Welcome to the Small Business in the Global Marketplace

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**Speaker:**
- Michael Sedge, American Chamber of Commerce - Djibouti, President, Michael-Bruno LLC
Small Business in the Global Marketplace

Michael Sedge
Who am I?  What can I do for you?

- Former President, American Chamber of Commerce, Italy
- Current President, American Business Council of Djibouti
- President, The Sedge Group, USA-Europe
- Author: 14 Books, 5 on International Business & Marketing
- CEO, Michael-Bruno, LLC, Delaware, Small Business AE
  - Michael-Bruno Europe srl (Italy)
  - Michael-Bruno DFZ Company (Djibouti)
  - Michael and Bruno Consulting, WLL (Bahrain)
- “Wizard of marketing,” – Entrepreneur Magazine
- What can I do for You?
  - 40 Years of International Experience Small/Large Business
  - Show You the General Approach to the Global Marketplace
Going Global with Your Small Business

Stepping out of your comfort zone, foreign languages, non-US staffing & employment regulations, international currencies and banking, unfamiliar business laws and taxes...

- The American Way (aka The Afghanistan Syndrome)
- Look Before You Leap - Positioning and Doing Your Homework
- Make Each Decision a Stepping-Stone
- Country-Specific Company - but Regional Focus
- Government Contracts - the International Way
The American Way
(aka The Afghanistan Syndrome)

Just because you are a US firm and the client is the US government does not necessarily mean you know how to work in the international environment.

- Issues with Contractors and Government
- Host Nation Agreements & Laws
  - Ex: Major Construction firm Planning to use Afgan model for Djibouti
  - Ex: Camp Lemonnier BOS and Labor Issues
  - Ex: Construction in Europe (Govt Certificates)
  - Ex: DoDDS School, Vicenza, Italy
  - Ex: More and more host nation only contracts from NAVAFC and USACE
Look Before You Leap...Positioning & Doing Your Homework

Your target country for best investment opportunities?

- World Bank, Gross Domestic Product (GDP) for Brazil, China, Ethiopia, Italy, Niger, Paraguay

1. Paraguay: 13.6% Growth Rate
2. Ethiopia: 10.4%
6. Italy: -1.9%

- Look into the Future

  Start with Your Current Clients (talk to large and small business reps).
  - What is their AOR? Does it include international?
  - What does their international region look like for future spending?
  - Are your core services required in the region?
1. Where to Start?

1. Make Your Operation Country-Specific but Regionally Focused
   - Develop an office that can manage regional operations
   - Go where others do not
2. Country’s Business Development or Chamber of Commerce
   - Found at foreign embassy in USA or American Embassy in Host Nation
   - What are their needs? What is the competition? What are the restrictions?
   Ex: Ramstein, Germany MACC

2. Setting up Shop in a Foreign Country

1. Local, Trust-worthly Consultant: Know-How, Language, Contacts
   Ex. Opposite of Bahrain: Consultant vs Government
2. Lawyer, Accountant, Employee Consultant (often one-in-the-same)
   Ex. Djibouti
3. Establishing a Legal Entity
- Time: Bahrain, Djibouti, Italy
- Money: Notary Fees (Italy), Bank Deposits (Bahrain), etc.

4. Partners: Complimentary Services and Support
- Who do you need to do your work?
- Who needs you (what can you bring them)?
- What can they provide you – services, office space, consulting?
- Investigate possible partners:
  - Talk with US Government in the Region
  - Talk with Local Chamber of Commerce
  - Visit facilities/offices

5. Make Each Decision a Stepping Stone
- Once Established, Look Around: Commercial Business & Partner Expansion
  - Ex: Stella Films, Salt Invest, Kooheji, Dubai World
US Government Contracting...

...the International Way

- Forget Your Small Business Status
- Status of Forces Agreements
- Open Competitions Bring Better Pricing
- DoD Frequently Limits Competitions to Local Firms, per FAR 5.202 (a)(12) and DFARS 225.1103(3).
Positioning & Long-Term Strategy
(The Stepping-Stone Effect)

Sep. 2009 – Company A and Company B win staffing contracts in the Middle East
Sep. 2013 – Companies lose their contract and Company B Returns to USA
Oct. 2013 – Company A opens office outside base to provide A-E services
          Based on 4 years of excellent past performance, and relationship with client, they
          immediately become A-E for the JOC and MACC contractor.
Oct. 2014  -  Company A has positioned themselves to be the A-E partner for MACC recompete.
             Following award, Company A is design partner for 4 of 5 awardees.
Nov. 2014  –  Company A establishes new, locally registered foreign firm, positioning themselves
             for upcoming, local awards
Nov. 2014 -  Company A, based on their relationship with local construction firms, partner for $12
             billion in national infrastructure upgrades
Company A: Long-term business and income
Company B: Short-lived, single contract
Sould You Go Global?

International Business is Not for Everyone

If You do Venture Abroad, Remember...

1. Be Willing to Step Outside Your Comfort Zone and Embrace the “Local Way”
2. Look Before You Leap: Do Your Homework and Position Yourself to Win
3. Set Long-Term Goals and Make Each Decision a Stepping-Stone
4. Be Country-Specific...but Regionally Focused
5. Remember: Government Contracting Differs Abroad
Questions and, hopefully, Answers

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