

INTEGRATIVE TRADE COMPETENCIES

Developing your talent in an
evolving global business environment

Written in partnership

by Forum for International Trade Training (FITT) and Mercer.



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Canadian businesses are struggling to develop international trade talent

Businesses are globalizing their markets as never before. For many, revenue from international markets now often exceeds that which is generated by domestic markets. For others, international trade is their primary growth strategy.

While the demand for international trade expertise has never been stronger, organizations of all sizes and across all industries are struggling in their efforts to find and develop the talent needed to do business globally. Only a few of these organizations access development programs that can provide their employees with the knowledge, skills and abilities to support international business efforts. Small and medium-sized enterprises (SMEs) in particular are experiencing significant challenges in finding the talent they need for global business.

Recently-completed research has identified the *integrative trade* competencies needed for organizations to be successful in international business. This work was part of a comprehensive research effort lead by the Forum for International Trade Training (FITT) and conducted by Mercer, which identified major risks associated with Canada's international trade workforce and put forth the [International Trade Workforce Strategy](#) for mitigating those risks. This whitepaper provides insights into competencies that were identified as critical to growing international trade talent within Canadian businesses.

Competencies:

What are they and why are they important?

Competencies are clusters of skills, knowledge, attitudes and experience that are required for superior performance in a given role or roles. A clearly defined and articulated competency model can serve to demonstrate to all levels of employees the values, priorities and expectations that the organization has established as part of its vision and business strategy – and its ability to achieve results.

Competency models are powerful tools for integrating the HR systems and programs required to develop talent. The following diagram demonstrates how competencies are at the centre of an integrated approach to talent management. These areas focus on building the capabilities needed by the organization to achieve operational priorities and business results:

- **Talent Selection** – align selection tools/processes to identify the right skills and competencies
- **Training and Development** – develop employee capabilities toward critical competencies
- **Career Management** – anchor career tools to enable employees to develop skills to navigate their careers
- **Performance Management** – align performance management programs with competencies to assess employee performance against the right skills
- **Rewards and Recognition** – align job levels and pay bands with talent needs to enable horizontal and vertical talent mobility; develop programs to recognize excellence and celebrate success
- **Leadership and Succession** – identify critical leadership competencies and assess bench strength; plan to fill critical positions for the future



Although many of the same competencies are necessary to succeed both locally and globally, businesses are recognizing that there are specific competencies that are uniquely required to succeed in international trade. The emergence of *integrative trade* further highlights the need for a unique set of competencies that focus on the rapidly evolving global business environment.

Integrative trade competencies

Our research on the gaps associated with Canada's international trade workforce identified a need to articulate the competencies and knowledge areas associated with integrative trade. To do this, we created a Task Force of experts representing all facets of international trade. Through a facilitated process over a six-month period, the Task Force developed a comprehensive set of integrative trade competencies.

The Task Force identified and created ten competencies that describe a synthesis of technical knowledge, skills and abilities required to be successful in the evolving integrative trade environment. These competencies have been developed with the assumption that standard behavioural competencies, such as analytical thinking, problem solving, interpersonal communication, and professional judgment, must serve as a foundation to demonstrating capabilities in these areas.

In addition, these competencies are not tied to specific occupations but rather are relevant to many different occupations, as well as employers and industries. These competencies are broadly relevant and applicable to almost all parties engaged in global business.

Below are the Integrative Trade Competencies with a brief description of each. The complete list can be found on www.fitt.ca.

What is integrative trade?

Integrative trade is a framework in which the import and export of goods, information, services and services related to goods are traded across country borders through value chains; this framework for trade is powered by investments, business relationships, and partnerships to develop mutually shared value for stakeholders.

• **International Business Development:**

The ability to identify new integrative trade opportunities, laying the groundwork for an international business plan.

“International Business Development is about being globally literate. This means developing a global awareness of trends, markets, resources, networks and customers to interpret, (and) identify and exploit integrative trade opportunities. In essence, it's the ability to integrate and strategically incorporate the knowledge areas to achieve competitive advantage,” says Albert Knab, Professor, Fanshawe College, Lawrence Kinlin School of Business.

- **International Business Operations and Planning:** Incorporating an international trade strategy into business planning efforts.
- **Intercultural Aspects of Integrative Trade:** Recognizing, understanding and respecting differences in trading practices due to cultural influences.
- **Political and Policy Environment:** Building and maintaining an understanding of international trade relationships with governments, and engaging in current political operating environments, from a domestic as well as international perspective.
- **International Risk Management:** Understanding risks associated with conducting integrative trade, developing contingency and risk mitigation strategies to address issues and protect the organization.
- **International Investment:** Identifying, understanding, assessing, and negotiating inbound and outbound investment opportunities.

“Entrepreneurs, small and medium-sized enterprises and large companies engaged in international business are competing in an environment where trade flows and investment flows are increasingly related; and where the production and movement of goods and services link directly to the movement of capital across borders. The need for an international investment competency has been brought sharply into focus by current market conditions,” says Alexander Malaket, CITP, President of OPUS Advisory Services International Inc.

- **International Trade and Supply Chain Finance:** Facilitating trade payment flows across a network of relationships to effectively support the value chain.
- **Global Value and Supply Chain Management:** Managing the relationships associated with multiple directional flows of goods and services in a complex, global system.
- **International Trade Law:** Understanding the existing legal mechanisms and rules which govern international trade, including corporate, tax law, and trade compliance practices.
- **International Trade Compliance:** Understanding existing/evolving rules and regulations that govern international trade to ensure compliance of international import/export of goods and services.

These competencies provide guidance and support through many different perspectives and sources:

- Businesses that are engaged in developing their own workforce can use the competencies as knowledge and skills to be attained through training, mobility and other forms of development;
- Organizations that are considering international opportunities can use the competencies as guidelines to understand the breadth and depth of information required to make informed decisions about going global; and,
- Businesses that are hiring employees, or seeking outsourced expertise, can use these competencies to develop job descriptions, describe the scope of work, etc...

In addition, educational institutions and professional associations will find the competencies informative to the design of their training curricula and international business programming.

Research indicates opportunity to enhance existing curricula

The research team assessed existing Canadian education and training programs against the integrative trade competencies as part of the integrative trade competency development work. They found that a great number of international business programs in educational institutions and professional associations exist to help foster these critical competencies. However, our research shows there are gaps between what current programs deliver and what businesses actually need. The competency areas that appear to have the largest gaps between what is being delivered and what is needed are, in terms of priority:

- International Business Development
- Political and Policy Environment
- International Investment
- International Trade Compliance

Education and training programs must be continually updated, revised and enhanced to maintain alignment with the global business realities of today, as these gaps related to integrated trade demonstrate.

An example of the type of information available in the competency framework is illustrated by the Political and Policy Environment competency below. Each competency includes a detailed definition and comprehensive knowledge areas

Political and policy Environment

Focus is on building and maintaining an understanding of international trade relationships with governments, and engaging in current political operating environments, from a domestic as well as international perspective. This includes engaging with multiple levels within governments for information and decision-making purposes; understanding the interconnectivity between governments, legislative, political and business policies and systems.

Knowledge Areas:

- Existing political and policy environments where trade is occurring
- Procurement rules
- International and free trade agreements
- Structure investments / protections for foreign investments
- Investment review processes
- Multi-lateral regulations
- Awareness of professional ethics, corruption and bribery issues
- Negotiations, guidelines, policy regulations
- Resources for trade information and support

FITT introduces the Integrative Trade Competency Diagnostic Tool

To assist businesses and international trade practitioners, FITT has developed an Integrative Trade Competency Diagnostic Tool. This online tool will assess an organization's or an individual's skills and knowledge against the Integrative Trade Competencies. This information is critical to identifying skill gaps and prioritizing development opportunities for improving international trade expertise. For more information, or to participate in a diagnostic to assess individuals or your organization's current abilities in these competencies, access the FITT [Integrative Trade Competency Diagnostic Tool](#).

For Certified International Trade Professionals (CITPs) and CIP candidates, the obvious question is: will the CIP educational program, FITTskills, be updated to reflect the new integrative trade competencies? While the two competency profiles are inter-related, they do not have the exact same focus. The CIP competency profile serves as a foundation for a number of human resource initiatives, including development of curricula, and is the primary basis for recognizing an individual's education, work experience and commitment to standards of ethical conduct in international trade.

Over the next year FITT will be reviewing its curriculum in relation to other resources available for international trade practitioners to mitigate against duplicative training resources. For example, the Canadian Society of Customs Brokers launched in 2012 the Certified Trade Compliance Specialist (CTCS) designation and resulting training program to address development gaps related to compliance. As a result, FITT will direct learners to the CTCS program to obtain these skills, ensuring that international trade professionals have access to the most current and comprehensive programs.

Closing the Gaps

The integrative trade competencies provide an opportunity for educational institutions to augment current curricula, and for professional associations to strengthen support for businesses by providing enhanced development resources for the international trade workforce.

This represents a significant opportunity for businesses, the educational community and professional associations. These groups must start working together to close the talent development gaps by evolving existing international business curricula and international trade certification programs, as well as by increasing exposure to global business practices through internships and work abroad opportunities.

Businesses that make the decision to up-skill their employees in these international trade competencies, or seek to hire new employees or suppliers who can demonstrate their expertise in these areas, will be at the forefront of continued growth in international trade. The ability to build and grow talent with the requisite competencies will place organizations in a strong position to drive results and achieve success in the global market. It is only through collaboration between business, government and the educational community that Canada will produce the supply of skilled and knowledgeable workers needed to be competitive in international trade.