



Forum for International Trade Training

Feasibility of International Trade Course Description & Learning Outcomes

Course Description

The course *Feasibility of International Trade* examines the critical steps and decisions needed to determine the feasibility of potential international trade initiatives. Market research, analysis of organizational readiness, cost analysis, and risk analysis are all required in order to decide if a concept fits with a company's strategic direction and improves the bottom line of an organization. Risk analysis then leads to the development of strategies to mitigate identified risks.

The *Feasibility of International Trade* course is a key course of the FITTskills Program, which has been designed for the independent self-directed learner who is an international trade practitioner with a minimum of two to five years of experience. The FITTskills Program has been developed so that you as a practitioner can ensure you have all the competencies required to take advantage of international trade opportunities.

Modules in this Course:

SITUATIONAL ANALYSIS: Determining Current State and Opportunities for Growth

COST AND PRICING ANALYSIS: Analyzing the Numbers

RISK ANALYSIS AND MANAGEMENT: Analyzing and Mitigating Risks in International Trade

Note: The *Feasibility of International Trade* course assumes you have the necessary basic business and trade knowledge and skills needed for domestic trade, as these fundamentals are not covered in the FITTskills Program.

Course Learning Outcomes

Upon successful completion of this course, learners will be able to:

1. Conduct thorough research and analysis to determine the viability of a prospective international initiative and its possible components.

- a. Assess organizational readiness for new international trade initiatives.
 - b. Screen possible target markets to determine most viable markets for designated initiatives.
 - c. Conduct market research for identified potential import and /or export ventures.
2. Conduct cost benefit analysis for importing and/or exporting potential products and services.
3. Identify and analyze potential risks of international initiatives.
4. Determine if the potential gains and opportunities of the venture outweigh the possible risks.
5. Develop and implement strategies and activities to monitor and manage identified risks.

Textbook Contents

Module—Situational Analysis: Determining Current State and Opportunities for Growth

Unit 1: Assessing Organizational Readiness

Determining Why and Who
 Characteristics of Export-Ready Organizations
 Assessing Current State
 Using Change Readiness Tools
 Defining Impact
 Addressing Gaps

Unit 2: Planning International Market Research

Describing Market Intelligence and Competitive Intelligence
 Describing the Overall Research Process
STAGE 1: Define the Research Objectives
 Starting with a Problem or Opportunity
 Key Research Issues for Exporters
 Key Research Issues for Importers
 Research Issues for Foreign Direct Investment
 Types of Research Requirements
STAGE 2: Create a Research Brief
 Important Considerations in International Trade Research

Unit 3: Screening Potential Markets: Narrowing the Focus

STAGE 3: Screen Potential International Markets
 Secondary and Primary Research

Unit 4: Selecting Research Design and Conducting Secondary Research

STAGE 4: Select the Research Design and Data Sources
 Types of Research
 Data Sources

About Secondary and Primary Research

Conducting Secondary Research

Unit 5: Collecting Data for Primary Research

STAGE 5: Design Data Collection Tools and Collect Primary Data

Deciding Who Will Collect the Primary Data

Collecting Primary Data Through Focus Groups

Collecting Primary Data Through Questionnaires and Surveys

Collecting Primary Data Through Interviews

Collecting Primary Data Through Observation

Visiting the Target Market

Sampling Plans for Primary Research

Unit 6: Organizing Data and Presenting Conclusions

STAGE 6: Organize and Analyze the Data

Assess the Quality and Reliability of the Data

Sort and Classify the Data

Perform Statistical Tests and Analyze the Results

STAGE 7: Present Conclusions and Apply the Research

Ongoing Research and Global Market Information Management Systems

Module—Cost and Pricing Analysis: Analyzing the Numbers

Unit 1: Conducting Cost and Pricing Analysis for Exporting Products

The Process of Analyzing Export Cost and Pricing

Trade Terms and How They Affect Costing

The Harmonized Commodity Description and Coding System and How It Affects Costing

STEP 1: Determine the Cost of Exporting

STEP 2: Elaborate a Pricing Strategy

STEP 3: Assess the Viability of the Transaction

Unit 2: Conducting Cost and Pricing Analysis for Importing Products

The Process of Analyzing Import Cost and Pricing

The Cost of Sourcing Products

Incoterms® Rules and Importing

HS Codes and Tariffs

Taxes and Fees Related to Imported Products

Product Standards and Certifications

STEP 1: Determine the Cost of Importing

STEP 2: Elaborate a Pricing Strategy

STEP 3: Assess the Viability of the Transaction

Unit 3: Conducting Cost and Pricing Analysis for Exporting Services

The Process of Analyzing Service Export Cost and Pricing

Considerations When Trading in Services
Delivering Services Internationally
Marketing Services Internationally
Legal Issues Related to the Export of Services
Regulations and Taxes on Services
Payment for Exported Services
STEP 1: Determine the Cost of Exporting Services
STEP 2: Elaborate a Pricing Strategy
STEP 3: Assess the Viability of the Transaction

Unit 4: Conducting Cost Analysis for Outsourcing Services Internationally

Determining What Can Be Outsourced
The Cost of Finding Service Providers
Outsourcing and GATS
Cost Considerations When Outsourcing
Comparing Outsourcing to Insourcing Costs
Identifying Benefits

Module—Risk Analysis and Management: Analyzing and Mitigating Risks in International Trade

Unit 1: The Risk Management Process

Risk Management Cycle
STEP 1: Identify Issues and Set Context
STEP 2: Identify Key Risks
STEP 3: Measure Probability and Impact
STEP 4: Rank Potential Risks
STEP 5: Specify Desired Outcomes
STEP 6: Develop Options
STEP 7: Select a Strategy
STEP 8: Implement the Plan and Its Strategies
STEP 9: Monitor, Evaluate and Adjust

Unit 2: Analyzing and Mitigating Currency/Foreign Exchange Risk

What Is Currency/Foreign Exchange Risk?
The Risk Management Process and Currency/Foreign Exchange Risk
Reviewing Currency/Foreign Exchange Risk Data
The Reference Rate of Exchange
Measuring Sensitivity of Profit Margins to FX Fluctuations
Identifying the Time Horizon
Calculating an Organization's FX Position
Mitigating FX Risk Through Hedging Strategies
Managing Settlement Dates with FX Swaps

The FX Hedging Ratio
Approaches to FX Hedging
Solutions Other Than Hedging Instruments
Formulating a FX Policy
Implementing and Monitoring an FX Policy

Unit 3: Analyzing and Mitigating Political Risk

What Is Political Risk?
The Risk Management Process and Political Risk
Review Historic and Current Data Related to Political Risk
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust

Unit 4: Analyzing and Mitigating Economic Risk

What Is Economic Risk?
The Risk Management Process and Economic Risk
Review Historic and Current Data Related to Economic Risk
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust

Unit 5: Analyzing and Mitigating Social Risk

What Is Social Risk?
The Risk Management Process and Social Risk
Review Historic and Current Data Related to Social Risk
Identify, Measure and Rank Potential Risks
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust

Unit 6: Analyzing and Mitigating Commercial Risk

What Is Commercial Risk?
The Risk Management Process and Commercial Risk
Review Commercial Risk Data
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies

Implement the Strategies
Monitor, Evaluate and Adjust

Unit 7: Analyzing and Mitigating Foreign Physical Asset Risk

What Is Foreign Physical Asset Risk?
The Risk Management Process and Foreign Physical Asset Risk
Review Foreign Physical Asset Risk Data
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust

Unit 8: Analyzing and Mitigating Personnel Risk

What Is Personnel Risk?
The Risk Management Process and Personnel Risk
Review Personnel Risk Data
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust

Unit 9: Analyzing and Mitigating Technology Risk

What Is Technology Risk?
The Risk Management Process and Technology Risk
Review Technology Risk Data
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust

Unit 10: Analyzing and Mitigating Intellectual Property Risk

What Is Intellectual Property Risk?
The Risk Management Process and Intellectual Property Risk
Review Intellectual Property Risk Data
Identify Key Risks and Measure Probability and Impact
Rank Potential Risks and Specify Desired Outcomes
Develop Options and Select Strategies
Implement the Strategies
Monitor, Evaluate and Adjust