- \* How can I use my educational programs to build my membership?
- \* How will I evaluate the success of these program

## **TRADE EDUCATION CASE STUDY: WTC TAIPEI**

### **I. Objective**

Create a variety of educational programs on international trade that reach the widest possible audience of businesses and prospective international trade leaders.

### **II. Program Overview**

WTC Taipei has made trade education a cornerstone of its overall trade promotion and development effort. In addition to an “unstructured” series of ongoing seminars and lectures on various issues related to trade, it has also launched two separate “structured” educational programs for students and professionals interested in trade.

The short-term program is targeted at businesses that have already begun or are planning to begin doing business internationally. For this audience, WTC Taipei offers a 3-month course of study that includes seminars and classes in language, international business practice, customs procedures, international marketing, etc. Instructors for these programs are brought in from local universities, or consist of successful local business executives who share their own experiences. Foreign speakers, representing embassies or speakers from companies based overseas, are also part of the program, in order to give participants a truly international experience.

These classes are normally held at the WTC (which also serves as headquarters for CETRA, Taiwan’s trade promotion agency), where two classrooms have been constructed for this purpose. However, in order to offer businesses outside of Taipei access to these programs, the WTC conducts classes in other major Taiwanese cities like Kaohsiung.

In designing these programs, WTC Taipei consults closely with other local trade-related agencies, such as the Customs Department and the Board of Foreign Trade. Its access to CETRA’s resources has also assisted in creating first-class programs. To attract participants, WTC Taipei advertises its new educational programs in major Taiwanese business publications.

WTC Taipei also helps oversee a truly unique educational program. Together with both local and regional universities, it helps administer a 2-year program for students who are interested in pursuing a career in international trade. This program has the support of the government, which continues to recognize that Taiwan’s ongoing economic success depends on the development of a generation of businesspeople who are completely “fluent” in trade.

To ensure the 2-year program has practical application, some of Taiwan’s leading international businesses contributed to the design of the curriculum. The ongoing participation of these companies has helped attract the brightest students into the program.

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### **III. Most Significant Results**

Students in WTC Taipei's 2-year program field an average 7-8 job offers upon graduation, while business enrollment in the 3-month program has grown rapidly.

### **IV. WTC Taipei's Five Keys to a Successful Program**

1. Work with the business community in designing and implementing your programs. Businesses have the best understanding of what subject areas are most critical.
2. Offer enough variety to attract participants from different functions within a company (such as marketing, customs, finance, etc.).
3. Ensure your programs are conducted at a time and place that is convenient to the widest number of participants.
4. Advertise your programs well in advance.
5. Offer "certificates" for participants who complete an entire educational program (i.e. series of seminars, etc.). It creates an incentive for them to go to multiple events.

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# CHAPTER 11

## TRADE MISSIONS

### Overview

A trade mission program is an ideal World Trade Center service. It utilizes all the services within a Trade Center, as well as benefiting from the vast international network of reciprocal services offered by other World Trade Centers worldwide.

Trade mission programs provide a useful and effective method of promoting the regional and local business of the World Trade Center. If a trade mission is prepared seriously with sufficient research and forward planning, it can be a genuine trade facilitator by creating positive business relations between people who would not otherwise meet. Trade missions are also ideal PR programs, providing excellent publicity for both the host and the sponsoring WTC — and their respective countries. A program can consist of a combination of outgoing regional selling missions together with the reception of visiting overseas buying and selling missions.

### Outbound Selling Missions

A trade mission can be useful for any type of business. However, it is ideally suited for small and medium sized firms which have neither the in-house expertise nor the resources to conduct their own unaided export campaigns.

Organizing an outgoing trade mission includes a lengthy preparatory period leading up to the mission itself. This could take a year in total, beginning with a nine-month preparation period, and culminating with a two to three month intensive follow-up period. The timetable and processes cover the following:

- Market research
- Choosing the type of mission
- Finding a partner
- Company recruitment
- Screening participants
- Matchmaking
- Logistics and costs
- Follow-up
- Timing

**Market research.** Careful market research must be carried out to select a target market. This is a complex operation and should include a detailed analysis of the economic and political stability of a country; an evaluation of market opportunities; the growth potential of the market; the suitability of the market for the type of goods produced in the WTC's region; the existence of a WTC in the proposed target country; and the ability to export to the target market.

The potential sources of information on these points within the target country are the local trade associations, the local WTC, embassies, commercial trade offices and banks. Frequently, good sales opportunities for trade missions can be found in newly emerging countries that have fewer commercial ties overseas and are eager for the products of more industrialized countries.

Information on all these issues can be obtained through WTCs, the Internet, local trade associations, embassies and trade offices, universities, etc. This information will serve to narrow down the choice of markets and increase the probability of success.

**Choosing the type of mission.** When thinking about a trade mission, a WTC must first consider its scope. Trade missions usually are "vertical," which means that they're focused on a specific line of complementary products and services, or "horizontal," which means they cover multiple products and services. Missions can be independently arranged, or timed to coincide with trade fairs or other major international gatherings like the WTCA assemblies. Trade missions led by dignitaries, such as ambassadors, heads of state, governors, etc. also prove to be powerful ways to secure top-level meetings.

Another kind of trade mission involves meetings with inter-governmental institutions like the World Bank. An active WTC that conducts multiple trade missions has the opportunity to consider these different types of missions and determine which is most suited to the membership.

**Finding a partner.** It is essential that a WTC have a reliable partner in the target market to work with in arranging a successful trade mission. That partner will be responsible for publicizing the mission and setting up business appointments, providing local logistics, serving as host, and resolving any problems that arise with local officials.

Of course the most natural partner is the local WTC, which shares an understanding and commitment to trade and client service, and can access the local membership to find appropriate matches. If there is no WTC in the target market, or if the local WTC is unable to assist, other partners can include trade associations, chambers of commerce and government/embassy offices. Partners may charge the organizing WTC an appropriate fee for their services, which can be folded into the fee paid by participants.

**Company recruitment.** Recruiting trade mission participants can be accomplished through a WTC's internal publications and publicity program, direct mail and advertisements in targeted publications. Of course, word of mouth is the most effective way to recruit participants, and past trade mission participants should be asked to encourage their colleagues to join future missions.

If the mission is primarily aimed at small and medium sized companies, the recruitment of participants might require extra effort. Smaller companies are less export oriented, and it is a major decision for them to commit themselves to finding the necessary funds and personnel to participate.



**Screening Participants.** It is important to screen prospective mission participants carefully. The goal is not simply to get trade mission participants, of course. It is to get participants who have an opportunity to sell their products or services in the target market. Ideally, preparations for a WTC's trade mission program should cover the following steps:

1. Interested companies complete a trade mission application form and submit product literature for review by the WTC staff.
2. Trade mission staff personally visit companies that appear to be compatible with the target market. The staff assesses the capabilities of the company, including its capacity, its management, its resources and its commitment to exporting.
3. Product literature, together with the trade mission application form and a one-page description of the company's objectives in entering the new market, are sent to the overseas partner. This assessment determines whether there is any interest in the target market for the company's product. The trade mission's overseas partner will have the product literature and profile sheets reviewed by their in-house staff, and will place general advertisements announcing the information. Certain selected companies will also be personally contacted to see whether they would like to meet the visiting trade mission.
4. Based on this research, the trade mission partners will be able to assess which companies will generate the most interest. This decision will be based on the number and quality of appointments they feel that they can make.
5. When a final list of participants has been drawn up, the organizing WTC will start to assist the participating companies in their preparation. This could consist of giving advice on pricing, packaging, local business practices in the overseas market, customs formalities, finance, insurance, import and export license requirements and related items.
6. It should be emphasized to participating companies that this period of advance preparation is vital for the overall success of the mission. A presence in the mission is not sufficient to ensure success. A good marketing presentation, supported by well presented, and (if necessary) translated sales material, possibly together with a videotape presentation detailing plant, products and other relevant information, is the real key to success.
7. Approximately six weeks before departure, a briefing is held at the WTC for the trade mission participants. The goal is to create an opportunity for the participants to meet each other, so they can discuss their involvement in the program. Additionally, briefings on topical matters are given by a variety of specialists in the target market. Spokespersons include staff from the relevant national trade office, a representative from a major bank with interests in the target market, and business representatives with experience in the market.

**Matchmaking.** The heart of any trade mission is the matchmaking sessions, where participants can sit down individually with prospective partners. To maximize the chances of successful meetings, a WTC should take the following steps:

1. Trade mission participants should detail in writing what they are looking for in a potential partner, and provide the WTC with samples or product literature
2. This information is sent to the WTC's partner in the target market
3. The partner cross-references the information with their own membership lists, and obtains similar information from prospective matches

4. This information is sent back to the organizing WTC for distribution to participants
5. The organizing WTC and its partner jointly agree to the matchmaking meetings based on the information
6. All meetings are reconfirmed prior to the visit

Matchmaking tends to be easier in vertical trade missions, because of the concentration of companies in similar industries. For horizontal trade missions, more advance work must be done to assure that the time of participating companies is well spent.

**Logistics and cost.** WTCs should work with reputable travel agencies to arrange travel, hotel, etc. Other logistics, including translation services, conference facilities, etc. should be provided by the partner. Trade missions are usually priced as a package, and must account for the time spent by WTC staff in arranging the event. Hotel and travel costs are often folded into the total price, but participants must also have the ability to make their own arrangements.

**Follow-Up.** Participants are responsible for following up with companies they meet to complete any transaction. The WTC should send its partners appropriate thank-you notes and gifts for their time and effort. All participants should also be surveyed afterwards so the WTC can learn the most successful aspects of the trade mission and make any needed changes for future missions. Three months is the recommended time to wait until conducting a post mission survey. This allows for the business deals to take shape and in some cases, go to closure.

**Timing.** Organizing a successful mission can take up to a year. WTCs must realistically assess their own capabilities, the capabilities of their partner, and the scope of the mission in determining how much time will be needed.

## **Inbound Trade Missions**

Just as a WTC expects outstanding service from its partner when arranging an outbound trade mission, it must provide the same level of service to inbound trade missions. A WTC must have good contacts with local conference facilities (if there are none in the WTC building), hotels, travel agents, translators, etc. in order to supply these services for inbound missions. When notified of a prospective inbound mission, a WTC must also quickly respond with its own assessment of potential matchmaking partners. A WTC should negotiate the fee for its inbound trade mission services well in advance.

## **10 Questions to Ask When Developing Trade Mission Services**

- ✿ What level of market research will I need to select a target market?
- ✿ What companies in my area can be most helped by going on a trade mission?
- ✿ Does my prospective partner have the capability to service the trade mission?
- ✿ Can the trade mission coincide with trade shows or the WTCA General Assembly?
- ✿ How will I publicize my trade mission?
- ✿ What cultural/business customs do participants need to know prior to the mission?
- ✿ How am I increasing the probability of success of the matchmaking meetings?
- ✿ What costs will be included in the trade mission fee? Will the mission be limited to my members?
- ✿ Do I have the contacts in the community and staff to adequately service an inbound mission?
- ✿ How long will I need to arrange a trade mission?

## **TRADE MISSIONS CASE STUDY; WTC SAPPORO**

### **I. Objective**

Use trade missions to raise awareness of Sapporo's industrial capabilities and bring additional business to the region.

### **II. Program Overview**

WTC Sapporo is located on the northern Japanese island of Hokkaido, an area often overlooked by international businesses because of the economic power of Tokyo and the Kansai region.

A major component of WTC Sapporo's inbound trade mission program is the annual Winter Cities Showcase, one of the world's largest trade fairs for winter and cold-climate products. Because of Sapporo's location, the region boasts a number of companies with products tailored for the climate, including trading companies and construction firms. The Showcase, held in a different city each year, provides excellent global exposure.

The WTC also conducts an outbound trade mission to coincide with the WTCA General Assembly. The General Assembly is viewed as a good trade mission opportunity because other WTCs also bring business delegations, and members have direct access to WTC leaders from around the world. Trade missions are also sent to Sapporo's "sister cities" of Portland, Munich and Novosibirsk.

The WTC's newsletter, website and e-mail are used to advertise upcoming trade missions and recruit participants. Because the Sapporo business community is close-knit and the WTC plays such a prominent role, identifying qualified companies for trade missions is not difficult. Non-members are invited to join WTC members on trade missions. The WTC tries to book trade missions at least 3 months in advance to assure a well-planned, successful visit.

To maximize the impact of a trade mission, WTC staff encourages participants to take two trips to the target market. The first is designed for companies to acquire market intelligence, and the second is for matchmaking. For the matchmaking trip, potential partners are screened through the target market's WTC. The WTC conducts a pre-departure orientation for all trade mission participants, which covers important business and cultural issues in the country that is being visited.

For inbound trade missions, the WTC has established close relationships with good local travel agencies to facilitate all arrangements. The annual Sapporo International Trade Fair is used as a draw for other companies to visit Sapporo and meet local WTC members. Relationships have been established with local hotel operators (many of whom are WTC Sapporo members) to offer discounts to visiting WTC trade missions.

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### **III. Most Significant Results**

With a relatively small membership and management staff, WTC Sapporo is able to conduct at least two missions every year, and is ramping up for more.

### **IV. WTC Sapporo's Five Keys to a Successful Program**

1. Use the WTC network. Other WTCs can be invaluable in arranging matchmaking meetings and acquiring information on potential partners.
2. Build on your region's economic strengths. Conduct a trade mission around a trade fair that highlights products your region produces well.
3. Tap the strength of other institutions to enhance your program. WTC Sapporo works with JETRO (Japan External Trade Organization) and the Sapporo Chamber of Commerce to recruit members and plan matchmaking meetings.
4. Always reconfirm matchmaking appointments through fax, telephone or e-mail.
5. Give plenty of notice for a trade mission. Business executives plan their business travel well in advance, and it is important to get on their schedules early. Adequate time is also needed to arrange appointments with quality partners.

### **V. Contact Information**

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## CHAPTER 12

### TRADE FAIRS AND TRADE MARTS

#### Overview

Even in the era of electronic communication and commerce, nothing can replace a buyer and a seller meeting in person to discuss a business transaction. Products still need to be physically inspected and handled, and buyers and sellers still need the opportunity to meet in person to establish an effective relationship. It's because of this fundamental need that trade fairs continue to grow in popularity, as new industries arise that require face-to-face discussion and negotiation.

A WTC is in a position to play a significant role in organizing trade fairs. Many WTCs are constructed with exhibition facilities included, as WTC organizers see them as a good investment that will generate solid economic returns and add value to the community. (For more information on the design and construction of WTC exhibition halls, consult the World Trade Center Facilities Guide, available through the WTCA). Whether or not a WTC has its own exhibition hall, the following must be considered when planning a trade fair:

- Trade fair purposes
- Where to hold exhibitions
- Determining the types of exhibitions to hold
- Selecting a trade fair topic
- Designing and staffing an exhibition hall
- Attracting trade fair participants
- Trade marts
- Integrating trade fairs/marts with other WTC services

**1. Trade Fair Purposes.** To attract the public a WTC needs business and other visitors to be successful. An exhibition or display area is an ideal means of attracting the public, including buyers, to the building, and thus adding to the local and regional prominence of the development. This is an especially important factor if the WTC has a large retail area. Each WTC visitor will benefit the building's retailers, and therefore retail space rentals can be increased. The exhibition space thus needs to be in the heart of the retail area and is unlikely to be very large. The space could be used for a variety of activities, including live entertainment at lunch time and other key pedestrian hours. Exhibition topics would include art, civic interests, national promotions and cultural, architectural and historical events, just to name a few. It is also possible to offer a thematic event, with a static exhibition being supported by live entertainment.

In this scenario, the managers of the WTC are likely to be largely involved in arranging and funding the activity.

**2.To Stimulate Trade.** If an exhibition is to be used for this purpose, the exhibit space should be larger than for more general exhibitions described earlier. The space should be as versatile as possible to accommodate a wide range of exhibitions. For example, it is advisable for the area to be rectangular in shape so that exhibition stand layouts can make efficient use of the space available. Ideally the space should consist of several halls, or be dividable so that various sizes of exhibitions can be accommodated. Exhibitions are likely to be devoted to relevant trade sectors or to national promotions from other countries.

**3. To Make Money.** If judged by strict corporate standards, exhibition halls do not make an adequate return on capital investment. Nevertheless, they do stimulate activity, both in a WTC itself and in the immediate city or region. Exhibitions can be a welcome source of additional revenue to operations such as hotels, taxis, restaurants, newspapers, journals, advertising agencies, freight forwarders, together with the organizer of the exhibition who takes a commercial risk on the profitability of the exhibition.

The results of this situation are threefold. First, it is often possible to persuade individual cities or states to own or subsidize the exhibition hall. Secondly, exhibitions are often organized by the same company that owns the hall in order to retain the organizing profit. Lastly, the halls must be of sufficient size to benefit from economies of scale, since many costs are only semi-variable with the size of an exhibition. However, the size of the hall depends also upon its location. In Europe anything less than 500,000 square feet would be considered small. Larger European centers have more than two million square feet. In certain industrializing countries, however, 150,000 square feet might be considered large.

If an exhibition's goal is to make money, it will be predominantly trade oriented, although there will be a number of exhibitions that are also oriented toward the general public. Examples are automobile shows, boat shows and home furnishing exhibits.

**Where To Hold Exhibitions.** If a WTC does not have an exhibition hall included on its property, it will be necessary to make arrangements with nearby facilities, including convention centers, government halls or hotels that are capable of hosting large meetings. Large entrances/loading docks are needed for the trade booths and displays.

**Determining The Types of Exhibitions to hold.** Like trade missions, trade fairs tend to fall under two general categories: horizontal fairs and vertical fairs. Horizontal trade fairs – also known as general trade fairs – cover a wide range of products and services. Vertical trade fairs focus on products and services from one industry or industries that are closely related (such as electronics and software.) Historically, general trade fairs have been held in countries at a lower stage of economic development, in order to showcase a wider range of products, and because there isn't a sufficient number of local companies operating in one particular industry to justify a vertical exhibition. Generally, vertical fairs tend to draw better attendance and are easier to operate profitably.

**Selecting A Trade Fair Topic.** It is essential to select a trade fair topic that is relevant to the host economy. In a developed area, this selection will not be a problem, since the success or failure of an exhibition is as much dependent on the skillful marketing of an exhibition as it is on the topic itself.

However, in industrializing countries the topic selection must be more carefully approached. In this case the market size (potential or actual) must be large enough to persuade sufficient numbers of exhibitors to participate in what will be for them an expensive commitment.

It is also important for a new exhibition hall to establish a good track record, and exhibitors must clearly realize the benefits of their participation in a particular show. While an exhibition hall manager will want as high a rate of occupancy as possible, this should not be achieved to the detriment of the exhibition hall's reputation. An exhibition hall manager must care about the content of his exhibitions. For example, too much competition among exhibitors will eventually destroy all the exhibitions. If there are too many similar shows, the number of visitors for each one will diminish; the show will fail to make money or to satisfy exhibitors and will thus be seen as a failure.

Some overlap is unavoidable, of course. However, a good manager will try to keep overlapping to a minimum by agreeing on a show's topic "territory" with the organizer of each show (whether the organizer is "in-house" or independent) and protecting those territorial rights from encroachment by other organizers. This is a delicate matter, given the evolutionary nature of exhibitions. Careful and informed decisions should be made as to when specialized topics are ready to be separated from a more general show.

In selecting a well-balanced exhibition, the exhibition manager should aim to fulfill a number of objectives. First, the limits of an exhibition should be recognized. It should be of a suitable size to achieve a good balance between visitors and exhibitors. It should only be allowed to grow in size if this ratio can be maintained in a reasonable way. Secondly, an exhibition should give a complete picture of the offers presented by the exhibitors in one specific field of activity. It should allow a simultaneous comparison of the products and services proposed by the exhibitors, while also allowing each participant to reflect their individual character. An exhibition should also foster innovation by encouraging the promotion of new products and by encouraging concurrent technical discussions and conferences. Finally, and most importantly, an exhibition should facilitate direct contact between buyers and sellers, which will in turn stimulate trade.

However, none of these objectives will be achieved without careful forward planning. Most new trade exhibitions have a lead time of almost two years. Also, the full support and cooperation of representative trade associations, together with the support of relevant local authorities, must be obtained.

**Designing and Staffing an Exhibition Hall.** Designing and operating a successful exhibition hall, of whatever scale, is clearly a job for a professional. Therefore, either experienced consultants in this field or staff with relevant experience should be involved. The staff needs an understanding of the local market and the capabilities of WTC itself. Both factors will influence the design of the exhibition space and the type of exhibition topics to be selected.

Exhibition professionals should be involved in the planning of the new exhibition space from the very beginning, so that they can inform the project's architect about their specialized needs. It should be emphasized to the architect that, on the inside, an exhibition hall is like a theater stage, i.e., a neutral environment which allows the exhibition itself to take the limelight.

Professional trade fair organizers, of course, can handle every aspect of trade fair operations, including marketing, logistics, hotel arrangements, layout, module construction, fire codes, security etc. Unless the WTC has sufficient staff that is experienced in trade fair operations, it is recommended that a WTC contract with an outside professional for this work.

**Attracting Trade Fair Participants.** Trade fair marketing must be done well in advance of the proposed date – sometimes as much as two years or more. To start with, a high-quality brochure and website should be created describing the trade fair and offering registration information. Once that is created, a WTC should divide the marketing effort into two components: attracting local exhibitors and visitors and attracting international exhibitors and visitors.

For the local component, the trade fair should be announced in all WTC publications, local media, through other trade and business associations, etc. Appeals to local pride and the opportunity to showcase local products to the world should be part of the selling message, in addition to the opportunity to make new business connections.

For the international component, information should be distributed through the WTC global network, as well as foreign commercial offices, international trade associations, international magazines focused on the industry that's the topic of the trade show, direct mail with lists obtained through trade associations, etc.

**Trade Marts.** Trade marts are a variation on the theme of exhibitions and trade fairs. The trade mart is essentially a long term showcase or merchandise mart for local manufacturers' products — and can be a useful complement to regular trade exhibitions.

Local companies rent space to display and promote their products on a long-term basis. The main function of a mart is to act as a central meeting place for both buyers and sellers. Additionally, trade marts can be sited in free trade zones which provide an added stimulus to trade transactions.

There are two types of marts:

1. for manufacturers or agents
2. for wholesalers

The former process orders for goods in the normal fashion, while exhibits by wholesalers are backed up by warehouses that can make deliveries on the spot.



The advantages of trade marts are:

- **economic:** The basic cost of each sales transaction is reduced for both buyer and seller, through reducing travel and administration costs. Furthermore, the expense of participating in individual exhibitions is largely eliminated.
- **greater exposure:** Collective strength resulting from being grouped together with many other companies at the focal point of the local region's trade. Products are therefore exposed to a wider variety of buyers than would be possible through normal selling techniques.
- **product comparison:** A buyer has the opportunity to compare, at one time, a range of similar products. Likewise, manufacturers are continually exposed to competing products, which should enhance their product awareness.
- **comprehensive support facilities:** Through being an integral part of a Trade Center, a trade mart can also offer comprehensive trade services to buyers and sellers. This provides them with on-site services such as insurance, packing, merchandising, financial assistance, legal advice, import and export assistance, transportation and travel, hotel bookings and comprehensive communications facilities. Further, a trade mart can also benefit from a Trade Center's calendar of special promotions, seminars and exhibitions.

However, trade marts can also be organized as import as well as export marts. In this case, a certain area of the trade mart can be set aside for use by foreign companies wishing to export to the Trade Center's region. The resident Trade Center staff will be available to give assistance and advice to these overseas companies.

While trade marts are a useful adjunct to a Trade Center, they can be difficult to run profitably. It is sometimes hard to find enough interested companies willing to lease space in such a centralized location, since many still prefer to show their wares from their own company headquarters.

**Integrating Trade Fairs/Marts With Other WTC Services.** All WTC services should be made available to trade fair/mart participants, including trade information services, access to the WTC Club, temporary offices, meeting facilities, etc. The availability of these services should be included in all promotional materials.

### **10 Questions to Ask When Developing a Trade Fair**

- ✧ Should I host a horizontal or vertical trade fair?
- ✧ What industries in my region are large enough to support a trade fair?
- ✧ Are the facilities I am planning to use large enough for the exhibition being considered?
- ✧ How will I choose the date for my trade fair?
- ✧ How will I find professional trade fair organizers to assist me?
- ✧ Is the fair I am considering economically viable?
- ✧ What trade associations and publications can help me publicize the fair?
- ✧ Can local government institutions or other associations help host the fair?
- ✧ Am I allowing for enough time for buyers and sellers to meet?
- ✧ How can I offer other WTC services to trade fair participants?

## **TRADE FAIRS CASE STUDY: WTC BASEL**

### **I. Objective**

Integrate the service offerings of one of Europe's leading trade fair and convention destinations with the prestige and services offered by a WTC.

### **II. Program Overview**

WTC Basel is a small but essential part of Messe Basel – one of Europe's largest exhibition, trade fair and convention destinations with more than 133,000 square meters of display space and a large and modern convention center. Combining a leading trade fair center with a WTC has enhanced the prestige and service offerings of both.

Messe Basel had been in operation for many years before obtaining its WTC membership and noted that most of the essential WTC services and facilities were already in place. Joining the WTCA increased Messe Basel's stature and prestige, and it continually uses its global network to attract new business. What's more, Messe Basel's sales staff now use WTC offices as their "home base" when traveling abroad, taking advantage of local club, information and business services.

Trade fairs at Messe Basel are heavily promoted on WTCA On-Line, as well as the WTCA's trade fair calendar that is distributed to WTCs across the globe. Special packages are sometimes offered to WTC members.

While exhibiting at Messe Basel, companies are free to use all WTC services, including their trade information, WTC Club (an affiliate to WTC Basel) and business services. Offering these "temporary memberships" is not only good customer service, it also encourages companies to join the WTC in their home region and participate in local and international WTC activities.

The more than 300 employees of Messe Basel also serve as staff for WTC Basel. All Messe Basel staff must be familiar with WTC operations, and be able to assist members and guests at all times.

The trade fairs themselves are conducted to the highest possible service standards. Messe Basel offers full-service trade fair packages for exhibitors, covering all their logistics, marketing, storage and stand construction needs. The facilities are continually upgraded to accommodate the latest technology. Most of the fairs are owned by Messe Basel and are priced competitively with exhibition sites of comparable quality around the world.

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### **III. Most Significant Results**

In a competitive trade fair marketplace, Messe Basel continues to grow its revenues and stature in the business community, while WTC Basel provides service to trade fair guests and local businesses alike.

### **IV. WTC Basel's Five Keys to a Successful Program**

1. Build on the WTC brand. The WTCA's global network is exceptionally useful in publicizing trade fairs at Messe Basel.
2. Treat guests like members. Repeat business is essential to the long-term success of trade fairs.
3. Ensure trade fair staff understand the WTC concept. The international resources at the WTC's disposal can assist in the planning and marketing of trade fairs.
4. Publicize the existence of WTC facilities and services to exhibitors and visitors. Many will not know what services are available for their use.
5. Visit other trade fairs to stay up to date on the latest technologies and trends that can be incorporated into your own.

### **V. Contact Information**

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## CHAPTER 13

### WTCA OnLine

Revised Dec. 2009

#### Overview

WTCA OnLine is the Internet's premier destination for businesses that want to succeed in the world of international trade. By logging onto [www.wtca.org](http://www.wtca.org), users have access to the latest tools and information that can help them grow their overseas markets. WTCA OnLine serves as a dynamic introduction to the WTC movement – a one-stop resource for information on how to find a local WTC, services that are offered, and how a WTC can assist a company achieve its international objectives. For that reason, all WTCA advertising and promotional materials prominently feature WTCA OnLine's web address.

The WTCA has formed exclusive partnerships with leading information and service providers to ensure that users have access to powerful market intelligence resources. Within the site, WTC members are given the most preferential treatment with exclusive direct access to post and update company information, trade offers, and product and service catalogs which can be viewed by many thousands of international businesses world wide. As a result, it's a powerful selling tool for WTCs looking to expand their membership base. Additionally, the strength of WTCA OnLine gives individual WTCs an asset that they can use to launch joint membership and co-branding programs with other local business organizations, such as chambers of commerce.

#### Accessing WTCA OnLine

There are three levels of access to WTCA OnLine:

1. **Guest access.** Anyone can log on to [www.wtca.org](http://www.wtca.org) to view information about individual WTC locations and their services, WTC member trade opportunities, the WTCA newsletter, trade events, and pages from the WTC member catalogs. Guests are asked to register their contact information at [www.wtca.org](http://www.wtca.org) in exchange for their own guest user ID and password.
2. **WTC Member access.** Members are exclusively entitled to post unlimited offers on WTCA OnLine's Trade Opportunities Database and may also showcase all their products and services at no cost within WTCA's OnLine Catalog. In addition, WTC members get exclusive access to a database offering an analysis of valuable information on U.S. imports and exports based on U.S. Customs and Census Bureau statistics (See Trade Flow Pricing below for details).
3. **WTC Staff access.** WTCA OnLine has a password-protected area, named "My WTC", strictly for managers of individual World Trade Center offices serving as an electronic "central office" for the entire WTC network

## **Registering new WTC member accounts on WTCA Online**

WTC Member level and WTC Staff level accounts are set up by WTCA Headquarters.

***IMPORTANT:*** *Prior to requesting WTC Member level IDs and Passwords for accessing WTCA OnLine, you must obtain permission from each of your WTC member companies.*

This may easily be done by including a sentence on your local membership form with a check box for “Request ID/PW for World Trade Centers Association web site “WTCA OnLine” [www.wtca.org](http://www.wtca.org). After obtaining the necessary permissions you may proceed to email WTCA Headquarters a list of your WTC members for enrollment. Please email your list to Maryann Kopfer, WTCA OnLine Customer Service, email: [maryann@wtca.org](mailto:maryann@wtca.org). The request for WTC member IDs and Passwords must come from your World Trade Center office, which serves as verification that the company is a WTC Member in good standing. When a firm fails to renew their membership with your World Trade Center, WTCA Headquarters must be notified to turn off WTC Member level access.

For each new WTC member, you must include the following information:

*company name, contact name, complete address, telephone, fax, internet email address, and WTC affiliation*

## **Content**

Navigation through the site is easy and intuitive, designed to help busy executives access the information they need as quickly as possible. Within each of these categories are a multitude of brand name databases and information resources that make WTCA OnLine the web’s most comprehensive international business information resource.

## **Schedule of WTC Member and WTCA OnLine Guest Services**

**IMPORTANT:** There are no fees associated with WTC Member or Guest services of WTCA OnLine; however, WTC Members must obtain an exclusive, WTC Member Level ID/Password through WTCA Headquarters allowing posting participation in WTCA OnLine Trade Opportunities and WTCA OnLine catalog submission.

Guests must obtain a WTCA OnLine Guest ID/password through the registration form at the site to access many of our databases.

## **WTCA OnLine Catalog:**

The WTCA OnLine Catalog is an Internet-based collection of catalogs showcasing the products and services of WTC member companies at no cost. By simply completing an easy OnLine form, your WTC members can create a professional website catalog in minutes. And if your WTC member already has its own website, then that company can hyperlink it to WTCA OnLine Catalog which provides an additional Internet venue to drive even more traffic. What's more, with WTCA OnLine Catalog, an exhibitor can find out the number of prospects who views the site and also access vital marketing statistics for valuable business intelligence.

Best of all, website creation and maintenance are available to WTC members for no fee – making participating in the WTCA OnLine Catalog more cost-effective than developing or maintaining your own website – or launching an advertising or direct mail campaign.

WTCA OnLine Guests may search the WTCA OnLine Catalogs and view exhibits free of charge. Only WTC members can create catalogs. This service supports:

- Detailed company information including corporate logo and photo
- Complete contact information including email and web site address
- Unlimited product pages plus a product image for each product listed
- Ability to add/delete/modify catalog pages anytime
- Viewable statistics for all catalog pages displayed

## **Electronic Trade Opportunities Program on WTCA OnLine**

One of the site's most attractive features is its posting of trade opportunities by WTC members worldwide, which are continuously refreshed. Non-members can visit the site to browse among the offers without charge, and during this process will learn about the myriad of WTC services available. In this way, WTCA OnLine serves as an excellent PR vehicle for the entire WTC movement. Many new individual members have joined their local WTC after learning about it from WTCA OnLine.

Members of World Trade Centers may post unlimited business opportunities to the database. Each offer includes a complete business profile of the company who has posted the business opportunity including their type of business, financial institution, annual gross revenue and World Trade Center affiliation. And the unique "Who's Read" feature gives you contact information about any prospect who views your OnLine trade leads – which you can use to follow up the lead and/or add to your own database. Posting a trade lead takes only a few minutes – and instantly it is available to a new global audience for your products and services.

## **My Company**

All members of World Trade Centers may promote their product and service offerings to WTCA's worldwide membership of hundreds of World Trade Center locations and over 750,000 affiliated companies through the following activities:

Establish a Business Profile that will appear with every trade offer posted on WTCA OnLine's Trade Opportunity Database.

Post unlimited trade offers on WTCA OnLine's Trade Opportunities Database.

Create and maintain a complete product and service catalog.

Set up WTCA OnLine Email Alerts subscriptions offered through WTCA OnLine Business Matchmaker Service.

## **WTCA OnLine Business Matchmaker**

WTCA OnLine's Business Matchmaker makes available to all subscribers information provided by Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group. WTCA Online users may subscribe to free customized e-mail updates containing timely information about new direct investment opportunities and business environment information matching their profile of expressed interests.

## **WTCA OnLine's Trade Flow Pricing Service**

Provides WTC Members (only) with an analysis of valuable information on U.S. imports and exports based on U.S. Customs and Census Bureau statistics. You can determine pricing of specific products; identify countries of origin and destination, and ports or entry and exit.

## **Find a World Trade Center**

The spectacular facilities and exceptional programs that define a World Trade Center can be yours upon applying for membership. WTCs provide reciprocal privileges to visiting members by extending a similar level of unparalleled service worldwide. This database, which is available to both WTC Members and WTCA OnLine Guests, is searchable by geographic region, service or alphabetical listing.

## **World Trade Library**

WTCA OnLine's World Trade Library, available to both WTC Members and WTCA OnLine Guests, categorizes links of international trade related web sites on the Internet. This hub provides important sites, sorted by category, for you to use in order to find additional trade resources.

## **WTCA Newsletter**

Read information about World Trade Centers Association and World Trade Center programs and activities.

## **WTC Events**

Find out about upcoming events at World Trade Centers around the globe! The calendar is loaded with seminars, conferences, trade fairs, exhibitions and other events for the international business community.

## **WTC Management Area**

In addition, WTCA OnLine has a password-protected area strictly for managers of individual WTCs. This serves as an electronic “central office” for the entire WTC network, where WTCs can:

- Update information on their WTCs’ products, services and events
- Download or order promotional and marketing materials
- Download WTCA Design Elements Guidelines and treatments of the WTCA logo
- Download Minutes and presentations from WTCA General Assemblies
- Download WTCA certification self-assessment forms and share information with other WTCs on best practices
- Access “WTC Sales Leads Database” of contact information for all registered website guests to support WTC local membership recruitment
- Send inquiries to individual WTCs and to groups of WTCs based on geographic location.
- View Catalog Exhibitors affiliated with your WTC.
- Order WTCA Embossed Membership Cards
- Download the latest WTCA Handbook for all services by Chapter.
- Download WTC Publications

The management area is designed to link the WTCA and the entire WTC network together seamlessly, ensuring consistency in each WTC’s marketing efforts and supporting the principle of reciprocity. Above all, it will help each WTC take advantage of the cumulative experience of the entire network, so they can run the most efficient, best-performing WTC possible.

## **Marketing Power of WTCA OnLine**

Access to the many WTCA OnLine services and databases is a significant benefit of WTC membership — and should be heavily promoted in all marketing literature and



programs. For the members of individual WTCs who can't afford their own website, WTCA OnLine serves as a cost-effective way to get their business and products on the web – without having to invest large sums of money. It is an important added value that will continue to grow as traffic to the site grows. The WTCA will provide brochures and other materials describing WTCA OnLine for use in promotional settings.

### **Updated Products and Services**

WTCA OnLine is continually updated with new information products. Please contact WTCA Headquarters if there are any online trade databases that should be offered through WTCA OnLine. Other services offered through WTCA OnLine, such as email and product catalogs, are also developed and introduced on an ongoing basis.

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# WTCA ONLINE CASE STUDY:

## AMMAN WTC

### I. Objective

Amman WTC (AWTC) works to assist its member companies to cope with today's rapidly changing business climate, receive ongoing exposure to global markets, and secure cost-effective access to potential business partners and international markets.

### II. Program Overview

Beginning almost 10 years ago, AWTC was one of the first business organizations in Jordan to make use of information technology tools to promote the interests of its members. Consequently it has placed emphasis on the ability to deliver up-to-date trade information, get business people together without the need to leave their offices, as well as assist them to promote their businesses, or even sell their projects and products through the WTCA OnLine services.

#### Marketing Power of WTCA OnLine:

AWTC, in spite of its rather limited number of staff members, has been able to establish itself as an exclusive provider of trade information resources through WTCA OnLine. Indeed, WTCA OnLine has become a powerful selling tool for the expansion of the AWTC membership base. Jordanian businesses with limited IT resources recognize that AWTC has the ability to access crucial information on international trade through the network of WTCs and the WTCA OnLine services.

#### Performance:

AWTC has extensively promoted among its members the subscriptions to WTCA OnLine services, especially the Trade Opportunities and the WTCA OnLine Catalog. AWTC members highly regard the WTCA website, as they find it secure, being a password-protected area, user friendly and a comprehensive international business information resource. AWTC has promoted the concept of WTCA OnLine as the gateway to international business for all its members.

#### Exposure:

AWTC regularly uses WTCA OnLine to promote and implement its services, trade shows and events. The topic-specific links to the WTCA OnLine master calendar of events, as well as the descriptions of individual WTCs, and the services provided are a major asset in developing the membership base, and maintaining it.

### III. Most Significant Results

AWTC is regarded by the Jordanian business community as the most reliable partner in providing customized trade information, finding reliable business partners and launching successful export operations. AWTC receives numerous requests for information available on WTCA OnLine on a daily basis. Virtually all AWTC members who have access to the Internet have subscribed to WTCA OnLine, particularly for the Trade Opportunities, and many have established their page on the WTCA OnLine Catalog. The initiative of waiving fees for the WTCA OnLine Catalog has boosted the AWTC membership base.

### IV. Amman WTC's 5 Keys to a Successful Program

1. Share information with other WTCs on best practices and consult the information available on the WTCA website for reference. AWTC appreciates the feedback received from other WTCs and strongly believes in the reciprocity of these services. Information received from other WTCs and the WTCA enhances AWTC standing among its members.

2. Rather than compete with other business associations in the local or international arena, join forces and establish cooperation and mutual assistance. After examining the local market, AWTC decided to introduce new services, differentiate the ones it already provides, and carry out joint projects with other associations for the benefit of its members.

3. Update and revamp services and existing structures on a regular basis to keep up-to-date and improve constantly.

4. Stay abreast of new WTCA programs and services, and introduce them to your members. This reinforces among members a feeling of belonging to an internationally recognized entity, which can deliver the right assistance whenever needed.

5. Maintain costs attached to services as low as possible and offer incentives that secure an edge over other associations. Cost-effective means of competing in the global economy are critical to survival.

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### **Success Story#1**

In October 1998, Mr. Bennett Yee of BYCO International, a member of WTC Tacoma, posted an offer to sell on the WTCA OnLine Trade Opportunities Database. The purpose of this ad was to closeout USA Vodka by exporting the product overseas. Within a few days, a request for a sample was received from a company located in Lusaka, Zambia. After a few telephone exchanges and some correspondence, an order was placed for 1,835 cases of vodka, filling a 40 foot container, totaling approximately \$25,000USD.

Mr. Yee reports that he posted that same offer on other international bulletin boards, but the results were not as fruitful. To date, BYCO International is aggressively working to expand its sales with this company in Zambia to include not only vodka but also other products such as U.S. gin and brandy.

### **Success Story #2**

Mr. Sandeep Sethi, a member of the WTC in Calcutta, requested the assistance of WTCNY in locating agents and distributors for the various products handled by his company. Janet Driscoll, Manager of WTCA OnLine for New York, helped Mr. Sethi posted an ad on WTCA OnLine Trade Opportunities Database. Within a few days, a search of the "Who's Read" area showed that several members and WTCs had viewed the ad. Follow up of these contacts by Mr. Sethi resulted in a strong prospect for a company to distribute his products.

### **Success Story #3**

From January 1999 - March 2000, a New Jersey company, H. F. Henderson Industries, had been searching for a supplier of specialized Nokia battery cases. During that time, the company tried various Internet sources and had only four responses to over fifty inquiries.

With the assistance of Janet Driscoll, Manager of the New York Region, WTCA OnLine, an ad for these battery cases was placed on WTCA OnLine's Trade Opportunities Database. Within 24 hours, the first three responses were received with eighteen responses received in total. Five companies of the eighteen submitted detailed price quotes. Kevin VanOrden, Program Manager for H.F. Henderson Industries, said, "If you compare these results with the results from my previous efforts, you can clearly see why I am extremely pleased. I look forward to advertising our product through WTCA OnLine upon completing this project, and anticipate a huge success".

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## CHAPTER 14

### TradeCard

#### Overview

TradeCard ([www.tradecard.com](http://www.tradecard.com)) is an advanced e-commerce network that electronically links importers, exporters, freight forwarders, financial institutions and other parties to an international trade transaction, enabling them to conduct business in one seamless loop. It provides an on-line environment where a buyer and seller can create a purchase order agreement and confirm that the terms of that agreement have been met. As soon as compliance has been electronically confirmed, TradeCard authorizes the buyer or the buyer's financial institution to make payment. In other words, TradeCard automates much of the cumbersome paperwork that often slows down or undermines international transactions by providing central control over the transaction as well as electronic document compliance.

In addition to its core services, TradeCard partners with other leading companies in international trade to offer value-added business services, such as shipment tracking and cargo insurance. TradeCard is intended to be a one-stop logistics solution for all international business transactions on the Internet.

#### TradeCard and the WTCA

The WTCA originally conceived the idea behind TradeCard and provided a \$4 million investment as well as a patent for the technology, which had been conceived by WTCA President Guy Tozzoli. The WTCA raised an additional \$24 million, which led to a commitment by Warburg Pincus Ltd. of up to \$53 million in capital. As part of the Warburg deal, the WTCA received a return of its entire \$4 million investment plus an additional \$710,000 while retaining over one million shares in TradeCard. Beyond this financial benefit for the WTCA, TradeCard stands as a testament to the fact that the WTCA will always be known for introducing a revolutionary new international trade process, which will improve efficiency and reduce costs.

#### How TradeCard Works

In order to use TradeCard's patented transaction system, buyers and sellers must first become approved TradeCard members by completing an online application. To begin a transaction, the buyer creates a purchase order containing the transaction's terms and conditions. This purchase order can be created directly on the TradeCard system, or sent via electronic file from a company's ERP system or an online marketplace.

TradeCard stores the purchase order on its secure proprietary database and notifies the seller that an order is pending. The seller can either approve the purchase order electronically, or can negotiate the order with the buyer online. Once both parties have agreed on the terms of the purchase order, it becomes a purchase contract.

At the time of shipment, the seller populates an invoice and packing list on the TradeCard system using either TradeCard's pre-populating tools, or by means of an electronic file. At this point the seller may obtain assurance of payment from a third party credit insurer. If the order requires inspection, the inspecting party submits an inspection certificate. At the time of delivery a third party logistics provider submits the incoterm-appropriate proof-of-delivery documents. At any time during this fulfillment phase, either party can submit a request for amendment to the purchase order that will only be effective upon the electronic approval of both parties.

Once all the required documents have been submitted, TradeCard's patented compliance engine automatically verifies that all required terms of the transaction are met by comparing the data of the purchase order with the commercial invoice, packing list and proof of delivery documents. If discrepancies are noted, the buyer and seller can resolve them online.

Once discrepancies, if any, are resolved and compliance is met, a global payment provider electronically transfers funds from the buyer's financial institution to the seller's financial institution, settling the transaction. If necessary, foreign currency exchange services can also be obtained from the global payment provider. TradeCard is an open network; buyers and sellers are not required to open new accounts with other financial institutions.

In addition to these core features, TradeCard members can contract for inspection services, and will be able to contract for pre-and post export financing, cargo insurance and other value-added services.

### **Using TradeCard in WTC Operations**

TradeCard is an added-value service that will benefit the broad spectrum of WTC members. While the service isn't exclusive to WTC members, its close historical affiliation with the WTCA means that its success in the international marketplace will also increase the visibility of the WTC network, encouraging greater membership.

TradeCard's marketing campaign will rely on the WTC network and membership to demonstrate its appeal. The WTCA is seeking to establish a program by which revenue will be generated for WTCs that recruit companies as subscribers to the TradeCard solution.

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## CHAPTER 15

### NEW PRODUCT AND REVENUE DEVELOPMENT

#### Overview

Operating a World Trade Center often can be financially challenging. When a WTC does not have hard income-producing assets - such as an office building, exhibition/conference hall or WTC club - it must operate on revenues primarily gained through membership dues, program/service fees and government grants. As membership can fluctuate from year to year, and government funding is subject to political forces beyond a WTC's control, a WTC can find its financial structure often in flux.

As a result, operators of successful WTCs have become entrepreneurs, developing new sources of revenue to complement their traditional ones. Across the WTC network, products and services have included:

- Business consulting
- Online information services
- Special events
- Import/Export
- Affinity programs

This should be considered a partial list, and WTCs are encouraged to develop their own revenue producing products and services that meet the needs of their respective markets. However, when working with staff and board of directors to develop these products or services, the following should be kept in mind:

- Identifying market demand
- Establishing a competitive niche
- Marketing the product or service
- The power of the WTC brand
- Establishing a fee structure
- Staffing
- Working with the WTCA

**Identifying market demand.** Before launching a new product or service, a WTC should carefully assess the local demand. In countries with a well-developed business infrastructure, there tends to be a demand for a wide spectrum of business services, while in less developed countries, demand tends to be limited to a set of core business services. Talking with the membership and other key local businesses will help determine whether there is sufficient demand to launch a product or service.

**Establishing a competitive niche.** Once it has been determined that there is high demand for a particular product or service, it is important to carefully target the market. For example, if an international trade consulting service were launched in a major business center, there would likely be competition with existing high-profile companies, and it could be difficult to attract the region's larger established companies as clients. However, by targeting small or medium-sized companies who can't afford a high-profile consultant, there is an increased likelihood of success.

**Marketing the product or service.** As with any product or service, effective marketing is key to establishing a customer base. The first marketing "target" should be the companies that are known best: WTC members. A WTC should aggressively promote its products and services to its membership, through direct mail, website and at other WTC programs. Once a product or service has been sold to its members, a WTC can extend its reach into the local business community, by advertising in local business media, public relations efforts, appearing at trade shows, etc.

**The power of the WTC brand.** Among the most valuable assets a WTC has when launching a new product or service is its brand identity. If a WTC has established itself as the authority on international trade in the region, it will find the process of developing complementary services much easier. Because of this, it is very important to preserve the prestige of the WTC brand, and ensure that core services are functioning well.

**Establishing a fee structure.** Determining the appropriate fees can be the most critical part of offering a new product or service. Because a WTC often operates on low overhead, it may find itself in a position to charge a lower fee for its product or service than competitors. At the same time, businesses often are suspicious of products or services that are too inexpensive, because they begin to question its value. As a general rule, WTCs should charge fees that are competitive with comparable products or services in the local marketplace.

**Staffing.** A product or service is only as good as the people who deliver it. WTC staff should not be put in the position of selling a new product or service without having the necessary expertise. It can often be more efficient to have WTC staff remain focused on delivering core WTC services at a high level of quality, while hiring "specialists" who focus exclusively on the new product or service under development.

**Working with the WTCA.** The WTCA is prepared to offer advice and support to WTCs that develop new products or services. The WTCA works to preserve the integrity of the entire WTC network, as well as of the WTC brand. As a result, WTCs should carefully consider how its new products or services will affect neighboring WTCs or the entire WTC network.



## NEW REVENUE CASE STUDY: WTC MONTREAL

### I. Objective

Create new services for WTC Montreal's clients that will also generate new revenue for WTC operations.

### II. Program Overview

WTC Montreal has developed two new fee-based services for its members: the Export Readiness Diagnostic and the Export Plan.

**Export Readiness Diagnostic.** Using diagnostic tools developed by the Canadian government, the private sector and its own in-house experience, WTC staff assists local companies to determine their readiness to begin exporting. Based upon a two-hour interview with senior management, the diagnostic analyzes the company's domestic market position, production capacity, understanding of target markets, and management expertise. A final report recommends the next steps the company needs to take, and also provides lists of customs brokers, distributors and relevant trade shows for the company's target market, as well as a list of export assistance programs and a calendar of WTC Montreal's own training seminars and trade missions. The WTC charges members US \$150 for this service (non-members are charged US \$180) – a significant value for the quantity and quality of the information delivered.

**Export Plan.** For companies committed to beginning a serious export operation, WTC Montreal offers a comprehensive export plan, which provides a competitive analysis of a company's product, opportunities, target market, pricing and market penetration strategy. This plan can take as long as 200 hours to prepare, and may ultimately fill 80-100 pages. To develop the plan, WTC staff will conduct on-site visits, market research and undertake an extensive sectoral analysis. Once completed, the export plans not only help businesses launch their export process, but they also become a valuable tool to enable them to obtain export financing from financial institutions. The WTC charges between US \$5,000 - \$7,000 to its members (US \$6,000 - \$8,000 to non-members) for this service.

WTC Montreal is aggressively marketing its capabilities in this area through its ongoing seminars, trade missions and other services. It is also offering "packages" to companies, which include an export plan and the opportunity to participate in WTC Montreal trade missions.

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### **III. Most Significant Results**

Companies have responded well to the new services. WTC Montreal intends to complete 20 export diagnostics and 10 export plans in the 1999-2000 fiscal year, and is preparing for further growth.

### **IV. WTC Montreal's Five Keys to a Successful Program**

1. Ensure your products are complementary. An export diagnostic leads to an export plan, which in turn will encourage participation in WTC Montreal's trade missions and other services. This maximizes revenue to WTC Montreal.
2. Use private sector expertise. To establish and oversee this program, WTC Montreal recognized it needed an experienced trade consultant from the private sector. Private sector input also helped design the diagnostic. Potential clients appreciate the private sector basis of these services.
3. Don't compete with your partners. WTC Montreal works closely with a number of public and private organizations, including provincial and federal government agencies. When introducing its new services, it was careful not to compete with services offered by these entities.
4. Customize your products for the market. WTC Montreal researched the export-ready companies market and recognized an opportunity for these export-preparedness services.
5. Price your services carefully. WTC Montreal chose a pricing structure that's lower than what would be charged by private sector trade consultants, but not so low that it undermines confidence in the value of the product.

### **V. Contact Information**

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## CHAPTER 16

### MARKETING THE WORLD TRADE CENTER

#### Overview

As with any new product or service, active marketing is essential to a sustainable WTC operation. Good marketing will firmly establish the WTC's role in the community, attract tenants into a WTC building, increase WTC membership, and increase attendance at WTC-sponsored programs.

There are two types of marketing campaigns for WTCs: brand marketing and marketing that generates traffic. Brand marketing helps convey the essence and benefits of being a member of a WTC, while marketing that generates traffic is designed to immediately attract tenants, members or attendance at events. A long-term marketing program will continuously balance these two elements.

Among the points to consider when developing a marketing program:

- Identify the target audience
- Public relations
- Media relations
- Advertising
- Direct mail
- Marketing collateral
- Networking

**Identify the target audience.** Before any marketing program can begin, it is essential that the campaign's target be clearly identified. Knowing the characteristics of an audience enables the creation of specific messages that are most likely to resonate with them. Generally speaking, the following audiences should be made aware of the WTC and its programs and operations:

- International businesses in the community, including prospective tenants and members
- The local business community at large
- Opinion makers within the community, including media and government
- The general public
- Academic institutions

**Public Relations.** PR is vital for a World Trade Center, and especially for a new project. An effective PR program is essential if a WTC is to be acknowledged and respected as a valuable resource for international business and for the region. A WTC needs to generate awareness of its policies, programs and performance. However, this awareness should not be through nebulous expressions of self-praise. PR works best when it is a bi-product of useful work. This means that the WTC's activities must be genuine "news." A WTC should aim to stress its practical achievements and how they benefit the WTC's clients and the community. It should also stress by timely example the value of belonging to the WTCA and its network of cooperating WTCs. News is a noteworthy event affecting a number of people outside the WTC. News is only news for a very brief period, so timing is crucial. The story of a project or activity after years of existence is not news.

All PR communications, of course, should be believable, with concrete evidence used to support the communications. Statements should clearly state the benefits to the user rather than dwell solely on the features of a program. This helps make the general goal of promoting trade more realistic and tangible to the public. Testimonials by satisfied clients are normally very effective PR strategies.

As mentioned above, a WTC has several "publics" to deal with, including the regional business community, tenants, members, government officials, overseas contacts including other WTCs and the media. The differing interests of these publics must be understood and addressed in the WTC's PR work. Further, the PR program should start as soon as planning for the WTC gets underway. It should continue through construction and, of course, into the operational phase. It should be designed to promote the visibility and prestige of the WTC and, when operations begin, to help increase membership and the use of WTC products and services.

Here are some principles that can help a WTC's PR program succeed:

1. Always start with comprehensive knowledge of the subject, a presumed interest by the media or audience in the subject, and an anticipation of the most likely questions in the public's mind.
2. Always tell the truth, even if it is painful. This is essential in generating public trust and minimizing hostility and skepticism.
3. Speak from the point of view of public interest, and not the Trade Center's.
4. State the key facts of an issue at the beginning of any communication, whether verbal or written. This helps to ensure that the salient points of any announcement will survive editing.
5. If you do not wish a statement to be quoted, do not make it.
6. Do not exaggerate facts; avoid statistical guessing.
7. Divorce the advertising campaign (if there is one) from PR efforts. A successful statement or release must have three ingredients: information, rational purpose and focus.
8. Forward newsworthy information to WTCA Headquarters and other WTCs for proper circulation.

**Media relations.** The heart of any public relations program is gaining visibility for a WTC through the local media. Coverage of the WTC and its events in local newspapers, magazines, television and radio is the surest way for the entire community to become aware of a WTC's goals and programs.

The character of local media differs from country to country, but a basic formula still applies when planning a media outreach program:

- Identify the media representatives most likely to tell the WTC's story.
- Develop the most compelling story for the media to tell about the WTC.
- Introduce WTC executive staff to the proper media representatives through letter or telephone (avoid e-mail).
- Briefly discuss the aims of the WTC with the media representative.
- Invite media representatives to the most high-profile events sponsored by the WTC.
- Ensure media representatives are on the WTC's mailing list.
- Consistently send out press releases when there is important news coming out of the WTC. That news can include comments from the WTC director or president on trade issues affecting the local community, and statements by guest speakers at WTC programs. One very important opportunity to get media coverage is when a WTC's services are certified by the WTCA.

It often takes time to attract media attention to WTC programs, as many other organizations and events compete for limited media time. Do not be discouraged if media coverage of WTC activities fails to immediately appear. If a WTC diligently continues with its media relations program, the desired results will be achieved.

WTCs should pay attention to editors and supply information continuously to print and electronic news outlets. Try to know key editors and other media representatives personally and to maintain regular contact with them.

However, obtaining publicity through the media for a Trade Center is more than just sending out press releases and hoping they will be published. Everyone tries this method. A more systematic approach is required to obtain satisfactory results.

To get attention, focus on just one issue at a time, and not more than three or four issues each year. Clearly define the objectives and carefully target the audience or "publics." Give careful thought to the method of presentation, associated illustrations and distribution. Timing is also crucial. Discover which day is best for publication for the type of story being issued.

Relations with the media must fit the specific local environment in which the WTC operates. Careful research, evaluation and advance planning are vital for a PR executive. For example, periodic press conferences can be held, but only when there is a genuine reason, such as the visit of a notable VIP. TV and radio coverage should only be organized when there is genuine "news" to publicize, which will be of interest and relevance to the public at large. Television coverage in particular demands that something visually interesting is happening.

A Trade Center should also try to become an invaluable resource to the media on specialist subjects by drawing on the professional knowledge and experience of its staff and local members.

Finally, careful attention should be paid to the format of any written PR piece. Write in “inverted pyramid” style, with the most important information at the top and supporting items arranged in descending order. Avoid cliches and technical jargon. Write in short paragraphs, with short, pertinent quotations. The most important, most unusual aspect of the message should be simply and clearly stated in the first sentence of the press release.

To assist WTCA members in their international press relations, the WTCA has published the International Business Press Directory, with listings of trade publications all over the world. Copies are available from WTCA headquarters.

**WTCs as opinion leaders.** It is essential for a WTC to establish itself as the authoritative voice for international trade in the community. A principal objective will be to get media and community leaders to contact the WTC for its opinion on current trade issues or local economic trends. WTCs can encourage this through the placement of opinion articles and letters to the editor in the local newspaper. Additionally, the WTC president or executive director should send out press releases that comment on current trade issues. Ensure that the most up-to-date trade information is always available. The media will soon learn to call the WTC first.

**Hiring an outside consultant.** If a WTC has the resources, it also may wish to contract with a professional public relations consultant to oversee all public relations. Public relations has become a growth industry, and reputable companies can now be found in most countries around the world. Select a consultant who has experience working with international businesses, the government, and who has good media relations skills and contacts.

**Advertising.** A WTC can also raise its profile through strategic advertising. While often expensive, targeted advertising can be an effective tool to attract participants at WTC programs and events, as well as tenants to WTC buildings. Advertising is a less effective tool to attract WTC members.

**Creating a successful advertising program.** Because of cost limitations, WTC advertising will ordinarily be limited to print media. A WTC can enhance the effectiveness of its advertising by taking the following steps:

- Carefully research the demographic reach of the publication.
- Only advertise in publications that most closely match the WTC’s target audience.
- Take advantage of any cost breaks for multiple insertions.
- Hire professional designers and copywriters to create the ads.
- Create a consistent look for the advertising.
- Track the effectiveness of advertising through surveys of tenants or event attendees.

**Ensure upcoming programs are in calendar listings.** In addition to “display” advertising, many local publications print a calendar of upcoming events that are of interest to the community. Listings in those calendars are usually free. If so, ensure that the editors of these sections are made aware of the WTC’s events.

**Advertise in high-visibility locations.** Billboard and signage advertising can be an effective way to gain visibility and recognition for the WTC brand. Choose locations with lots of traffic. For example, WTC Amsterdam has its World Trade Center logo painted on the side of trolleys; WTC San Diego had a local banking group sponsor a large WTC advertisement in the airport; and WTC Charleston launched an ad campaign that included a billboard posted on the airport road.

**Direct mail.** Direct mail can be an effective way to reach possible WTC members and tenants. Because direct mail allows the creation of customized sales pitches, it is particularly useful for a WTC that is just introducing itself and its services to the community. When using e-mails and faxes for promotion, remember that many senior executives do not read these messages (junior staff usually receive these messages and they decide to whom a particular message is forwarded, if anyone). Therefore, electronic promotion should be supplemented with a direct mailing for senior executives, if they are in the target audience. Using e-mail to transmit information is a viable alternative, provided you have the permission of the recipient.

**The importance of the “list.”** The success or failure of a direct mail campaign is based on the quality of the mailing list. A good, targeted list will enable the delivery of a message to a highly receptive audience, while an inaccurate or poorly targeted list will prove to be a very inefficient use of the marketing budget. Good lists can be acquired through local trade associations, chambers of commerce, and government agencies (fees may be charged for use of these lists). Several private companies also produce mailing lists. While many are reputable and effective, a WTC should carefully investigate the references provided by these companies. Enter these lists into a database which is updated daily. A WTC’s database will become the engine of the organization.

**Creating a successful direct mail program.** In addition to the list, other elements of an effective direct mail program include:

- Professionally-designed letterhead and envelopes
- Correct spelling of all names and addresses
- Concise, well-written copy with the basic message clearly evident
- An enclosed brochure or flyer
- The ability for recipients to respond immediately – whether it is through a return envelope, calling a telephone number, or logging onto a website
- Tracking the program’s effectiveness through surveys, etc.

Do not send blind e-mails. Electronic direct mail to e-mail addresses, sometimes known as “spam,” has not proven to be an effective marketing tool, and in fact can be counterproductive. Use of e-mail for unsolicited communications is strongly discouraged.

**Marketing collateral.** Effective marketing requires a range of printed collateral materials that present a brief overview of the WTC and the benefits of membership or tenancy. This type of collateral can include brochures, membership directories, newsletters, “Year in Trade” overviews, etc. Successful collateral materials are marked by:

- Professional design and copywriting
- Glossy, four-color printing
- Highly visible contact information
- A clear statement of benefits (testimonials are often effective)
- Many photos or graphic elements
- Ability to fit into standard-sized envelopes
- Attractive and easy to use website

**Networking.** Most WTCs attract their members and tenants through word of mouth. When one tenant or member speaks to a friend or colleague about the benefits they have received by being associated with a World Trade Center, it increases the likelihood of that person learning more.

**Raising staff visibility.** WTC staff must encourage this by being very visible in the community. WTC staff members are essentially “ambassadors” of the WTC, and are encouraged to spend as much time at community events, business association lunches, etc. as possible. When speaking with local businesspeople, WTC staff should determine whether they do business internationally. Staff should then promote any activities sponsored by the WTC that may be relevant to their business. (WTC staff should always have an ample supply of business cards!) The president or executive director should promote his or her visibility by serving on local community advisory boards, government panels, or corporate boards of directors.

**Event sponsorship.** A WTC can also expand its name recognition by sponsoring events in the community. These events do not necessarily have to be related to international trade. Events such as charity golf tournaments, business lunches featuring a local speaker, holiday parties for children, etc. have the effect of attracting community goodwill, as well as raising the WTC’s local profile. To help defray costs, many of these events can be co-sponsored with other local community organizations.



## **MARKETING CASE STUDY: WTC LOS ANGELES/LONG BEACH**

### **I. Objective**

Create a community-based marketing program that would build membership and produce significant increases in operating revenue.

### **II. Program Overview**

WTC Los Angeles/Long Beach submitted unsolicited proposals and won contracts to serve as the International Trade Office for many public agencies, including the City of Los Angeles, the City of Long Beach, the City of Glendale, and the County of Riverside. Through these revenue-producing contract partnerships, the WTC has access to many companies that are just beginning their international trade activities. These companies, in turn, are introduced to the WTC's resources and many become members.

Four trade specialists are assigned to this program, each with his or her own "portfolio" of government accounts. Specialists work to identify export-ready companies in their particular target community, and help those businesses begin in international trade. WTC Los Angeles/Long Beach carefully manages the time staff spends on implementing the community development programs, so it doesn't interfere with the services it provides to existing WTC members.

The WTC is continually looking for more similar opportunities, as a hedge against expired contracts and to provide more revenue for expanded WTC operations. To maintain the support of local officials, the WTC continually notifies them of successes, which they have defined as export sales generated by participating companies. Testimonials from companies that they have assisted through these programs have also been helpful in raising awareness and generating support.

### **III. Most Significant Results**

More than 70 companies have joined WTC Los Angeles/Long Beach as a result of this program, and revenues from local government contracts now make up more than 50% of the WTC's total operating revenue.

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#### **IV. WTC Los Angeles/Long Beach's Five Keys to a Successful Program**

1. Ensure core WTC operations are well run. If you are respected in the community, it becomes easier to attract a government contract.
2. Identify supporters in government who have the power and commitment to consummate a contract. Have patience.
3. Obtain and keep the support of your sponsors and Board of Directors for this program. They may also have contacts in the community that can lead to more contracts.
4. Demonstrate to local officials your first success within 90 days of obtaining a contract. Communicate all future successes throughout the life of the contract.
5. Work in the background, and let local officials take "ownership" of these programs and credit for their successes.

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## CHAPTER 17

### QUALITY CERTIFICATION

#### Overview

As an incentive for WTCs to develop and maintain a superior level of services and facilities, the WTCA Committee on WTC Standards/ Quality has established a detailed certification program. Under this initiative, an independent consultant certifies WTCs as providing a first class service or facility in a variety of fields, including:

- Trade Information Services
- Business Services
- WTC Club
- Tenant Services
- Group Trade Missions
- Display and Exhibit Facilities
- Trade Education Services
- Conference Facilities

Minimum performance standards have been developed for each of these categories (except for Ecommerce at this writing) based on extensive input from operating WTCs — and with the assistance of a consulting firm specializing in quality certification.

When a WTC has been certified, they are encouraged to include the certification logo (identifying the certified services) in all their marketing materials. This is a valuable marketing tool, as it indicates to other WTCs and clients that the services meet the minimum performance standards established by the WTCA Committee on WTC Standards, Quality & Reciprocity.

To obtain certification, a WTC must meet the minimum performance standards in at least four categories, including Trade Information Services, which is a mandatory category for WTC certification.

## How WTCs Become Certified

A WTC Assessment Team composed of leading WTC executives has been created to manage the certification process. When a WTC believes its services and/or facilities qualify for certification, it may request a visit from the Assessment Team. Here are the various steps in the process:

- Identifying the categories to be assessed
- Conducting the self-assessment
- Meeting with the WTC Assessment Team
- Providing supporting documentation
- Making the certification decision
- Exploiting the WTC certification
- Becoming re-certified (every four years)

**Identifying categories to be assessed.** Before beginning the certification process, a WTC must carefully determine which of its services/facilities qualify. Most WTCs do some things better than others, due to its staff's skills, experience and resources. A WTC's staff meets to discuss what it does best, and whether those services/facilities appear to meet the WTCA's standards.

**Conducting the self-assessment.** Each WTC is asked to conduct a thorough self-assessment before the visit of the WTC Assessment Team. Self-assessment forms (see sample) are available on WTCA On-Line ([www.wtca.org](http://www.wtca.org)). WTCs should download those forms and appoint a self-assessment team to critically evaluate the services considered for certification. Let the team talk to members and other WTCs. An honest self-assessment provides a springboard for the external assessment of the WTC Assessment Team. The self-assessment is not simply a process to achieve certification. It is a learning tool that enables every WTC to:

- **Establish a baseline measure**, against which progress toward meeting the highest standards can be assessed;
- **Highlight specific WTC strengths and areas for improvement**, through analysis of the selfassessment results;
- **Learn from other WTCs**, by gaining an understanding of the best practices of distant WTCs, and
- **Develop an action plan** that includes the steps necessary to meet the standards.

**Meeting with the WTC Assessment Team.** After completing the self-assessment, decide whether the services seem to qualify for certification. If they do, contact the Assessment Team to arrange a site visit. Team leaders are based in North America, Europe and Asia. Ensure that the Assessment Team has access to a meeting room, that the WTC's staff is available to meet with the team, and allow at least one full day for the visit. If other individuals/partners were involved in the self-assessment (such as a building management company, government officials, etc.), representatives of those organizations should be available as well.

**Providing supporting documentation.** In addition to the self-assessment, the Assessment Team will want to see all supporting documentation, including marketing materials, financial statements, member testimonials, printouts from the website, etc. It is helpful to the Assessment Team if all materials are arranged in a presentation binder to clearly show the points the materials are intended to support.

**Making the certification decision.** The Assessment Team uses a mathematical formula when deciding whether to recommend certification, and each service category is divided into components. For example, “information on government regulations” is a component of the “Trade Information Services” category. Those components in turn consist of five increasingly advanced levels of performance. Each of these five levels is ranked by degree of implementation, from 1 to 5. Each component has a maximum possible score of 75. If the ranking of a specific service or facility meets or exceeds the WTCA standard in the opinion of the Assessment Team, that service or facility will be recommended for certification.

Following the Assessment Team’s visit, the results and supporting documents are reviewed by Sirota Consulting, a private firm under contract with the WTCA and recognized worldwide for its extensive expertise in the development and implementation of certification programs. With Sirota Consulting’s approval, the WTC will be awarded certification.

## **SAMPLE PAGE FROM WTCA SELF-ASSESSMENT SCORESHEET SERVICE CATEGORY: TRADE INFORMATION SERVICES**

Level Degree of

Rating Component Implementation Score

### **Information About Government Regulations in Your Country**

Maturing 5 • Information on how to establish a 4 20  
business in the country/region

• References to government agencies  
that can provide assistance

4 • Shipping and transportation regulations 5 20

Growing 3 • Information about current 3 9  
customs regulations

2 • Local law firm contacts 5 10

• Local tax/auditing firm contacts

• Import tariffs

• Patent protection

• Intellectual property protection

• Quotas

• Labeling regulations

Beginning 1 • Names, contact information about 5 5

local government contacts

• Names, contact information about

national government contacts

0 Rate as 0 if not at Level 1

**Exploiting the WTC certification.** WTC certification is to WTCs what the ISO 9000 series certification is to manufacturers. It demonstrates that a WTC offers the highest possible levels of service in a particular service or facility category. It is a powerful marketing tool that can help WTCs expand membership and attendance at programs and events. To maximize the marketing and PR value of these certifications, a special logo has been developed for use by certified WTCs in all their marketing literature, stationery, business cards and related materials.

**Becoming re-certified.** WTC certification does not last forever, of course. Once certified, a WTC must continue offering the same high standard of service or risk losing its certification. The WTC Assessment Team reserves the right to ask any WTC to undergo a re-certification process at any time. After four years, a re-certification process will take place at which time the WTC may add or change categories, depending on its strategic plan.

## **Performance Standards**

Here are the WTCA's service and facility performance standards for each category. Note that services and facilities may be operated in cooperation with another organization, such as a chamber of commerce, conference center or exhibition hall. However, the partner organization should have staff present at certification meetings, and any written agreements with these groups should be available for the Assessment Team's review.

**Trade Information Services.** These services are a core feature of a WTC and their availability according to WTCA standards is mandatory for any WTC's certification. A review of trade information is based on reciprocity with other Trade Centers, timely and reliable responses, knowledge of the WTC's region, market, business and governmental contacts and up-to-date databases.

For trade leads, minimum standards are based on the length of time that it takes to gather the information requested, respond to the inquiry and the depth of the information provided. Business contacts must be thoroughly checked before referrals are made to the client – including a full business profile. Data on economic conditions and government regulations need not be housed in the WTC itself.

It is recommended that an international library be incorporated within trade information services, which should be made available to members and possibly tenants.

Trade information services, when conducted efficiently, generate revenue and help to maintain a loyal customer base.

**Business Services.** This encompasses standard business services such as fax, copiers, Internet access, telephone answering services, temporary office space, conference rooms/meeting space, translation and interpretation services.

Several WTCs that have invested in first-class facilities have generated substantial revenue from temporary office space and business centers.

**WTC Club.** The World Trade Center Club should be accessible to local members of all World Trade Centers and should welcome those members as its own.

WTC Clubs can include full facilities such as a health center, bar and restaurant and a “members only” lounge equipped with international newspapers, television and Internet capability. WTC Club members should have access to quality dining, an area for reading, the Internet, private dining rooms and special events. Business services should be incorporated with or adjacent to the Club.

Minimum standards require that the Club should provide an opportunity to make business contacts. This can be accomplished with special events that take place at least six times annually (e.g., receptions, food/wine tastings, guest speakers). Updates and reminders should be sent regularly. A directory of current members and an event calendar help to increase the Club’s member connections with one another.

**Tenant Services.** To be certified here, a WTC may either own its own building or have an agreement with a building that bears the designation, “World Trade Center”. However, for certification, there must be access to the leasing process, maintenance regulations, security and emergency measures and tenant relations program. Also included in this category is how the WTC is marketed, how it is assessed with the other office buildings in its rank, how the tenants are surveyed for satisfaction and the relationship between tenants and the management company.

The building should have a good diversity of tenants including shipping companies, freight forwarders, travel agencies, car rental companies, banks, courier services, chambers of commerce and similar groups. It should be an attractive building, usually a landmark, and needs to be close to or in the business area, financial district or port and have easy access to airport, rail and general transportation.

Security should be well managed throughout the building and parking lots. This would include well-lit areas, a well-trained staff and registration desk at entry ports to the building. Vehicle surveillance, electronic or security personnel, is advisable for the parking areas.

Access to other WTC services should be provided, including: the club facilities, trade missions, trade information, interpretation and translation services, meeting facilities, a trade education series and newsletters/bulletins on trade opportunities.

**Group Trade Missions.** Group Trade Missions, whether in-bound or out-bound, should rely on the cooperation of other WTCs in setting business appointments, securing special rates for hotels/rental cars, receptions and other trade mission activities. Group trade missions depend on reliable contacts and knowledge of both the region visited and the trade mission’s goals. Surveys and member/client feedback should guide trade mission destinations and target markets.

In addition, minimum standards must include at least two trade missions per year, whether or not a partner is helping with the mission.

**Display and Exhibit Services.** Display and Exhibit Services focus on the quality of the services provided to the participant, including adequate storage space. The WTC should provide complete guidelines for participants about the composition of the space and deadlines for requesting utilities. Also, the WTC should market the space with sufficient advance notice and make sure that all rules and regulations on the use of the facilities are observed.

In addition, minimum standards require that partitions be fire-retardant. Exhibit areas must be maintained daily, and the operators must publish guidebooks for the display/exhibit facilities.

**Trade Education Services.** Trade education includes both formal training programs and a “speaker series.” Under both categories it is required that a Trade Center survey the participants regularly on the quality of the program, including the speaker, materials, environment, topic offered and relevance to the region or market. The evaluations should provide feedback that judges the overall quality of the program/seminar as “excellent.”

“How to” workshops, should be offered on a regular basis, and web-based instruction should be included. Opportunities for discussion and “company specific” questions should be encouraged. Affiliation with local educational institutions is required for both the workshops and the formal programs.

The speakers program should consist of at least four sessions per year. Speakers should be knowledgeable about both the topics at hand and the market they are addressing. Materials should include background on the speaker and supporting documentation for the topic at hand.

**Conference Facilities.** If a conference facility has been previously inspected and certified by an external conference facility association, those documents will suffice for certification. Otherwise, the conference facilities should include an auditorium with fixed seating, storage facilities, clear directional signs, podium, lectern and projection equipment. Simultaneous translation capabilities are a minimum standard for the auditorium. Sufficient gathering space must be available outside the auditorium with facilities for taking and selling tickets.

Conference and meeting rooms and business support services are also, of course, essential components. The conference/meeting rooms should be equipped with in-room videoconference equipment, simultaneous translation capabilities and equipment storage space.

Daily maintenance, adequate lighting/heating/ventilation and clear directional signs are part of the minimum standards for this category.

## **Contact**

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